



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

Official Records

7th meeting

Friday, 26 June 2009, 3 p.m.

New York

President: Mr. D'Escoto Brockmann (Nicaragua)

The meeting was called to order at 3.20 p.m.

Agenda item 10

Adoption of the outcome document of the Conference

Draft resolution (A/CONF.214/L.1)

The President (*spoke in Spanish*): In accordance with the decision taken by the Conference at its 1st plenary meeting that this agenda item would be taken up at the afternoon plenary meeting today, and in keeping also with my announcement at this morning's plenary meeting, the Conference will now proceed to consider agenda item 10 and the draft resolution issued as document A/CONF.214/L.1.

The Conference will now proceed to take action on draft resolution A/CONF.214/L.1, entitled "Draft outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development". May I take it that the Conference decides to adopt draft resolution A/CONF.214/L.1?

The draft resolution was adopted.

The President (*spoke in Spanish*): Before giving the floor to speakers in explanation of position following the adoption of the resolution, may I remind delegations that explanations of position are limited to 10 minutes and should be made by delegations from their seats.

Mr. Sammis (United States of America): The United States has welcomed the past three days as an important opportunity to discuss the concerns of

developing countries in the context of the current economic crisis. We have listened with great interest to the statements made in the plenary meetings and round tables and have had many informative and productive discussions with delegations from every region of the world. We would like to express our appreciation in particular to the co-facilitators, Ambassador Majoor and Ambassador Gonsalves, for their skill and diligence in producing the outcome document.

Many representatives have offered their interpretations of the outcome over the past three days. Given the large number of issues covered in it, many of which are technical and touch on the mandates of other international institutions, the United States would also like to express our understanding of a number of paragraphs.

The outcome offers views in several paragraphs — including in paragraphs 2, 17, 43, 47 and 49 — on the governance and operational aspects of the international financial institutions, and the Bretton Woods institutions in particular. The international financial institutions have governance structures, as set out in their respective articles of agreement, that are independent of the United Nations. Any decisions on reform of the international financial institutions or the manner in which they conduct their business can only be made by their shareholders and their respective boards of governors. Consequently, my Government does not interpret the language in this document as endorsing a formal United Nations role in decisions affecting the international financial institutions or the international financial architecture.

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.

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With respect to paragraph 15, when countries are facing an acute and severe shortage of foreign reserves that is negatively affecting their balance of payments, the United States believes that countries should implement appropriate fiscal and monetary policy responses and work with international lending institutions. Trade measures will not solve balance of payments problems associated with capital account pressures, a widening fiscal gap or bank and other corporate failures. The use of trade measures should be avoided, and may only be resorted to when justified and applied in accordance with World Trade Organization (WTO) rules.

The use of trade measures as described in paragraph 15 is subject to conditions set out in the WTO Agreement, specifically articles XII and XVIII of the General Agreement on Trade and Tariffs of 1994 and the understanding on the balance of payments provisions of the General Agreement, also of 1994. Those conditions include a number of requirements that are not reflected in the outcome. It should also be clarified that there is no provision under the WTO Agreement for the use of “trade defence measures” to address balance of payments issues.

Paragraph 15 also mentions temporary capital restrictions and debt standstills as mechanisms for addressing shortages of foreign reserves. The United States does not condone the use of capital controls. If used, capital controls and debt standstills should only be adopted as a last resort, on a temporary and exceptional basis, as possible breathing space for more comprehensive economic reform. They must also be implemented in accordance with existing multilateral and bilateral frameworks and agreements.

Paragraph 20 encourages regional cooperation, including regional reserve currency arrangements. We note, however, that not all such arrangements may be beneficial. The appropriateness of regional reserve currency arrangements should be judged by whether they contribute to regional and global financial stability and promote the necessary adjustment.

With respect to paragraph 25, the WTO is currently engaged in a thorough monitoring and reporting process supported by its members. We should not undertake duplicative efforts in other bodies. The WTO process has been most effective precisely because it has been member-driven. The proposals suggested in this paragraph could undermine the

existing monitoring and reporting process. The United States believes that all countries need to be vigilant about how they respond to the crisis and need to avoid protectionist measures.

Paragraph 27 correctly recognizes that as unemployment has risen around the world jobs for migrant labour have declined, reducing the flow of remittances. As the global economy eventually improves, we are committed, to the extent permitted by our national laws, to allowing labour migration to meet labour market needs.

We interpret the reference to official development assistance targets in paragraph 28 to mean donor countries’ individual targets.

Paragraph 34 refers to exploring “the need and feasibility of a more structured framework for international cooperation” in the area of debt. The United States interprets that to mean that such a framework should be explored within current international structures addressing debt relief, in particular the Paris Club. We also interpret “equivalent treatment” to mean comparable treatment, which is the customary term used in sovereign debt restructurings.

With respect to paragraph 35, at the London G-20 summit the United States joined others in supporting a general allocation of Special Drawing Rights (SDRs) that will inject \$250 billion into the world economy and increase global liquidity. SDRs are a monetary asset, and not a suitable vehicle for development finance.

Paragraph 37 refers to the need for each country to regulate its financial markets, institutions and instruments consistent with its development priorities and circumstances, as well as its international commitments and obligations. We interpret “international commitments and obligations” to include internationally agreed financial standards. Such standards are principle-based and allow countries to implement them in a way consistent with their individual circumstances.

Paragraph 38 addresses taxation issues and refers to promoting double taxation agreements. We consider that reference to apply only in instances in which there is significant double taxation between the relevant jurisdictions and where a double taxation agreement may therefore be appropriate.

Finally, in order to be useful and productive, the working group process called for in paragraph 54 must be based on the strengths of the United Nations, which lie in its broad development mandate and large field presence. Our strong view is that the United Nations does not have the expertise or mandate to serve as a suitable forum or provide direction for meaningful dialogue or to provide direction on issues such as reserve systems, the international financial institutions and the international financial architecture.

Mr. Palouš (Czech Republic): I have the honour to speak on behalf of the European Union. The candidate countries Turkey, Croatia and the former Yugoslav Republic of Macedonia, and the countries of the Stabilization and Association Process and potential candidates Albania and Montenegro, as well as the Republic of Moldova and Ukraine, align themselves with this statement.

Let me express the European Union's satisfaction with this Conference and with the outcome document adopted today. I would like to express the European Union's gratitude to the co-facilitators Ambassador Gonsalves and Ambassador Majoor, who have made this possible. Let us all pay tribute to their dedication, their sense of duty, their ability to capture and aggregate the different views of Member States and, ultimately, their extraordinary capacity to lead the membership to a most successful conclusion. The European Union also deeply appreciates the spirit of cooperation and mutual trust that has prevailed among Member States. It has allowed us not only to reach a consensus, but to reach a very ambitious consensus.

This Conference has been a most important event. It gave developing countries, particularly the poorest among them, an opportunity to express their views and needs for the first time since the beginning of this terrible crisis that deeply affects all of us. In doing so, the Conference contributes to bringing coherence to the currently diverse processes and initiatives that are taking place around the world at the national, regional and international levels. We have shown our resolve to act as one. This is a great message of resolve and hope that we are sending to the people of the world, especially those who suffer most.

As I said before, the outcome document is a very ambitious one. It provides the basis for the United Nations to contribute to ongoing international discussions on ways out of the crisis and on the reform

of the international financial architecture. It is now up to the United Nations to seize this opportunity. The outcome document also contains substantive elements for follow-up, such as the ad hoc open-ended working group, the joint review of the implementation of the agreements between the United Nations and the Bretton Woods institutions and the possible establishment of an ad hoc panel of experts.

The outcome document covers a wide range of issues that are also dealt with in numerous other forums, such as the Bretton Woods institutions, the World Trade Organization and the Paris Club. The European Union will continue to address those issues in the United Nations and other relevant forums, respecting each institution's respective mandates.

At the same time, the European Union remains committed to reforming and modernizing those forums and institutions. The current crisis requires concerted international action. There is much to be done and the task at hand is urgent, therefore we should ramp up efforts to ensure coherence and complementarity within and between the United Nations and international financial institutions. The European Union is determined to play a very constructive role in those endeavours, as we have throughout the preparatory process of this Conference and the elaboration of the outcome document.

To conclude, let me underline once more the European Union's satisfaction with what we have achieved today. We have come together here at the United Nations, as one big family united against adversity. The European Union has no doubt that we will prevail and take the world on the path of sustainable growth and development.

Mr. Moreno Fernández (Cuba) (*spoke in Spanish*): The delegation of Cuba joined the consensus on the outcome document that has just been adopted to demonstrate its recognition of the importance of this Conference. Nevertheless, we believe that the text is not only far from meeting the requirements of the nations most affected by this grave crisis, but also includes elements that in Cuba's opinion create precedents that could be dangerous for the Organization.

We must not forget that the current world crisis, which began in the main developed countries, is the result of the accumulation of serious systemic and structural problems that go far beyond the failure in the

management of the monetary policy and the regulation of the financial sector. It is also an irrefutable demonstration of the failure of the neoliberal economic doctrine and the myth about the goodness of the market and of its deregulation and the strength and trustworthiness of current international financial institutions.

Cuba believes that a durable and sustainable solution to the current crisis must start with recognition of the need to move on to a new paradigm of development that puts human beings at the centre of its concerns. However, the approved document lacks a serious diagnosis of the root causes of the current crisis. It does not include any new commitment to assign new and additional resources that are urgently needed by developing countries in order to face the severe impacts of this critical situation.

The already mentioned insufficient commitment of developed countries to earmark 0.7 per cent of their gross domestic product for official development assistance has not even been adequately reflected. The manner in which we are dealing with that issue seems to be sending the message that we should resign ourselves to merely receiving a humiliating pittance conditioned on interference.

The financial crisis increases the risk of a new escalation of the debt crisis. Most of the developing countries are vulnerable to a drop in their external monetary reserves, which will affect their ability to honour commitments to pay. The rich world must cancel the debt. The efforts by developing countries to meet the Millennium Development Goals cannot translate into real benefits for their peoples if they are not accompanied by a profound rethinking of the current economic, financial and trade structures that emphasizes new foundations of justice, equity and solidarity.

We must rethink everything created from the Bretton Woods until today, and in that effort the United Nations must play an essential role. The fundamental solutions required by the current crisis cannot be decided upon only by the richest countries, even though they may be those immediately responsible for the crisis. Nor can those decisions be made in meetings with limited participation, as demonstrated by the results of the recent Group of 20 summit. There, no discussion took place on the essential causes that gave

rise to the crisis, or of the need to radically transform the international financial architecture.

The document adopted a few minutes ago does not address with sufficient depth reform of the international financial institutions; it merely attempts to shore up a system that permits the major rich countries to preserve the powers, prerogatives and profits that they have enjoyed to date. As my delegation stated in the plenary debate of this Conference, the international financial system must be overhauled from the bottom up. Its flaws are rooted not only in deregulation; the current system is anti-democratic, and its standards and principles were established to serve the interests of a few industrialized Powers.

Our delegation also wishes to draw attention to a number of topics introduced into this document that are of particular concern to us. In particular, we reject the reference to the controversial concept of human security. Not only does it lack an intergovernmental definition; in many areas, it is also interpreted with a clearly interventionist connotation that is easy to manipulate when justifying any attack on the principles of sovereignty, territorial integrity and non-interference in the internal affairs of States.

Also included in the document is a reference to the so-called fundamental principles of aid effectiveness, which are linked to South-South cooperation. Cuba does not recognize those so-called principles, which are intended to divert attention from the clichéd statements of certain donors about the need to make effective use of aid to resolve the problems of the developing world. Thus, the principles are intended to prevent explicit acknowledgement of the lack of commitment and real political will to provide the countries of the South with the required financing without demands or conditionalities, particularly in the light of critical situations such as the current one. Likewise, we reject the attempt to use the principles as a basis for South-South cooperation, which is being carried out in our developing countries in a mutually supportive and respectful manner.

I wish to make clear that Cuba will continue to work in this forum, and in any other when possible, to advance the fundamental interests of the nations of the South. Unfortunately, those interests are not sufficiently reflected in this document.

Permit me to conclude by reaffirming that a solution to the financial, economic, food, energy and environmental crises that are affecting the entire planet will be possible only if we ensure full participation and respond to the interests of all nations, large and small, rich and poor.

Mr. Valero Briceño (Bolivarian Republic of Venezuela) (*spoke in Spanish*): The outcome document (A/CONF.214/3) of the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development sheds light on the fragilities and systemic imbalances of the current international economic order. It has the potential to provide for additional special drawing rights as a response to the financial deficits and development needs of the poorest and most vulnerable countries. It emphasizes calls for the establishment of a new global reserve system distinct from the dollar, and it recognizes regional and subregional efforts to consolidate alternative monetary systems. It also calls for the study of a new debt restructuring mechanism and for review of the agreements between the United Nations and the Bretton Woods institutions. It stresses the danger of failing to address climate change and environmental degradation in times of crisis. It calls for follow-up to the Conference through the establishment of an ad hoc open-ended working group and a panel of experts, and it positions the world economic and financial crisis as a main theme of the sixty-fourth session of the General Assembly. It is essential that the ad hoc open-ended working group present its report to the heads of State or Government of Member States at a follow-up conference.

We believe it important to emphasize that the outcome document also has major shortcomings. It does not sufficiently stress the role of the United Nations in managing and steering the world economic and financial crisis and its impact on development. We note with great concern the reference to the concept of human security in paragraph 3 of the outcome document. Above all, my country is alarmed at the possibility that imperial Powers could take advantage of that focus to distort the legitimate principles governing relations among States. We also view with concern the way in which the summit of the G-20 is referred to in paragraph 16 of the outcome document.

My country believes that the General Assembly should be the organ responsible for taking economic and financial decisions that concern and affect the

peoples of the world. We note with concern the reference to the World Bank-proposed vulnerability fund in paragraph 22 of the outcome document. The prescriptions imposed by the Bretton Woods institutions are responsible for the ruin of developing countries and for the crisis we are experiencing today.

We view with extreme concern the way in which the principles of aid effectiveness are brought up in paragraph 30. Venezuela does not accept the idea that principles imposed by the countries of the North should regulate the way in which countries of the South cooperate among themselves. Venezuela's development activities through bodies such as the Bolivarian Alternative for the Americas and Petrocaribe are based on the principles of solidarity and complementarity. We respectfully request that these reservations be reflected in the official records of this Conference. Our delegation will make a comprehensive pronouncement on this document at the appropriate time.

Mr. Guevara Obregón (Nicaragua) (*spoke in Spanish*): At the outset, I should like to thank you, Father Miguel, for having given us the opportunity to discuss the world financial and economic crisis and its impact on development. I also wish to thank the co-facilitators, the Permanent Representatives of the Netherlands and of Saint Vincent and the Grenadines, and to congratulate them on their tireless efforts.

Upon the adoption of the outcome document of the high-level United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, Nicaragua cannot fail to welcome this historical milestone for our Organization and for the General Assembly, which has clearly demonstrated that it plays and will continue to play a fundamental role in determining macroeconomic policy and in shaping a new international economic order.

Nicaragua believes that the text of the Conference outcome document that we have adopted today is a compromise text adopted by consensus by the 192 States members of the General Assembly and that it sends a joint message about the recession that we face. In that connection, my delegation would like to reiterate that this crisis originated a few blocks from here in the offices of greedy Wall Street bankers, and that its causes are directly linked to the current neoliberal economic order; in other words, the causes are systemic and structural in character.

Although the effects of the crisis vary in intensity and nature, Nicaragua believes that the reference in the text of the outcome document (A/CONF.214/3) to the impact of the crisis on the political front is a clear call on developed countries to change their neoliberal approach to social and economic policy, including to international relations. Every day, the news reveals that even the peoples of the most advanced countries are suffering from the effects of the crisis and calling for radical change in the way those countries are governed.

We categorically reject the concept of human security linked to any form of intervention in the national affairs of any State. We believe that the reference to it in the text pertains solely to the fact that the current world economic order does not provide the minimal conditions to ensure human well-being.

We also believe that, now that the theory of the benefits of market self-regulation has been discredited and that the savagery of neoliberalism as its cruellest manifestation has been unmasked for what it is, the countries of the world have through consensus called for fundamental change in the balance of world power and the building of a new international economic order. They have thus called for a new international economic architecture that includes a new system of reserves and a geopolitical balance in which a single currency does not exercise hegemony, migrants are not criminalized, the G-20 is transformed into the G-192, and international financial institutions genuinely work for the development of peoples.

We once again reiterate the principles of South-South cooperation, in particular the strictly complementary nature of such cooperation. South-South cooperation is an expression of solidarity among developing countries, whose regulation and management are solely the purview of the countries of the South. We reiterate the crucial need for reform of the world's financial architecture and economic system, in particular of the Bretton Woods institutions. The goal of such reform should be to ensure the full participation and representation of developing countries. To that end, the model should be the General Assembly, in which each country has a vote and we are all equal and have the same dignity, irrespective of our economic might.

Nicaragua highlights the fact that the Bretton Woods institutions are specialized agencies of the United Nations. As such, they should respect the

principles enshrined in the Charter and be geared towards ensuring full respect for human rights, including the right to development and self-determination recognized in the Charter, the Universal Declaration of Human Rights and numerous other conferences and documents of the Organization, for which we are grateful.

Against that backdrop, Nicaragua joined the global consensus. It is here at the General Assembly today that the entire world has truly come together to achieve consensus. This Conference will today go down in history as one of the great gatherings of the United Nations, as demonstrated in the consensus of the States members of the Assembly to ensure the fulfilment of agreement reached through an ad hoc open-ended working group. In that regard, we call for the agreements that we have reached today in the outcome document — especially the establishment of a General Assembly ad hoc open-ended working group to ensure follow-up to the agreements, draw up a report for the sixty-fourth session of the General Assembly in a timely manner, and prevent the deaths of more of the world's people as a result of the global financial and economic crisis — to be immediately implemented.

Mr. Morrill (Canada): Canada welcomes the adoption of the outcome document of the Conference (A/CONF.214/3) and the overall message of unity and common purpose it has conveyed in the wake of the crisis. The Conference has provided a timely opportunity to come together to discuss the risks we all face as a result of the crisis, with a particular focus on development. We would nonetheless like to clarify our understanding of a number of important issues that it covers. I would ask the Secretariat to include our full statement in the formal record of this Conference.

We are very supportive of the role of the United Nations in discussing the economic and financial crisis and its impact on development. However, several paragraphs in the document delve into internal issues of the international financial institutions, which have distinct governance structures charged with oversight of their policies and decision-making. As a result, Canada does not interpret those paragraphs as endorsing any formal role for the United Nations in those ongoing processes of reform, which are taking place independently and in accordance with those institutions' respective mandates.

We reiterate the right of all countries, including developing countries, to take legitimate measures commensurate with their international commitments to address an acute and severe shortage of foreign reserves. However, the measures that are taken, including balance of payment measures, must be consistent with and in compliance with applicable rules governing their use. We concur here with others who have raised similar concerns about the relevant paragraph.

All migration, whether foreign or domestic, is affected by the impact of the economic downturn. Canada interprets the distinctions in paragraph 27 to refer only to an individual migrant with respect to his or her specific place of origin and country of destination, rather than as an attempt to categorize entire countries or regions. With few exceptions, we are all countries of migration. Canada interprets the phrase “labour migration to meet ... labour needs” to take into account countries’ social and economic realities, to be based on relevant domestic legislation and policies.

Canada views the use of special drawing rights primarily to enhance the stability of international liquidity, and not for development purposes. We furthermore stress that, in response to this crisis, it is important that we act swiftly and avoid delays in the implementation of the proposals already agreed upon, including the \$250 billion general special drawing rights allocation.

Finally, Canada believes that the ad hoc open-ended working group referred to in the outcome document could most effectively follow up on this Conference and contribute to the international response to the crisis by focusing on the impact of the crisis on development. That would capitalize on the United Nations development system’s comparative advantage and mandate.

Let me conclude by reiterating our thanks to those who have spent countless hours in the preparation of this Conference. Like others who have spoken before, I would especially like to thank the two co-facilitators, the Permanent Representatives of the Netherlands and Saint Vincent and the Grenadines, for their tireless efforts to bring us to consensus.

Mr. Hassani Nejad Pirkouhi (Islamic Republic of Iran): The delegation of the Islamic Republic of Iran welcomes the consensus adoption of the outcome

document of the Conference (A/CONF.214/3) following a long and difficult process. The present document sends a positive signal that the United Nations, taking into account its universal membership and legitimacy, is the right place to address the current crisis in a holistic manner. We view the Conference and its outcome as the first steps in the right direction. We particularly welcome the provisions of paragraph 54, with regard to the follow-up to the Conference and its recommendations. However, the delegation of the Islamic Republic of Iran would like to underline the following considerations with regard to the outcome document.

Unfortunately, the outcome falls short of expectations in proposing substantive and concrete measures with regard to the reform process of the financial and monetary system and architecture and the role of the United Nations therein. The reference in paragraph 23 to system-wide coherence and its descriptive nature should not prejudice the ongoing intergovernmental negotiations under the auspices of the General Assembly.

With regard to the reference made in paragraph 3 to the notion of human security, we reiterate our position that documents adopted by the United Nations should not be open to undefined and vague concepts that are not agreed on an intergovernmental basis. Accordingly, we urge Member States to take into account the provisions of paragraph 143 of the 2005 World Summit Outcome (resolution 60/1).

Mr. Wolfe (Jamaica): I have the honour to speak on behalf of the member States of the Caribbean Community (CARICOM).

Mr. Bródi (Hungary), Vice-President, took the Chair.

Following what we all agree was a very long and often difficult consultation and negotiation process characterized by the uncertainty of the outcome, we the members of CARICOM are very pleased that the document has been adopted by consensus. Once again, we convey our heartfelt appreciation to the co-facilitators, Ambassador Majoor, Permanent Representative of the Netherlands, and our own Ambassador Camillo Gonsalves, Permanent Representative of Saint Vincent and the Grenadines, for their tireless and relentless efforts to realize this objective.

CARICOM attaches great importance to the convening of this Conference, which we consider to be a very important step towards addressing the global financial crisis, which has severely impacted various sectors of our economies and has the potential to further undermine important gains achieved over the years. That has been made clear during the several interventions by our heads of State and ministers during the course of this meeting.

The Conference has afforded small island developing States like ours a valuable opportunity to contribute to the discussions on the reform of the international economic system. We recognize that that reform will be incremental but that it must be advanced. As we go forward, we call for greater attention to be focused on the following issues of critical importance in time of crisis.

First, access to concessionary financing and grant funding must be expanded to small, highly indebted vulnerable countries in response to the crisis. We continue to reiterate that factors other than per capita gross domestic product must be used to evaluate our countries, given that it is a poor indicator of economic sustainability. Highly indebted middle-income countries, which are extremely vulnerable to external shocks and which face significant sustainable development challenges, should be granted access to concessionary loans and financing from the international financial institutions to help mitigate the impact of the economic crisis, in recognition of the fact that our countries did not create this crisis.

Secondly, we continue to call for a level playing field with respect to the targeting and treatment of small offshore jurisdictions. All jurisdictions, in developed and developing economies alike, should adhere to the same requirements of transparency and effective exchange of information. Developing countries should be adequately represented and given an effective voice when issues of cooperation and tax matters are being discussed and decided by the international community.

Finally, we call for the provision, as a matter of urgency, of new and additional resources to assist developing countries, in particular the most vulnerable among us, to help us to rebound from this crisis. Developed countries have a moral and political obligation to do so.

We look forward to an expeditious process of follow-up and implementation. In that regard, the President of the General Assembly can count on the unstinting support of CARICOM.

In closing, allow me to make a few parochial comments. We have already congratulated our co-facilitators. CARICOM wishes to pay special tribute to a native son of our own collective soil, Ambassador Camillo Gonsalves. He has shown that small size is no constraint to quality in terms of the voice and representation of our region overseas. Let me, as he has done in other forums, refer to Bob Marley. I am sure he went to his bed sometimes wondering if he were that foolish dog barking at the flying bird. I guarantee that he was not. He sought resilience in and took comfort from the solidarity that he got from our subregion and from the G-77 as a whole. I know that there were many nights when he thought that cold ground was his bed and rock his pillow, but he showed resilience and calm. On behalf of CARICOM, we are indeed proud of him.

Mr. Solón-Romero (Plurinational State of Bolivia) (*spoke in Spanish*): The Plurinational State of Bolivia believes that this outcome document (A/CONF.214/3), beyond the highlights and dark areas of a document of this nature, has demonstrated to the world and to those who seek to hijack the power to make decisions with regard to alternative approaches to the financial crisis that the G-192 of the General Assembly is the legitimate forum in which all of us can participate in discussions and find a common understanding.

We would like to point out that the document agrees on how to proceed by establishing a follow-up mechanism that will make it possible to shore up our defences and perhaps even overcome the deficiencies of the outcome document itself. For us, it is crucial that the ad hoc open-ended working group to be established by the General Assembly follow-up in particular on paragraph 15 of the document, which stipulates that developing countries facing foreign reserve problems as a result of the crisis “should not be denied the right to ... impose temporary capital restrictions”. The great injustice and paradox are that money is currently leaving the poorest countries for the richest. In addition, we must follow up on the implementation and exercise of the rights of countries affected by the crisis by taking legitimate steps to protect trade, as called for in that same paragraph.

With regard to paragraphs 24 and 25, we note that the financial crisis has demonstrated that free trade and markets are incapable of regulating themselves. It is up to us, the States, with the democratic participation of our societies, to plan for the world's future while preventing market free choice from leading to greater chaos, imbalance and injustice. In that regard, we need new institutions to design, regulate and oversee a new economy based on the principles of solidarity, social justice and the rights of Mother Earth and all living things.

The President returned to the Chair.

With regard to paragraph 10, we underscore the crucial need to make genuine concrete progress in securing the additional resources referred to in that paragraph and other parts of the document to mitigate the impact of the crisis on developing countries while focusing in particular on less developed countries, small island developing States and landlocked developing countries, as called for in the document.

Lastly, the document's greatest weakness is in its reference to the restructuring of the Bretton Woods institutions. In that regard, the document provides no detailed analysis and fails to emphasize that the participation of the United Nations is essential if there is to be genuine reform rather than mere cosmetic efforts.

Lastly, allow me to conclude my statement by congratulating you, Sir, on your courage in organizing this Conference, which has allowed all of us to express ourselves and ensured that our voices are not hijacked by a group of seven, eight or twenty.

Mr. Mohamad (Sudan): First, allow me to thank you, Mr. President, for your leadership and audacity, without which we would not be here today. Allow me to equally thank the co-facilitators who shepherded the negotiations to a successful conclusion. Allow me to also thank all the negotiators, who, with vigorous and robust candour, united us around our contribution to and role in the global economy as States Members of the United Nations. To stand here today united is a remarkable achievement, for a house divided against itself cannot stand, cannot cohere and therefore resigns itself to irrelevance.

The States members of the G-77 and China welcome the adoption of the outcome document (A/CONF.214/3). It establishes a good basis for

achieving developing countries' objectives towards a just and equitable world order, but it is equally a text of normative heights and priorities. It has a minimalist restraint and windows on future views. We could dwell on its shortcomings and imperfections, but we shall refrain from such ignoble acts. As the human beings we are, we will aim our efforts high, but they will remain imperfect. We would have loved, for example, to address in an actionable and robust manner the issue of mitigation. We still believe that the United Nations Member States must urgently address the issue of mitigation, starting from the first decision to be taken at the meeting of the Economic and Social Council to begin shortly in Geneva.

The task ahead is arduous, and we members of the G-77 want to state that the following are our key priorities, as outlined in this document: first, the establishment of an open-ended working group of the General Assembly to follow up on the specific decisions and actions adopted in the outcome document; secondly, the establishment of an ad hoc panel of experts to provide independent technical expertise on the world economic and financial crisis, including issues regarding the global reserve system, special drawing rights and mechanisms to work out debt; and thirdly, the strengthening of the capacity and effective leadership of the United Nations in the coherence and coordination of policies and actions on the global economy and finance, including a speedy review of the implementation of the cooperation agreement between the United Nations and the Bretton Woods institutions towards a general reform of those institutions.

In conclusion, I would like to thank you again, Sir, and, through you, the entire membership of the Organization.

Mr. Takasu (Japan): Japan welcomes the adoption of the outcome document (A/CONF.214/3) by consensus. On this occasion, I wish to pay tribute to you, Mr. President, for taking the initiative in organizing this important Conference in the wake of the unprecedented global financial and economic crisis. My deep gratitude is also extended to the members of your team and the Secretariat for their tireless efforts aimed at the success of this Conference.

I would also like to express my gratitude to Ambassador Frank Majoor and Ambassador Camillo Gonsalves for the great tact and skill with which they

facilitated this important but difficult process. The co-facilitators have done a superb job in striking a delicate balance by addressing the major concerns and interests of Member States and successfully concluding this negotiation on time. We also appreciate the flexibility and constructive spirit demonstrated by all Member States throughout the negotiations.

Allow me to state my delegation's position on some key issues.

First, the outcome document reflects the interests of all Member States in a balanced, inclusive manner, fully reflecting the importance, complexity and diversity of interests regarding the global financial crisis.

Secondly, Japan welcomes the ongoing progress in the cooperation between the United Nations and the Bretton Woods institutions and encourages further intensification of such cooperation. The matters related to the Bretton Woods institutions, including their reform and special drawing rights, should be worked out in accordance with their respective governance structures and mandates. The consensus position of the entire United Nations membership is reflected in the outcome document. Japan respects it as it stands.

Lastly, the follow-up actions to the Conference should make maximal use of existing frameworks and resources and take advantage of the strengths of the United Nations, especially its development mandate. The consensus outcome document on such an important issue is clearly a milestone in the history of the United Nations. I thank and congratulate you, Mr. President.

The President (*spoke in Spanish*): We have heard the last speaker in explanation of vote.

We have come to the middle of the third day of this historic United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development. I congratulate the entire Assembly on successfully initiating the global conversation on the economic crisis, which continues to unfold around us, and for beginning an in-depth and unprecedented review of the international financial and economic architecture.

The world has had the opportunity to hear the voices of the Group of 192 (G-192). All the States members of the General Assembly have had and continue to have the chance to express their points of

view. Today, our efforts have culminated in the adoption by consensus of an outcome document (A/CONF.214/3) that represents the first step in the lengthy process of setting the world on a new path towards solidarity, stability and sustainability.

The General Assembly, the G-192, has now been established as the central forum for the discussion of world financial and economic issues. This in itself is a major achievement. In addition, the Assembly has been asked to follow up on these issues through an ad hoc open-ended working group.

The issues to be followed up range from crisis mitigation, including global stimulus measures, special drawing rights and reserve currencies, to such topics as the restructuring of the financial and economic system and its architecture, including reform of the international financial institutions and the role of the United Nations, foreign debt, international trade, investment, taxation, development assistance, South-South cooperation, new forms of financing, corruption and illicit financial flows, and regulation and monitoring.

At the same time, it has been recognized that the financial and economic crisis must not delay the necessary global response to climate change and environmental degradation through initiatives for building a green economy.

The G-192 has proved itself capable of reaching consensus on the convening and modalities of this Conference and on a substantive outcome document that addresses issues of great importance to humanity. It has also been able to chart a course for carrying the process forward on the basis of the guidelines for action set out in the Conference outcome document.

We have had three days of very successful work and, now that the outcome document has been formally adopted, it is only fitting that we salute each other's efforts and, in particular, congratulate the two facilitators, Ambassador Frank Majoor of the Kingdom of the Netherlands and Ambassador Camillo Gonsalves of Saint Vincent and the Grenadines. Of course, we also express our warmest thanks to the President's committee of experts, which was so ably chaired by Mr. Joseph Stiglitz.

We are happy but not content, or rather, not completely satisfied. Other crises loom on the horizon, such as the clean water, global warming, food, energy

and humanitarian crises affecting millions of our brothers and sisters, especially young children suffering from hunger and thirst. We must all join forces to confront these crises. The proposals we have adopted today point in that direction, but much remains to be done.

We are heartened by the expressions of political resolve to shoulder our shared responsibility to cooperate, but we will not be content so long as these pressing issues remain unresolved. My role as President of this General Assembly, which brings together representatives of all the world's peoples, is to invite Member States to adopt a long-term perspective, to look beyond the economy and to hold out hope for the common future of the Earth and humankind.

We may well ask "what next?" — not necessarily in terms of the economy, but in terms of humanity. Where are we headed? At this point, it is unlikely that anyone can answer that question with certainty, but although we may not know, we can all seek and build together the consensus that will lead us towards a more hopeful future for us all and for Mother Earth.

This reminds me of the vision of the great French scientist, archaeologist and mystic, Pierre Teilhard de Chardin. In China, where he carried out his research on *Homo erectus pekinensis*, he had something like a vision. Looking at the advances in technology, trade and communications that were shortening distances and laying the foundations for what he liked to call "planetization", rather than globalization, Teilhard de Chardin was already saying in the 1930s that we were witnessing the emergence of a new era for the Earth and for humankind.

What was about to appear, Teilhard de Chardin told us, was the noosphere, which followed the emergence in the evolutionary process of the anthroposphere, the biosphere, the hydrosphere, the atmosphere and the lithosphere. Now a new sphere was to emerge — the sphere of synchronized minds and hearts, the noosphere. As we know, the Greek word *noos* refers to the union of the spirit, intellect and heart.

Where are we headed? I venture to believe and hope that we are all headed towards the slow but unstoppable emergence of the noosphere. Human beings and peoples will discover and accept each other as brothers and sisters, as a family and as a single

species capable of love, solidarity, compassion, non-violence, justice, fraternity, peace and spirituality.

Is this a utopia? It is undoubtedly a utopia, but a necessary one. It guides us in our search. A utopia is, by definition, unattainable, but it is like the stars — they are unreachable, but what would the night sky be without stars? It would be nothing but darkness and we would be disoriented and lost. A utopia likewise lends direction and purpose to our lives and struggles. The noosphere, then, is the next step for humanity.

Allow me a small digression. If, in the time of the dinosaurs, which inhabited the Earth for more than 100 million years and disappeared some 65 million years ago, a hypothetical observer had wondered what the next evolutionary step would be, he probably would have thought: more of the same. In other words, even bigger and more voracious dinosaurs.

But that answer would have been wrong. That hypothetical observer never would have imagined that a small mammal no bigger than a rabbit, living in the treetops, feeding on flowers and shoots and trembling at the possibility of being devoured by a dinosaur, would eventually become our ancestor.

From that creature, millions of years later, emerged something completely new, with totally different qualities than those of the dinosaurs — a being of consciousness, intelligence and love, the first human being. We who are gathered here in this Assembly are descended from that first human being. So it was not more of the same; it was a break, a new step. I firmly believe that we are today again on the threshold of a new step in the evolutionary process — a step towards a human family that is united with itself, with nature and with Mother Earth. I am tempted to echo the words of Martin Luther King: "I have a dream!" It is indeed a dream — a glorious, beautiful, happy dream.

The main focus of this new step will be life in all its forms, humanity with all its peoples and ethnic groups, the Earth as a mother in all its vitality and an economy that creates the material conditions for making it all possible. We will need the material capital we have built up, but the focus will be on human and spiritual capital, the most wholesome fruits of which are fraternity or brotherhood, cooperation, solidarity, love, economic and ecological justice, compassion and the capacity to coexist happily, with all our differences,

in the same shared home, the great and generous Mother Earth.

They say that Jesus, Buddha, Francis of Assisi, Rumi, Tolstoy, Gandhi, Dorothy Day, Martin Luther King and many other great prophets and teachers of the past and present, of which every country and culture has an example, were ahead of their time in taking that new step. They are all our most formative teachers, our guiding lights, who fan the flame of hope that assures us that we still have a future, a blessed future for all of us. As our dear brother Joseph Stiglitz aptly put it, “the legacy of this economic and financial crisis will be a worldwide battle of ideas”.

I firmly believe that new ideas, new visions and new dreams will galvanize our spirits and our hearts. The old gods are dying, and new gods are emerging with the vigour of newborn infants. My reflections are meant to bring energy and enthusiasm to this battle of ideas and visions.

If we humans are to take a qualitative leap forward, we must give up our quest to become the lords and masters of creation, forgetting that we are not owners but only caretakers, which, after all, is no small thing. Only when we accept the fact that we are stewards — and not owners — and that we will one day be held to account for our stewardship will the grandeur of our humanity shine forth.

The Assembly has thus concluded its consideration of agenda item 10.

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 President (*spoke in Spanish*): Allow me to remind representatives that, in adopting the proposals contained in section IV of document A/CONF.214/5, it has been agreed that oral statements in the plenary meetings will be limited to five minutes.

Mr. Valero Briceño (Bolivarian Republic of Venezuela) (*spoke in Spanish*): The Minister of Public Power for the Economy and Finance, Mr. Alí Rodríguez Araque, should have been the speaker now addressing this forum, as he was chosen by President

Hugo Chávez Frías to speak to the Assembly on behalf of the Bolivarian Republic of Venezuela. However, the United States consulate in Caracas took this opportunity to block the issuance of a visa for Minister Rodríguez Araque, and he will therefore not be able to address the Assembly today. This is not the first time that this sort of thing has occurred with respect to high-level representatives of the Bolivarian Government.

I am honoured to present before the Assembly, on behalf of the President of the Bolivarian Republic of Venezuela, Hugo Chávez Frías, our perspective on the current situation shaped by a systemic and planetary crisis, the consequences of which still cannot be predicted.

I cannot fail to mention the worrisome situation facing the Honduran people and its democracy, as Honduras today is subject to a devious attempt to flout the people's will, represented by the President of that brotherly nation, José Manuel Zelaya Rosales.

The Government of the Bolivarian Republic of Venezuela and the countries of the Bolivarian Alternative for the Americas (ALBA) totally reject any attempt to overthrow the democratic institutions of that country. The international community must support President Zelaya Rosales in his effort to consolidate a participatory democracy that enables a true fulfilment of the will of the people.

It was the leader of the Bolivarian revolution, Hugo Chávez Frías, who proposed that the United Nations host a truly democratic debate on the economic and financial crisis of capitalism in order to consider the causes and consequences of that crisis and its impact on the poor and the excluded of the world.

We must all give due recognition to the President of the General Assembly, Father Miguel d'Escoto Brockmann, for the perseverance and flexibility with which he has undertaken the challenge of convening this Conference. We knew that an initiative of this nature would be met with resistance by forces clinging to the past. The hope was to prevent the United Nations from discussing the financial and economic crisis we are suffering today, when it is precisely this forum — the G-192 — that is the most legitimate and representative forum in the world.

The Reuters news agency, on 9 June 2009, reported that five diplomats of developed United Nations Member States, who refused to be quoted by

name, said that this United Nations summit is a “joke”, a “tragedy”, and “a waste of time”. And the *Financial Times* of 8 June 2009 categorizes the President of the General Assembly, Father Miguel d’Escoto, as a “rebellious priest”. He is rebellious, yes, without any doubt, but rebelling against what and against whom? One of the many apt phrases in his extraordinary inaugural speech answers the question. The President said, “The pain we now feel is not the death rattle of a dying man, but the pain of a new birth” (A/CONF.214/PV.1).

Blessed are the rebels of the world, blessed are those who call for justice, equality, freedom and solidarity among all human beings who people the Earth. Today we can see the eloquent demonstration of the failure of neoliberal policies that negatively affect relations among human beings and between society and nature.

Today it is the poor and the most vulnerable who suffer the most from the crisis of capitalism. Financing for development of the countries of the South has contracted. Commodity prices and remittances from abroad have fallen significantly. This crisis — as has already been said — is jeopardizing the fulfilment of the Millennium Development Goals and other internationally agreed goals.

The impact of the crisis of capitalism undermines the sustainability of the Earth. If the current irrational model of growth is maintained, by the year 2030 two Earths will be needed to sustain it. The current climatic and environmental deterioration is terrifying: thousands of people die each day from hunger; one by one entire ethnic groups disappear, as well as ancestral languages and ancient cultures, endangering the diverse heritage of humanity. How many millions of deaths could be avoided worldwide each year if we had a healthy environment?

The current world power structure operates on unfair relations through which developed countries capture the capital and human resources of developing countries. The concentration of wealth in the hands of the few has led to an impoverished, unequal global society. Most inhabitants of the planet do not have access to goods essential to human existence. The real economy has lost importance to the degree that financial speculation and so-called financial derivatives have grown beyond their means. The speculative practices of capitalism, more brutal today

than ever before, have become operations that have garnered the praise of neoliberals and their masters. Meanwhile, poverty has continued to grow in the world, and even large sectors of the middle class in developed countries have joined the circuit of poverty. There is no doubt that we are facing a crisis of a structure of exploitation that has three fundamental pillars: the exploitation of human beings, the exploitation of nature and the exploitation of the peoples of the South.

There are evil relationships of economic and financial power in the world, by means of which a few — a very few — countries have maintained a monopoly of credit and of the Bretton Woods institutions. These institutions have violated the sovereignty of the nations of the South. Therefore, we must fight so our countries fully regain their independence and self-determination.

The Bolivarian Government believes that the monopoly of credit guarantees that the International Monetary Fund will apply immoral conditionalities that force developing countries to make the so-called structural adjustments that are the scourge of peoples and that multiply poverty and inequity. It is not a question of rationalizing these conditionalities but of eliminating them from the face of the Earth. We believe that the issuance of Special Drawing Rights (SDRs) must be extended without the monopoly of the Bretton Woods institutions which has been in effect up till now, in order to provide sufficient liquidity, especially to developing countries, and to strengthen their national and international reserves.

The Bolivarian Government believes that an international bankruptcy court should be created based on principles of impartiality and fairness in order to deal fairly with the problems of debt. External debt saps the savings of developing countries. It is immoral and it is a burden that must be eliminated.

Developed countries should donate their Special Drawing Rights to regional and international institutions that work for the benefit of peoples. The United Nations should recommend which of these institutions are to receive the SDRs, not the International Monetary Fund or the other obsolete Bretton Woods institutions, which are mainly responsible for the current crisis. They do not have the authority to declare themselves to be the reformers of the world financial and economic system. The

International Monetary Fund and the World Bank should close their doors to open the way for new financial institutions reflecting the interests of all countries, especially those of the South. What is at issue, in my Government's opinion, is a profound transformation of the world economic and financial system and the creation of world relations of a new kind, based on international justice and equity.

The monetary system that has prevailed in the world is subject to the interests of a single major Power, the United States, which is precisely the economy possessing the least monetary and fiscal discipline, thus transferring its instability and crisis to the rest of the world.

As we all know, the dollar is the predominant currency of international reserves. That privileged position makes it possible for the economy of the United States to be financed and maintained by the rest of the world. However, events are beginning to point the way towards alternative solutions. For instance, the idea of adopting a basket of currencies to replace the dollar as the reserve currency — one that reflects the emerging new power relations in the world — is gaining ground.

At the same time, efforts on the part of regional organizations are under way to restructure economic and financial systems by establishing other benchmark currencies — such as the single system for regional payments (SUCRE) within the Bolivarian Alliance for the People of Our America (ALBA), that of the ruble and the yuan under the Russian and Chinese proposals in the group comprised of Brazil, India, Russia and China, and the khaleeji for the Arab Gulf countries, as well as the arrangement proposed in the Chiang Mai Initiative of the Association of Southeast Asian Nations, just to name some of the world's emerging efforts.

The Government of Hugo Chávez Frías and we Venezuelan revolutionaries believe that South-South cooperation should be relaunched in these times of crisis. We must put an end to North-South relations based on exploitation, looting and pillaging. With regard to Latin America and the Caribbean, efforts have already begun to chart a new direction. The Bolivarian Alliance for the People of Our America and the Petrocaribe alliance have made it possible for many countries to endure the severe increase in oil prices, without the enormous sacrifices they would have had

to make to pay under the prevailing terms in the international market.

At the same time, the ALBA Bank is already having a real stimulating effect. More than 50 per cent of its financing is allocated to the promotion of economic and social projects without the frustrating conditionalities with which our countries have had to contend when turning to multilateral agencies dominated by capitalist Powers. The ALBA Bank has outlined strategies to achieve greater expansion and therefore a greater role of the systems that are emerging in the new regional and global financial architecture. In the same vein, an industrial conglomerate of businesses, referred to as *grannacionales*, is emerging that includes the participation of our countries and peoples on equal terms and in full respect of sovereignty.

Similarly, the Bank of the South has successfully completed its negotiation phase and will soon be operating with a sphere of action larger than that of the ALBA Bank. Rather than competing, both institutions will complement one another through agreements between them and other institutions within and outside the Latin American and Caribbean region.

Likewise, we are in the final stages of establishing a Single Regional Compensation System (SUCRE), which is to be launched this year and will provide an accounting and fiduciary unit for payments and serve increasingly as the payment currency for trade among member countries. That system will also include a payments chamber centred in the ALBA Bank and a trade reserve and convergence fund and a regional monetary council.

I do not wish to dwell on too many details. In his excellent statement yesterday, President Correa of Ecuador set out the overall road map guiding the ALBA countries as they face the current international crisis and achieve autonomy and sovereignty for our peoples. To that end, we must move ahead to build a new and decentralized international financial architecture that legitimizes the new relationships that underpin the emergence of a multipolar world. We must take off the straightjacket of unipolarity.

Among the main causes of this crisis are the systemic weaknesses and imbalances and perverse so-called structural reforms imposed by the International Monetary Fund and the World Bank, which have produced calamitous results, including

poverty and hunger everywhere. My country believes that the United Nations, which is to say the G-192, should have a central role in designing comprehensive responses to capitalism's financial and economic crisis. The General Assembly's agenda should be changed to reflect the needs of developing countries. An unreformed United Nations is one that does not serve our peoples.

The socialist Government of Hugo Chávez Frías believes that truly meaningful and sufficient additional resources should be devoted to mitigating the impact of the crisis on developing countries. According to the United Nations Conference on Trade and Development, that would require an allocation of \$1.3 billion. As such, the amounts agreed by the G-20 for developing countries, and especially for the poorest and most vulnerable ones, are laughable given the scope of the crisis.

Today we are proposing building relations based on harmony and coexistence, rather than exploitation, among human beings, as well as between them and Mother Earth, as the President said so beautifully during his opening statement. There should, therefore, be respect for human rights as well as for the rights of nature. It is imperative to develop a culture in which the lifestyles and values motivated by individualism, selfishness and voracious competition are replaced by a culture of peace that is based on social justice rather than on war and violence.

We are experiencing a crisis of civilization and of the basic principles according to which we live in the world — which are currently based on the limitless exploitation and consumption of all the Earth's resources. But this is also undoubtedly a crisis of global capitalism and an outdated ideology that sanctifies consumption, individualism and selfishness. That view of the world has now been discredited as a result of the resounding failure of neoliberal ideas and the Washington Consensus, which have been imposed on the world. We therefore need to relaunch a common platform of the South that includes unity among the G-77 and China. That should serve as a forum to develop cooperation strategies for our countries. For its part, the Non-Aligned Movement should once again fully adhere to the validity of the Bandung principles.

Revolutionary ideas based on transformation and change are emerging today more forcefully than ever. The socialist ideal of humanism and democracy is

gaining new ground. The Bolivarian revolution led by Hugo Chávez Frías is part of that historic context.

The President (*spoke in Spanish*): I now call on the Chairman of the delegation of the Republic of San Marino.

Mr. Bodini (San Marino): The Republic of San Marino, like many small countries that attach great importance to the central role of the General Assembly, welcomes this high-level Conference on the world financial and economic crisis. We commend the skill and tenacity of our colleagues, the facilitators, who negotiated the outcome document and its recommendations, which we support. However, we regret the fact that the majority of the General Assembly countries, including mine, are not represented here by heads of State and Government and high representatives, as the outcome document states in its very first line.

It is unfortunate that the uncertain process involved in preparing this Conference discouraged the participation of many world leaders, whose presence could have made this United Nations Conference much more effective and of historic importance.

The Conference seeks to address the greatest economic global disaster since the very existence of the United Nations in the most revered hall of the entire globe, the General Assembly Hall. The Conference has, however, been barely noticed by the world media and therefore by the citizens of the world, whom all of us represent, leaving us with a huge missed opportunity to revitalize the General Assembly and refocus global attention on the strategic importance of the United Nations and the General Assembly.

We hope that following the way forward proposed in the outcome document we will succeed in our efforts to create an effective open-ended working group and make the world financial crisis and its impact on development a main theme of the next general debate.

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

Mr. Badji (Senegal) (*spoke in French*): The eyes of the entire world are fixed on this Conference at a time when mankind is in the grips of a financial crisis that has finally extended its tentacles to all levels, causing profound distress to the economies of all countries and plunging millions of individuals into

extreme poverty — in fact, 200 million according to some statistics.

The extent of the collateral damage brought on by the phenomenon — which is as distressing in its breadth as it is surprising in its origins — has revealed itself to be immense, with resounding repercussions in all sectors, including food security, energy, environment, humanitarian and social affairs and in particular, employment and health care. It must be said that, despite the unprecedented nature of the crisis, the international community has not resigned itself to inaction, inertia, indolence or indifference. This is indicated by the numerous meetings organized by various international and regional bodies in order to come up with possible solutions to the crisis.

This Conference has not ignored that objective either. Furthermore, it has the merit of being buttressed by the principle of universality, which gives it prime importance as part of the effort to seek solutions that take account of the views and concerns of all nations. Here, we can only welcome the initiatives of the Secretary-General announced at the opening of the Conference, the purpose of which is to mobilize the entire United Nations system to ensure close monitoring of the situation in the field and to assist the most affected countries.

A great deal has been said since we began our work here. My delegation will therefore refrain from expatiating on the numerous deleterious effects of the crisis, which have been adequately referred to in earlier statements and discussions, as well as in the draft outcome document of the Conference, and are marked for most developing countries such as Senegal, by a number of declines, including in growth rates, export earnings, investments, the transfer of funds and aid, expenditures on development and even various other sources of development financing are evaporating. Nevertheless, we have not lost hope that the historic opportunity provided by the meeting can be fully used to courageously remedy those negative impacts.

That being so, we must welcome — in the hope that they will take concrete form — the very important steps to revamp the economy announced by the Group of 20. They are designed to strengthen financial regulations, re-establish growth, employment and the main macroeconomic balances. Those steps were also designed to promote world trade and investment, to act

against tax havens and to increase support to the least developed countries.

Despite its limited means, Africa, which risks seeing 46 million of its sons and daughters relegated to a state of poverty and seeing a 2 per cent drop in the growth rate, after having fluctuated between 5 per cent and 10 per cent over the last decade, has not remained on the sidelines of efforts to offset the effects of this exogenous shock. Thus, endogenous steps have been taken by our continent in order to support investment and growth and to preserve social security, in particular in the areas of employment and health care.

The forty-fourth annual general assembly of the African Development Bank (ADB) and the thirty-fifth annual general assembly of the African Development Fund were held in Dakar on 13 and 14 May 2009 on the subject of Africa and the financial crisis, and have also been a part of that general vision. Thus, the initiatives taken swiftly by ADB in reaction to the crisis include access to liquidity for emergency financing, an initiative for trade financing and a plan of action to speed up the transfer of resources to poor countries in order to help regional members to mitigate the repercussions of the crisis.

Nevertheless, it is obvious that such steps, if they are to be effective, must be supported by international action, including, *inter alia*, strengthening aid for development for Africa in particular, by giving concrete form to existing commitments. There must be just and equitable global trade that promotes development. The food crisis must finally be resolved through increased investment in the agricultural sector. Increased funding must be provided through access to international reserves and special drawing rights. The governance structure of the international financial institutions must be democratized and reformed. And new financing mechanisms must be established as tools to alleviate the crisis.

If we are to prevent this meeting from being yet another meeting that dashes the hopes placed in it, we must take bold and sincere steps to bring about the global “New Deal” that we seek as the foundation for new international economic and financial cooperation that is based on equity, justice, morality and democracy and that favours the development of all nations. It is only then that the Earth will be for the benefit of all humankind and no longer the “vale of tears” referred to by George Sand.

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

Mr. Menon (Singapore): I should like to begin by welcoming the adoption of the outcome document of this Conference and by commending and congratulating both Facilitators, Ambassadors Camillo Gonsalves and Frank Majoor, for having steered us so skilfully and with such great patience in order to arrive at a positive outcome.

We find ourselves in the midst of a global recession, the worst since the Great Depression. The range of establishments and investors affected by this crisis is quite staggering. Equally, the measures being taken by Governments and the international financial institutions to deal with the crisis are unprecedented and on a scale not seen before. While experts have made various forecasts about the global economy for the rest of 2009, no one knows for sure how prolonged or deep this recession is going to be. The continued fragility of the global financial system and the high degree of risk aversion in credit markets will further contribute to significant uncertainty over how long the current recession will last.

The speed at which the crisis spread through the global economy is a reminder of the scale and depth of our interconnectedness. The crisis has also exposed the vulnerabilities of the global financial and trading system. The three giant economic drivers — the United States, Europe and Japan — have been hit hard by the crisis, and no alternative driver of growth has yet emerged in their place. Our region, South-East Asia, has certainly not been able to decouple itself from the rest of the world in this crisis. Industrial production and exports across the region have fallen dramatically. In Singapore, our economy contracted by 10 per cent in the first quarter of 2009 and the overall forecast for the year is between minus 9 and minus 6 per cent.

As countries implement domestic policies to mitigate the impact of the crisis, they also need to consider the impact of those policies on other economies. A rise in trade protectionism would only invite retaliation, thereby undermining economic recovery. We must therefore take a collective stand to keep markets open and support free trade. We should be extremely careful about introducing “beggar-thy-neighbour” policies — for example, introducing new tariffs on key goods or mandating that stimulus funds be spent domestically. Protectionist measures hurt

emerging economies the most, but they could create a backlash that would spread to the rest of the global economy. Recognizing that, the leaders of the Association of Southeast Asian Nations (ASEAN) issued a strong statement against protectionism at the most recent ASEAN summit, held in Hua Hin from 27 February to 1 March 2009.

We think that the efficacy of each country’s efforts can be enhanced by increasing cooperation through regional institutions and initiatives. In the Asian context, my delegation would like to point to the recent agreement reached on the key components of the multilateralization of the Chiang Mai Initiative as such an example. The Chiang Mai Initiative was developed within the framework of ASEAN+3 — ASEAN plus China, Japan and the Republic of Korea — to create a network of bilateral swap agreements among the ASEAN+3 countries to address short-term liquidity difficulties in the region and to supplement the existing international financial arrangements. The ASEAN+3 countries subsequently agreed to multilateralize the Chiang Mai Initiative, and in February 2009, ASEAN+3 finance ministers agreed to increase the size of the multilateralization of the Initiative from \$80 billion to \$120 billion. That is an excellent example of regional cooperation in response to the global economic and financial crisis, and we hope that such positive policy responses can be replicated on a global scale through existing international institutions.

Ultimately, the key to the recovery process is the restoration of confidence, which would contribute to a solid foundation for sustained recovery. In that regard, countries must consider the global dimension of their national responses and the need to boost market confidence at the global level. Any policy or response to the crisis should be a coordinated and multilateral effort that takes into account the emerging multipolar reality of the twenty-first century. We will need decisive action at the global level to arrest the negative spiral, while keeping in mind the importance of medium- and long-term sustainability.

In the longer term, we expect that, while developed economies will remain important markets when the global economy recovers, this crisis will probably increase the drive in Asian developing and emerging economies towards greater domestic consumption and intraregional trade, investment and consumption. Macroeconomic adjustments on a global scale will also be required in order to bring about more

sustainable growth for the global economy. Such adjustments will benefit the global economy as a whole, as more engines of growth will provide greater resilience.

In that regard, the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development is a timely and important initiative. It offers a much-needed opportunity for an inclusive dialogue on the responses necessary to mitigate the impact of the crisis. As a small country, Singapore recognizes that each country's influence on the world stage and its capacity to tackle the crisis are different and often quite limited. We therefore welcome the role that the United Nations can play in developing a pragmatic and coherent international response to this crisis.

The Acting President: I now give the floor to Mr. Simon Mboso Kiamputu, Minister for Industry of the Democratic Republic of the Congo.

Mr. Mboso Kiamputu (Democratic Republic of the Congo) (*spoke in French*): I should like at the outset to convey to all Members, on behalf of His Excellency Mr. Joseph Kabila Kabange, President of the Democratic Republic of the Congo, the greetings of the Government of the Democratic Republic of the Congo, whose delegation I have the honour to lead at this Conference. I should also like to join previous speakers in congratulating the President of the General Assembly at its sixty-third session on the convening of this high-level meeting in response to the request made at the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in November and December 2008 in Doha, Qatar.

Many earlier speakers have referred to the origins of the economic and financial crisis afflicting the world today and have assigned responsibility to various actors in the northern hemisphere. I shall not revisit that point. Rather, I should like to focus on the impact of the crisis on the Congolese economy. As some are aware, the current economic and financial crisis has manifested itself in a recession that has hit Africa, particularly countries that depend on mining industries, such as the Democratic Republic of the Congo, which is also a fragile and post-conflict State.

The impact of this crisis on the Democratic Republic of the Congo can be assessed using several criteria. The price of copper fell to approximately

\$3,000 per ton in December 2008 from \$8,000 earlier in the year. The price of cobalt fell to \$16.5 per ton in December 2008 from \$38.1 in July 2008. The situation is similar for wood and crude oil.

With regard to the drop in exports and exchange reserves, the contraction in global demand resulted in a considerable reduction in export earnings for our country. The rate of decline of exports in the second half of 2008 is estimated to have been 56.3 per cent, as opposed to the predicted level of 46.8 per cent. Exchange reserves fell by almost 400 per cent, from \$253.1 million in May 2008 to \$77 million in December 2008. Import costs have risen as our national currency, the Congolese franc, has undergone depreciation. Terms of trade saw further deterioration in 2008. The rate of inflation thus reached 27.6 per cent by the end of 2008, when it had been predicted to be 23 per cent.

The economy has lost growth areas, and the 2008 growth rate is now estimated at 6 per cent, as opposed to the previously predicted rate of 10 per cent. Among the hardest hit areas are the mining sector, petroleum production, agricultural exports like coffee, rubber and wood, and the service sector, where telecommunications businesses have been affected most significantly. The numbers for 2009 suggest a growth rate of 2.7 per cent, which is below the rate of population growth of 3.3 per cent. Our country has been in a state of recession since April 2009.

The fall in budgetary and tax earnings has resulted in an increase in public deficit. First-trimester public earnings demonstrate a sharp drop between 2008 and 2009, as do earnings from the financial, mining and petroleum sectors. In real terms, these dropped from \$230 million in March 2008 to \$175 million in March 2009, which constitutes a fall of 23.6 per cent.

There is a lack of financial resources to support communications and energy infrastructure projects, as well as basic social services.

There have been massive job losses in and around the mining sector. Three hundred thousand people are estimated to have lost their jobs, as a result of the fall in the price of mining products. Households in my country have on average ten members, so these job losses will have repercussions on the quality of life of nearly three million people.

There has been an increase in social unrest, specifically in the form of strikes in both the public and private sectors, and we have experienced difficulties in regularly paying the salaries of civil servants and public sector employees.

Finally, there has been a reduction in the budget available to finance operations aimed at restoring State authority in eastern districts of the country, where there are large numbers of displaced people who have been victims of various forms of violence.

The Government has drawn up an emergency plan aimed at maintaining macroeconomic and social stability, with a view to mitigating the effects of this crisis. In doing so, it has sought the support of international institutions, including the World Bank, the African Development Bank and the European Union. Furthermore, our country benefited from balance of payment support from the International Monetary Fund to help us deal with these shocks from abroad. While the contributions of these various institutions are very welcome, they are insufficient in view of the scale of this economic crisis, which, in the case of the Democratic Republic of the Congo, is also a humanitarian crisis in the East of the country, owing to the presence of armed gangs of foreign origin.

The plan formulated by the Congolese Government for emerging from the crisis encompasses the following areas of intervention. We will seek substantial alleviation of external debt as soon as possible and an easing of the conditions for the conclusion of a plan with the International Monetary Fund. To do so, we would seek to reach the completion point of the Heavily Indebted Poor Countries Initiative, after which we would become eligible for the Multilateral Debt Relief Initiative.

Reform measures being undertaken in the country will be supported, in particular with a view to improving the climate for investment. We will promote the diversification of sources of growth in the Congolese economy through the development of the agricultural sector, with a view to ensuring food security, and the industrial sector, with a view to capitalizing on local mining, forestry and agricultural resources for increased added value and to reduce our dependence on exporting primary commodities.

Financial resources will be mobilized in order to overcome the constraints hampering the further development of agriculture and industry, with a view to

financing energy and communications infrastructure development. There will be support for the development of domestic consumption of local products with a view to lifting the country out of its current situation as a reservoir of raw materials, as well as reducing its dependence on the export primary commodities and the import of highly consumed commodities.

The capacities of the State — which, we must recall, is currently a fragile State — will be strengthened, in particular with regard to fighting fraud and combating violence perpetrated against vulnerable persons, in particular in those districts where pockets of insecurity continue to exist. To that end, the Congolese Government established a plan for the stabilization of the East of the country aimed at supporting economic and social reconstruction and ensuring the reinsertion of vulnerable groups.

Efforts will be made to improve national mechanisms for directing and coordinating development aid in order to ensure compliance with the principles of the Paris Declaration, in particular those relating to appropriation and alignment with national priorities.

There will be support for the further development South-South cooperation, such as that which we currently enjoy with other countries, such as China, India and South Africa.

My country is also aware of the emerging stakes related to global warming. In this context, the Democratic Republic of the Congo intends to put to use, through sustainable activities that are respectful of the environment, its two main environmental assets: first, its status as the second most extensive forested surface in the world, with a formidable capacity as a carbon well, which is considered necessary for global environmental stability; second, its potential as the primary hydraulic basin in Africa. In this context, the Congolese Government plans to drive the promotion of a green economy by exploiting the Inga waterfall site and, later, the Grand Inga, whose 40,000 megawatt energy-generating capacity could provide green energy to the whole of Africa.

I should like to conclude by recognizing the quality of the debate and exchanges that we have had during this Conference thanks to the report of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary

and Financial System. For its part, the Government of the Democratic Republic of the Congo supports the recommendations made with regard to the establishment of a global economic coordination council; reform of the governance of the international financial system; establishment of a system of regulation, monitoring and early warning, with a view to preventing similar crises occurring in the future; the need for developed countries to adhere to their development aid commitments; and the call for support to be given to fragile States particularly affected by the crisis.

It is the sincere wish of the Government of the Democratic Republic of the Congo that, at this moment, the international community will do more than simply adopt resolutions; we hope that it will, above all, see that these resolutions are implemented by all.

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

Mr. Cancela (Uruguay) (*spoke in Spanish*): At the outset, I should like to state that my delegation associates itself with the statement made by the Rio Group. Likewise, we should like to thank the President of the General Assembly for his initiative to convene this high-level Conference on the World Financial and Economic Crisis and Its Impact on Development. Our country attaches the highest importance to this meeting as an opportunity for multilateral dialogue.

Uruguay sees this Conference as the beginning of the process of devising the short- and long-term solutions that will enable us to tackle the current global financial and economic crisis in a constructive manner. This crisis calls for a concerted effort and a coordinated response, able to instil stability and predictability in the world economy. This process should be inclusive and participatory so as to ensure that its results have concrete effects in the international economic and financial system.

In this context, we see the need to highlight the importance of the United Nations as a forum for addressing economic matters, thus affording a greater level of participation in the decision-making process to the whole of the international community. It is we, together with the primary international economic actors, who are responsible for seeking solutions to the crisis.

The contraction of international trade is one of the worst consequences of the current financial and economic crisis, especially for developing countries owing to the close linkage between their growth patterns and their exporting sectors. Likewise, the strong dependence of developing countries on capital flows and external financing, as well as the instability of exchange rates, have had a negative impact on purchasing power and on the terms of trade, exacerbating the adverse effects of the contraction.

In this context, we believe that the distortions in the multilateral trade system must be corrected as a matter of urgency. Indeed, we consider that this should be achieved as part of the structural reforms needed to overcome the present crisis and to contribute to economic growth.

In this context, it is indispensable, now more than ever, for the international community to reiterate its firm commitment to bring the Doha Round for Development to a successful conclusion. Reducing tariffs, eliminating export subsidies and tariff restrictions, as well as significantly reducing internal assistance measures, particularly in the agricultural sector, are key elements in this framework.

The resurgence of protectionist measures for national industries only serves to aggravate the consequences of the current economic crisis and will prolong its negative effects. The rejection of protectionism must be a guiding principle as we devise short- and long-term solutions. To devise an effective response, it is imperative that our countries be assured access to markets that are open and free of protectionist measures, thus enabling us to face the challenges put before us by this global crisis.

Responding effectively will require a strong commitment on the part of the international community, as well as its fulfilment of official development assistance commitments. At the same time, the provision of new, additional resources is also key and would make it possible not only to mitigate problems of liquidity and credit but also to implement policies aimed at preventing a cyclical pattern and to reduce the adverse effects of the crisis.

In our opinion, it is also necessary to re-examine the international economic and financial architecture in order to enable greater participation of developing countries in decision-making and thus to respond more effectively to the current challenges. In this context, we

consider it essential that the Bretton Woods institutions take an active role in overcoming the current crisis and step up their assistance to developing countries.

Last but not least, we would like to highlight that our country is part of a region composed primarily of middle-income countries. This characteristic makes it necessary for us to increase our efforts to ensure that the measures we take to respond to the crisis take into account and continue to support the efforts made by middle-income countries, in particular with regard to development. These measures must also take into account the particular characteristics and needs of middle-income countries in order to ensure that the progress these countries have made in development becomes irreversible. They should also contribute to the solicitation and consolidation of new partner countries that are prepared to assist those with the least means.

Uruguay considers this Conference to be the beginning of a broader process that will move towards the consolidation of a freer, more just and more equitable international economic order, which will allow us to attain the Millennium Development Goals, the central precondition for resolving development problems.

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

Mr. Grauls (Belgium) (*spoke in French*): The United Nations, its Member States and all of us should celebrate the success of this Conference, which has culminated in the adoption of the outcome document by consensus. I should like to express my country's gratitude to the co-facilitators, whose efforts made this result possible. This consensus shows how well the international community understands that this crisis is the crisis of the whole world and of all people, and that the attention and efforts of us all will be needed to overcome it.

There have been numerous analyses, debates and discussions devoted to the causes and effects of this crisis. I will not return to those topics. In this Assembly, where all too often we tend to think in terms of economic indicators, I will focus our attention instead on the human reality that is hidden behind those statistics. That reality is a dramatic one, especially for the poorest and most vulnerable. It is the reality of the men and women who suddenly find that they can no longer afford to pay school fees for their

children, no longer afford to send back home part of the salary they earn abroad, and no longer afford the medicine that makes the difference between life and death. We see this reality on every continent. It is a collective reality, and, at the same time, a challenge for all of us.

This Conference and its final outcome demonstrate the will of the international community to rise to this challenge. Indeed, the industrialized countries, beyond the measures they have taken to boost their own economies, have expressed their readiness to support developing countries by political measures and by providing additional financial means. Emerging economies recognize that their economic weight entails growing responsibilities and new roles. Developing countries are aware that it is they who bear primary responsibility for their own development.

Let us therefore turn this crisis into an opportunity, an opportunity that opens the door to new approaches; an opportunity that gives us the chance, and challenges us, to pursue development in a more coherent and more effective way.

Belgium is taking considerable strides in this direction. In 2008, Belgium devoted 0.47 per cent of its GNP to development assistance. And this year our assistance budget has grown by a further 23 per cent. But our efforts are not confined to increasing the quantity of aid; efforts to improve the quality and effectiveness of aid are just as important.

In its bilateral aid, Belgium has decided that, from now on, it will limit its interventions to a maximum of three sectors, in order to move towards economies of scale and a division of tasks among donors. Furthermore, where fiduciary and political conditions are met, Belgium will spend a growing part of its aid in the form of sector budget support. In order to respond to the urgent needs caused by the crisis, Belgium will front-load disbursements and speed up the rhythm of its spending.

In the multilateral sector, Belgium has decided that, as of this year, its voluntary multilateral contributions will not be earmarked and will go entirely to the general resource pools of the multilateral organizations as a group. We dare to hope that this approach will inspire other donors as they allocate their contributions. Moreover, we are convinced that these efforts will help the United Nations system to speed up its own progress towards

greater effectiveness and coherence, especially at the country programme level.

Finally, with regard to so-called indirect cooperation, Belgium has just finalized an agreement with the non-governmental organization community to ensure that such organizations that are funded by the Belgian Government adhere more closely to the principles of the Paris Declaration.

In holding this Conference, the United Nations has once again provided the international community a unique and indispensable forum, a forum where countries that have no voice in other groups and organizations can make themselves heard. The outcome of this Conference shows that they have been heard.

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

Mr. Argüello (Argentina) (*spoke in Spanish*): This United Nations Conference is taking place under special circumstances for the entire international community. As has already been said, we are experiencing the most serious economic and social crisis since the Great Depression of the 1930s. The current crisis, like the Great Depression, was caused by macroeconomic imbalances and imbalances in the structures of production and consumption in the countries with the greatest economic weight, as well as insufficient regulation of financial markets. Owing to the volatility of markets and the interdependency of economies, the situation spread immediately to the rest of the world and, in particular, to developing countries, which now see their abilities to promote growth, employment and social inclusion severely limited.

Our duty, in the short term, is to propose and coordinate the urgent measures required to mitigate the impact of the crisis. In the medium term, we must develop policies aimed at preventing a recurrence and at promoting sustainable development.

There is a need for structural reform in the developed economies, including a more progressive distribution of income, in terms of a strategy intended to orient the production of goods and services to meet people's needs and not the demands of concentrated subgroups within the economy, usually the most privileged segments of society.

Instead of responsible action, financial institutions promoted speculation, the transfer of resources from developing countries and their

accumulation in the centres. From there, they encouraged generalized indebtedness throughout the public and private sectors in order to prop up unsustainable levels of consumption and spending.

It must be stressed that the crisis, which built up gradually over the past decades, would not have happened if the multilateral trade, monetary and financial bodies had adequately carried out their functions. These institutions issued no warnings about the fundamental macroeconomic imbalances that were being generated, nor did they call for corrections to be made in the direction needed. Instead, they privileged the application of asymmetric disciplines and the deregulation of financial markets — actions that were biased against developing countries.

Taking into account the challenge and the changes needed to take on the crisis, Argentina has insisted in various forums, including the Group of 20, on the importance of modifying the operational discipline and structure of the World Trade Organization, the International Monetary Fund, the World Bank and the international financial system. With respect to the international trade system based on the World Trade Organization, it is the position of my delegation that there is a need to reverse the asymmetries on which its development was based.

For this purpose, we should move beyond the discipline and concessions agreed upon in the Doha Round to a more precise definition and more effective application of principles that will ensure equitable treatment for developing countries. We are referring to special and most-favoured-nation treatment, less-than-full reciprocity in reduction commitments and comparatively high access to agricultural and non-agricultural manufacturing markets. The continuation of the Round should ensure that agriculture, given its importance for food security and for the exporting sectors of developing countries, be put on an equal footing with other sectors. Beyond making substantial improvements in market access, it is indispensable that export subsidies be eliminated and that domestic subsidies in developed countries be significantly reduced.

With regard to the monetary system, we consider the International Monetary Fund to have been extremely permissive towards those countries that issue international reserve currencies. Dealing with them, it did not call for fiscal balance or a balance of

payments and thus allowed exponential growth in currency issuance, indebtedness and the weight of the financial sector in those countries. The flipside of this coin was seen by developing countries in the form of the asymmetric demands and conditionalities placed on them. Together, those requirements contributed to the depression of internal consumption and investment and to the transfer of resources to the centres. Tax havens or shelters played a significant role in the transfer of resources, facilitating the flight of capital away from developing countries. Only a substantial change in the discipline, structure and function of the International Monetary Fund could ensure the compatibility of the monetary system with the objectives of a sustainable economy.

In the short term, owing to the emergency, the International Monetary Fund should be urged to assist developing country Member States by providing them with greater liquidity, through the additional issuance of significant capital in the form of Special Drawing Rights (SDRs) as well as granting stabilizing loans subject to minimal or no conditionalities.

We assign great importance to the decision to proceed with a general issuance of SDRs for \$250 million as an effective mechanism to increase international liquidity without penalties. But, at the same time, we must define mechanisms for reassigning those SDRs, given that 60 per cent of them would now go to advanced countries. We therefore propose promoting a broad agreement to facilitate the redistribution of SDRs in favour of developing countries in order to minimize the risk of an even deeper global recession.

The international financial system should also undergo a far-reaching process of restructuring, the purpose of which should be clearly linked to channelling the savings of the public, of businesses and of the State into the sustainable production of goods and services and to projects of social import. It is not possible for this system, after having been rescued by States with the efforts of taxpayers and of the world population as a whole, to continue functioning as if nothing had happened. The transfer of resources must stop, as must the flight of capital from developing countries to financial centres and tax havens.

An important aspect of the reforms I have mentioned is linked to the redefinition of the role of the State. The State must play a leading role in the

regulation of economic and financial activities, the sustainable use of resources, the promotion of growth and the equitable distribution of income. In this context, it is imperative that developed countries finally honour the official development assistance commitments they undertook in various forums and multilateral agreements, including the Monterrey Consensus and the Doha Declaration on this topic.

As a first step, the outcome document of this Conference shows the existence of different views on the need for reforms, but it also records our shared concern to define the policies that will guide the transformation of the multilateral trade, monetary and international financial systems. This document reflects the increasing concern of the international community with regard to these issues. It is a product of the mature pragmatism of the Member States of the United Nations, who conceived of this Conference as part of a broad and ongoing movement, which received renewed impetus in Doha and finds us today discussing substantive macroeconomic questions in the foremost multilateral forum, a situation less than likely only a short time ago.

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

Ms. Ochir (Mongolia): I should like to join other speakers and to extend my delegation's profound appreciation to the President of the General Assembly for having convened this important Conference to discuss the causes of the crisis and to develop an adequate global response to its multi-dimensional impact, which is felt all too often, too acutely and too intimately in our home countries. I also wish to commend strongly the skilful stewardship of our co-facilitators, the Permanent Representatives of the Netherlands and of Saint Vincent and the Grenadines, in producing the outcome document adopted earlier this afternoon.

The rapidly unfolding global financial and economic crisis has severely affected all countries, especially the most vulnerable economies of least developed countries, landlocked developing countries and small island developing States. Representing 1 of the 31 landlocked developing countries, my delegation wishes to draw the attention of the Assembly to the findings and conclusions identified in the report prepared for this Conference by the United Nations Office of the High Representative for Least Developed

Countries, Landlocked Developing Countries and Small Island Developing States on the impact of the global financial and economic crisis on the development prospects of landlocked developing countries. The report states clearly that the landlocked developing countries are amongst the hardest hit. Most landlocked developing countries can fully expect to be significantly affected by the crisis, but the degree to which the international community will support efforts at mitigation remains critical but frustratingly unclear. In this respect, my delegation remains hopeful that one of the practical outcomes of this Conference will be a clearly articulated commitment to support the landlocked developing countries and other vulnerable countries.

Despite the grim situation, we are encouraged by the broadly shared view that vulnerable countries and populations ought to be assisted to withstand the harsh impact of the crisis, as hundreds of millions are plunged into the iron grip of poverty, hunger, unemployment, illiteracy and ill-health. The light at the end of the tunnel is still dim, thus the Millennium Development Goals (MDGs) and other internationally agreed development goals are under serious threat.

Much has already been said during these three days about how the crisis is impacting our economies and societies, and about actions that have been taken and ought to be taken at the national, regional and international levels. We believe that this sharing and learning from each other will help us develop a course of concerted global action based on shared responsibility, solidarity and collective wisdom. This action has to be taken urgently, as the world faces an unprecedented development emergency.

I should like to share briefly our views on issues we think should be taken into consideration as we formulate our collective response to the current crises. First, my delegation believes that the multiple nature of the crises has to be taken into account in order to find an adequate response at the global level. The global financial and economic crises need to be dealt with in coordination with the coherent action we take to deal with the food and energy crises and the challenges of climate change. This is, in itself, a daunting task, demanding from us the courage to rise above our national and group concerns in the interests of the collective survival of our single, human global village.

Secondly, in all our policies and actions we need to focus on people, on the human costs as we work to overcome the dire consequences of the crises. Because of the crises, approximately 100 million more people could fall into poverty. Approximately 400,000 more infant deaths per year are expected. The number of hungry and undernourished will rise to a staggering high of over one billion. Thus, provision of health, nutrition, jobs and education to the vulnerable and needy must be put at the top of our agenda at the national and global levels.

Thirdly, the special needs of low-income vulnerable countries in addressing financing shortfalls ought to be met. We welcome the reaffirmation made by the Group of 20 leaders in London of their previous commitments to the MDGs and their respective official development assistance pledges, as well as their decision to provide \$50 billion to support social protection, boost trade and safeguard development in low-income countries. Timely delivery of a sufficiently large share of additional resources is instrumental in order to assist the efforts of vulnerable countries. It is estimated that at least \$100 billion is urgently required to mitigate the crisis impacts in low-income countries. Furthermore, the provision of funds should not entail another spiral of indebtedness for low-income countries. Here, ideas like a temporary moratorium on debt servicing could be further explored.

Fourthly, the role of the United Nations in promoting a coordinated response by the international community to address the world financial and economic crisis, especially in assisting the vulnerable low-income countries, should be further enhanced. In this regard, my delegation fully endorses the recommendation to set up an ad hoc panel of experts on the world economic and financial crisis and its impact on development, as envisaged in our outcome document. We also support the further strengthening of the United Nations development system's crisis response capacity at the country level and welcome the Secretary-General's initiative with regard to the United Nations Global Vulnerability Alert mechanism.

Fifthly, we believe that it is critical to have a sustained follow-up to this Conference. In that respect, we request the Secretariat to prepare a matrix of short-term and long-term policy initiatives, strategies and commitments put forward by Member States and other multilateral stakeholders at this Conference, so that we can replicate best practices in our national contexts and

monitor the implementation of commitments and pledges. This work could greatly complement the mandate of the open-ended working group of the General Assembly to be established as a follow-up to this Conference. Here, my delegation would also like to emphasize the importance of not losing sight of the importance of laying the groundwork for sound resilience to future shocks and crises through long-term sustainable development, while grappling with the immediate multiple impacts of the current crisis.

Finally, I should like to reiterate my Government's strong resolve to follow through on the implementation of its plan of action to overcome the current financial and economic hardships, approved by the Parliament of Mongolia earlier this year. The plan envisages specific policy and fiscal actions designed, inter alia, to improve food supply and food security, stimulate industrial development and employment, step up the implementation of a housing project for 100,000 families, ensure the safety and security of the energy supply, raise export earnings through mining sector support, stimulate the real economy through commercial banks, develop and streamline infrastructure in rural areas and put in place adequate protection arrangements for vulnerable and low-income families.

As a low-income, landlocked developing country, Mongolia is endeavouring to implement these programmes in close cooperation with our bilateral and multilateral development partners. We remain confident that this Conference will give an important boost to our national efforts to overcome the crisis and lay solid ground for sustainable development.

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

Mr. Olhaye (Djibouti): I should like to express our sincere thanks to the President of the General Assembly, Father Miguel d'Escoto Brockmann, for his many bold initiatives during his tenure and, in particular, for having convened this Conference on the World Financial and Economic Crisis and its Impact on Development. Furthermore, the two co-facilitators, Ambassador Frank Majoor of the Netherlands and Ambassador Camillo Gonsalves of Saint Vincent and the Grenadines, deserve our recognition and praise for their diligence, perseverance and relentless conviction in producing an outcome document that finally met with the satisfaction of all delegations.

Our coming together is symptomatic of the gravity that the world is experiencing at this critical moment when we are confronted with the worst financial and economic crisis since the Great Depression. In order to reverse the current breakdown and, equally as important, to mitigate, if not prevent, its recurrence in the future, we must explore its possible causes. The present crisis is the third of what I call the crises of the three "Fs", namely, food, fuel and finances, all of which are enveloped in climate change. As the outcome document aptly explains, the crisis

"began within the world's major financial centres, has spread throughout the global economy, causing severe social, political and economic impacts ... negatively affecting all countries ... and threatening the livelihoods, well-being and development opportunities of millions of people". (*A/CONF.214/3, para. 1*)

The Republic of Djibouti, like many other small and vulnerable developing countries, has been experiencing difficulties in the form of higher prices, shortages, decreased direct investment and increased unemployment. The Government has reassured the public through its proactive response and a series of initiatives directed at increasing activities in all sectors and enhancing and strengthening social programmes. There is no doubt, however, that the ability of the Government to absorb all of the negative consequences of this crisis is very limited, and we hope that the united global determination to reverse the current challenges will soon bear fruit. The challenges severely threaten the ability of countries — and of developing countries in particular — to maintain the economic and social progress achieved in recent years, especially progress made towards internationally agreed development goals including the Millennium Development Goals.

The present world economic crisis has the potential to overwhelm Africa. The availability of international credit has tightened at a time when the continent's foreign reserves have been depleted to precariously low levels. Trade barriers remain in place, hampering Africa's ability to expand and grow, while the portion of the burden that will be assumed by the international financial institutions is unclear — at best, uncertain.

No one is spared by the pervasive, destabilizing and destructive nature of the current crisis. We are all

affected, threatened and overwhelmed. We all know the origins of this economic and financial catastrophe. The crisis requires a comprehensive, collective and sustained response. Overcoming it requires our determination in working to mitigate its impact and to strengthen or establish the necessary mechanisms to help prevent similar crises in the future.

What is now at stake is a global coordination mechanism for the multiplicity and variety of responses to the crisis, in order to ensure enhanced and sustained economic growth, which in turn can help poverty eradication and sustainable development. There is also the opportunity to aim at a balanced restructuring and sharing of power in the governance of global institutions in order to impart a sense of empowerment, responsibility and relevance to all peoples.

The history of the free market has been one of rising monopolies, which have come to dominate both markets and governments. Unbridled greed has led us to where we are today. The reason we are here today is the need to lay the basis for a saner, more productive, responsive, ethical and accountable economy that never forgets those most in need. We shall prevail.

The Acting President: I now give the floor to the representative of the International Union for Conservation of Nature.

Mr. Kakar (International Union for Conservation of Nature): We would first of all like to convey our appreciation to the President of the General Assembly, His Excellency Miguel d'Escoto Brockmann, for his initiative to convene this important Conference.

Representing an organization that cares deeply about the conservation of our environment and believes in investing in nature, we were very encouraged that President Brockmann put emphasis in his opening statement on, amongst other things, the responsible and sustainable use of the Earth's natural resources.

The current crisis provides a critical opportunity to put in place a more sustainable economy by investing in our social and natural environment. The crisis offers an opportunity to rethink the way we as humans derive well-being from our social and natural environment.

I have a few messages that I would like to impart. First, the current crisis is a painful reminder that the world needs a stronger appreciation and application of

the principles of sustainability. It needs to be understood that long-term prosperity is only possible if economies support and do not undermine social and environmental systems. There is a structural requirement to stay within the limits of the planet's carrying capacity.

Secondly, water, food and energy are the building blocks of which both life and economic systems are made. However, the supply and quality of these vital resources is threatened by the declining number and health of ecosystems. Sound ecosystem management is essential for building a stronger support system for economies on all scales.

Thirdly, the resilience of the global economy is intricately linked to the environment and the capacity that societies have to manage and adapt to natural processes. The spectre of climate change looms gravely over many societies and will severely compromise economic development and ecosystem health and resilience, unless urgent action is taken.

Fourthly, greater investment in the environment will not only support the long-term sustainability of the global economy, but will also serve as an important catalyst for economic development, notably by stimulating private enterprise and creating new green jobs. New sources of financing and investment should support the development of environmentally friendly enterprises, such as renewable energies, organic agriculture and ecotourism.

Fifthly, investing in the environment will work only if it empowers those societies that live amongst and depend on the natural resources that are currently being degraded. A more sustainable economy recognizes the critical role played by women and rural communities in keeping the planet's increasingly precious and threatened natural assets safe.

Sixthly, programmes aimed at empowering consumers to make sustainable choices are needed to maximize returns on green investments.

A communiqué issued by the United Nations System Chief Executives Board on the global financial crisis and its impact on the work of the United Nations system cautions us about the risk that, in the face of such an acute economic downturn, Governments, businesses and other economic actors and multilateral agencies might sacrifice their commitment to fighting climate change and environmental degradation so as to

concentrate on economic survival. We therefore commend the Secretary-General for his call for a Global Green New Deal that would work for all nations in the face of both climate change and the global economic downturn. Managing the crisis requires a massive global fiscal stimulus, and a large part of that

spending must be an investment in a green future that fights climate change, creates green jobs and spurs green growth, as the Chief Executives Board document states.

The meeting rose at 6.20 p.m.