

Conference on World Financial
and Economic Crisis
6th & 7th Meetings (AM & PM)

WIDE-RANGING PROPOSALS TO MITIGATE WORLD FINANCIAL CRISIS ADOPTED

BY CONSENSUS AT UNITED NATIONS CONFERENCE IN NEW YORK

General Assembly President Says Outcome Document First Step Towards Future Path of ‘Solidarity, Stability and Sustainability’

With the world facing the worst financial crisis since the Great Depression, Government leaders and senior ministers meeting at United Nations Headquarters in New York today agreed on a sweeping action plan to help blunt the impact of the economic downturn, especially for developing countries, but “in the interest of all nations [...] to achieve more inclusive, equitable, balanced, development-oriented and sustainable economic development to help overcome poverty and inequality”.

“We are all in this crisis together. While each country has primary responsibility for its own economic and social development, we will continue to work in solidarity on a vigorous, coordinated and comprehensive global response to the crisis, in accordance with our respective abilities and responsibilities”, the political leaders pledge in the outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, which was convened by the General Assembly President, Miguel d’Escoto Brockmann.

Hailing the consensus adoption of the document as a first step towards putting the world on a path towards solidarity, stability and sustainability, Mr. d’Escoto said the Assembly — the “G-192” — had now been established as the central forum for the discussion of world financial and economic issues, “a major achievement” in itself. He added that the historic Conference had also called on the Assembly to follow up on the issues raised -- from bolstering the role of the United Nations to strengthening South-South trade and reform of the Bretton Woods institutions -- through the establishment of an ad hoc open-ended working group that would report to it before the end of its upcoming sixty-fourth session.

Cautioning against complacency, he urged concerted action to tackle other crises hovering in the background, such as global warming, food insecurity, fuel and clean water shortages, and humanitarian emergencies. “The proposals we have adopted today point in this direction [...] but we will not be content so long as these pressing issues remain unresolved”, he said, adding that he believed the Assembly was on the verge of taking a new step towards a human family that was focused on economic and ecological justice and “which is united with itself, nature and Mother Earth”.

The nearly 60-paragraph text (document A/CONF.214/3), which will be forwarded to the Assembly for adoption during its current session, expresses world leaders’ belief that the crisis, “which began in the world’s major financial centres, has spread throughout the global economy [and is] negatively affecting all countries, particularly developing countries, threatening the livelihoods [and] development opportunities of millions of people”.

On the way forward, the leaders pledged to combine their short-term responses to meet the immediate impact of the financial and economic crisis, particularly on the most vulnerable countries, with medium- and long-term responses that necessarily involve the pursuit of development and the review of the global economic system. In that context, they proposed a course of action that included, among others, strengthening the capacity, effectiveness and efficiency of the United Nations and its development system. They also request the Economic and Social Council to coordinate system-wide follow-up to the

outcome document's recommendations, and consider setting up an ad hoc panel of experts on the crisis and its impact on development.

The wide-ranging text stresses that developing countries did not cause the crisis, but were nevertheless being affected by it, and the leaders said their endeavours must be guided by the need to address the human costs: an increase in the already unacceptable number of poor and vulnerable, particularly women and children, who suffer and die of hunger, malnutrition and preventable or curable disease; a rise in unemployment; the reduction in access to education and health services; and the current inadequacy of social protection in many countries.

The leaders were particularly concerned about the impact on countries in special situations, including least developed countries, small island developing States and landlocked developing countries, and on African countries and countries emerging from conflict. They were equally concerned about the specific development challenges of middle-income countries and low-income countries with vulnerable and poor populations.

They agreed that their collective responses to the crisis must, therefore, be made “with sensitivity to the specific needs of these [developing countries]”, which included, among others: trade and market access; access to adequate financing and concessionary financing; debt sustainability; trade facilitation measures; the Millennium Development Goals; and previously agreed development commitments. Therefore, an adequate share of any additional resources — both short-term liquidity and long-term development financing — will need to be made available to developing countries, especially the least developed countries.

“Going forward, our response must focus on creating jobs, increasing prosperity, strengthening access to health and education, correcting imbalances, designing and implementing environmentally and socially sustainable development paths and having a strong gender perspective”, the document says, adding that the collective response must also strengthen the foundation for a fair, inclusive and sustainable globalization supported by renewed multilateralism. “We are confident that we will emerge from this crisis stronger and more vigorous and more united.”

Expressing their commitment to restoring confidence and economic growth and creating full and productive employment and decent work for all, the leaders also pledge to, among other things, make national stimulus packages work for all, help contain the effects of the crisis and improve future global resilience, and improve regulation and monitoring mechanisms. “We stress the urgent need for further reform of the governance of the Bretton Woods institutions, on the basis of a fair and equitable representation of developing countries, in order to increase the credibility and accountability of these institutions.”

Citing a consensus on the need to modernize the global financial institutions, they said such reforms should enhance the perspective, voice and participation of developing countries, including the poorest. They specifically called for inclusive consultations on further reforms to improve the responsiveness of the World Bank. Looking forward to accelerated progress to increase the credibility and accountability of the International Monetary Fund (IMF), “we strongly support completion of the next quota review, which [...] is expected to result in an increase in the quota shares of dynamic economies, particularly in the share of emerging market and developing countries as a whole, to be completed no later than January 2011”.

The Conference, which will run through Monday, 29 June, also held the last of its four round-table panel discussions, today focusing on the “Contributions of the United Nations development system in response to the crisis”. It featured Hilde F. Johnson, Deputy Executive Director of the United Nations Children's Fund (UNICEF); Helen Clark, Administrator of the United Nations Development Programme (UNDP); Thoraya Obaid, Executive Director of the United Nations Population Fund (UNFPA); Manuel Aranda da Silva, Deputy Executive Director a.i. of the World Food Programme (WFP); and Pedro Páez,

former Minister for Economic Coordination of Ecuador and member of the Commission of Experts of the President of the General Assembly. It was chaired jointly by Ralph E. Gonsalves, Prime Minister of Saint Vincent and the Grenadines, and Dipu Moni, Minister for Foreign Affairs of Bangladesh. (See Press Release [DEV/2755](#).)

The other three round tables considered, respectively, “The role of the United Nations and its Member States in the ongoing international discussions on reforming and strengthening the international financial and economic system and architecture”, “Coordinated and collaborative actions and appropriate measures to mitigate the impact of the crisis on development”, and “Present and future impacts of the crisis on, inter alia, employment, trade, investment and development goals and the Millennium Development Goals”.

The Conference has also featured plenary sessions, during which more than 100 delegations have expressed their concerns and shared national experiences on the myriad challenges posed by the global economic slowdown and how they could be best addressed. Today, Celso Amorim, Minister of External Relations of Brazil, echoed the sentiments of many earlier speakers that it was at the United Nations that countries without a voice in existing financial governance structures could put forth their views.

Some of those countries were among the world’s poorest — those that were the hardest hit by the economic turmoil — and their interests must be borne in mind in collective actions towards recovery, he said. A swift conclusion of the Doha Development Agenda would send a strong message against protectionism. Today’s challenges also called for reforms to global governance, as the current structures of the Bretton Woods institutions fell short in terms of legitimacy and effectiveness. Quotas and voting rights must be updated. Finally, he added that the Conference was an historic opportunity to change, and the balanced outcome document was a testament to the United Nations’ vitality.

Mali’s representative, speaking on behalf of the least developed and landlocked countries, said a comprehensive solution to the crisis, that put an end to the waste of limited natural resources, reformed the global financial architecture and laid the basis for a sustained recovery, was required. Useful proposals had already been made, but the group of landlocked countries had special circumstances that made them especially vulnerable to outside pressures.

Indeed, with 12.5 per cent of global land area and 4 per cent of the world population, they had a gross domestic product (GDP) equivalent to only 0.3 per cent of global GDP, and the crisis was already reducing even that low level. They received only 0.34 per cent of foreign direct investment, while 21 of them had a foreign trade deficit. Moreover, growth rates had declined by a range of 6 to 13 per cent. Landlocked countries also faced challenges because they were far removed from international markets. As such, they were the most affected by the downturn in global trade. Today, more than ever, support from donors and other financial institutions was critical to fulfilling the 2003 Almaty Programme of Action, which aimed to establish a new global framework for developing efficient transit transport systems in landlocked and transit developing countries.

Also making statements in the general debate today were ministers of Chile and the Democratic Republic of the Congo. The State Secretary of Austria spoke, as did the Director of the Research Department of the Bank of Israel.

Representatives of Nauru, Philippines, Iran, Namibia, France, Qatar, Costa Rica, Lebanon, Uzbekistan, Syria, Monaco, Libya, Maldives, Venezuela, San Marino, Senegal, Singapore, Uruguay, Belgium, Argentina, Mongolia and Djibouti also addressed the Assembly.

Speaking in explanation of position on the outcome document were the representatives of the United States, Czech Republic (on behalf of the European Union), Cuba, Venezuela, Nicaragua, Canada, Iran, Jamaica (on behalf of the Caribbean Community), Bolivia, Sudan (on behalf of the “Group of 77” developing countries and China) and Japan.

A representative of the International Union for Conservation of Nature and Natural Resources also spoke.

The Conference will reconvene at 10 a.m. Monday, 29 June.

Background

The General Assembly today met to conclude the plenary debate of its Conference on the World Financial and Economic Crisis and Its Impact on Development, which aims to identify emergency and long-term responses to mitigate the impact of the crisis, especially on vulnerable populations, and initiate dialogue on the transformation of the international financial architecture. (For day one of the Conference plenary, see Press Release [DEV/2747](#).)

Statements

CELSO AMORIM, Minister of External Relations of [Brazil](#), said that it was at the United Nations that countries without a voice in existing financial governance structures could put forth their views. Some were among the world's poorest — those that were the hardest hit by the economic downturn — and their interests must be borne in mind in collective actions towards recovery. Noting that last December the depth and scope of turmoil was largely unknown, he said the decision to create a mandate for today's Conference had proved timely. Six months later, despite some positive signs, the picture was still gloomy: hard-earned gains had been lost, while demand had contracted and trade finance for poor countries further dimmed recovery prospects.

A swift conclusion of the Doha Development Agenda would send a strong message against protectionism, he said. Most developing countries depended on agricultural exports and eliminating distorting subsidies by rich countries would have an important impact on developing nations' ability to trade. While developed countries should fulfil their official development assistance (ODA) commitments, those alone would not suffice — additional measures by multilateral institutions were needed and the resources of both the International Monetary Fund (IMF) and the World Bank must be increased. Brazil favoured a new allocation of special drawing rights. Counter-cyclical policies — targeting social protection and industry bailouts, among other things — should not be the privilege of the rich; poor countries needed them the most.

The path to full recovery would be long, he said, and the role of the State, alongside private enterprise, must be reappraised during the process. Brazil, while affected by the crisis, was spared its worst effects, due primarily to the fact that it diversified trade partners, invested in the internal market, and promoted infrastructure expansion. Today's challenges called for reforms to global governance, as current structures of the Bretton Woods institutions fell short in terms of legitimacy and effectiveness. Quotas and voting rights must be updated. In closing, he said the Conference was an historic opportunity to change. The balanced outcome document was a testament to the United Nations' vitality.

REINHOLD LOPATKA, State Secretary in the Federal Ministry of Finance of [Austria](#), aligning his remarks with those made on behalf of the European Union, warned that the crisis might not be short-lived and posed serious threats to all countries, but particularly the low-income and least developed countries. Their hard-won achievements in fighting poverty and hunger, reaching sustainable economic growth, and making progress towards the internationally agreed development goals were jeopardized. The recommendations from the Commission of Experts convened by the President of the General Assembly contained a series of valuable proposals to counter the crisis.

He said Austria was convinced that the success of a rapid and effective response to the crisis on a global scale largely depended on the common efforts of donors, developing countries, organizations like the United Nations Development Group and the international financial institutions. Improving the quality

and effectiveness of aid by accelerating the implementation of the Paris Declaration and the Accra Agenda for Action would be decisive. Applying best practices in such effectiveness as part of the crisis response would also help retain public support for ODA, despite the economic downturn. In that context, the capacity of the United Nations to “Deliver as One” should be strengthened and duplication of effort avoided. To make the fourth United Nations Conference on the Least Developed Countries in 2011 a success, the least developed countries and organizations within the United Nations system should work to produce a tangible result. Further, the Financial Transaction Tax was one way to scale up resources for development, and Austria was looking forward to the Secretary-General’s report on innovative sources of development finance at the sixty-fourth General Assembly.

PAULA QUINTANA, Minister of Planning of Chile, speaking briefly on behalf of the Union of South American Nations (UNASUR), said that bloc welcomed the convening of the current Conference, which would show the world that the United Nations had an important role to play in issues related to the economic development of its Member States. For that reason, the countries of the Union would actively support the implementation of the Conference’s outcome document to ensure that it was an effective tool for a joint and coordinated response to the impact of the global financial and economic crisis on development.

Continuing in her national capacity, she said the timely holding of the Conference was an example of the viability and ability of the United Nations to respond to the major challenges of the day. The crisis had presented the international community with stark challenges and choices. It had revealed weak points that demanded speedy actions to shore up, at both national and multilateral levels, to mitigate its impact on development for the developing countries. At the global level, specific measures would be needed to first stabilize financial markets and restore confidence, and then to bolster commitment and solidarity, especially among those that bore greater responsibility for the crisis.

She went on to say that the international community could not forget the origins of the crisis or the conditions under which it had been allowed to occur. “We are paying for the imbalance between the market and Government carried to the extreme”, she said, noting that the weaknesses of the financial regulations system coupled with irresponsible behaviour and a lack of transparency had let to excessive risk-taking. That had precipitated a serious financial contraction that had led the world to where it was today. Financial stability was a global good requiring broad leadership capable of creating a new global financial architecture. In that regard, she said the United Nations — “the G-192” -- should spearhead such a reform process and ensure that the new financial architecture was equitably redesigned and its decisions implemented.

KARNIT FLUG, Director, Research Department, Bank of Israel, pointed out that the global economic crisis, if left unchecked, could undermine poverty reduction rates and slow economic gains. She called on delegates to confront such concerns before they were exacerbated. With its vast network of agencies, the United Nations was most suited to address the impacts on developing countries. Essential to any response were various principles. Increased coordination among countries was needed, and additional information exchange would enhance the effectiveness of actions. Counter-cyclical fiscal stimulus was desirable whenever possible, but it must be tailored to each country’s circumstances. Preserving global trade was necessary, and it was most important that nations not enact protectionist legislation.

She said improved financial regulation, including better harmonization of accounting standards, was needed and existing international financial institutions must be improved. Indeed, the responsiveness and representation of the IMF and the World Bank should be improved, with greater flexibility to extend assistance to countries as needed. Israel, a small export-oriented economy, was highly integrated into the global economy and had been substantially impacted by the crisis. Its monetary policy had responded swiftly, with the Bank of Israel cutting its key rate dramatically in successive steps. In the last year, it regularly bought foreign currency. Exports were crucial to Israel’s growth and, as such, growth forecasts in the near future depended on what happened to international trade. In Israel, as elsewhere, the crisis had highlighted deficiencies in the function, regulation and supervision of financial markets, and Israel would draw on lessons gained abroad regarding required reforms. She concluded by saying that her country

understood that the crisis was multifaceted. The bodies and mechanism that sought to minimize the impacts must work in concert.

MARLENE MOSES (Nauru), speaking on behalf of the Pacific small island developing States, said the Conference must, in clear and unambiguous terms, identify and acknowledge the root causes of the financial and economic crisis. It must also determine how the international community could strengthen and better coordinate its ongoing emergency response, including proposals for mitigating the negative impacts of the crisis on sustainable development and strengthening funding mechanisms available to the most affected developing countries.

While the Pacific islands did not want to apportion blame, the delegation nevertheless believed there must be an agreed understanding of what went wrong, so the international community could learn from its mistakes. With that in mind, she said, policy failures, loose monetary policies, inadequate regulation and lax supervision had collided to create financial instability. Moreover, a number of international financial institutions had continued practices, such as deregulation and capital market liberalization that were now recognized as having contributed to the rapid spread of the financial contagion.

As for the impact of all this on her region, she said that, although the Pacific islands' banking systems appeared to be shielded thus far, the market value of the offshore investments held by the region's trust funds had declined. Tourism, a main driver of most of regional economy linked to overseas economic conditions, was also on the decline. Growth forecasts for the tourism industry had been revised downwards, as it was clear that potential visitors who were seeing their incomes fall, were likely to decrease their discretionary spending, foreign holidays included. She added that remittances from citizens living abroad, on which the region was highly dependent, would also be negatively impacted. While the region was taking steps on its own to address those and other challenges, much more needed to be done. Pacific small islands would need financial support from their development partners to help blunt the impacts of the crisis and help them promote development objectives in areas such as health, education and environmental protection.

OUMAR DAOU (Mali), speaking on behalf of the least developed and landlocked countries, said a comprehensive solution to the crisis that put an end to the waste of limited natural resources, reformed the global financial architecture and laid the basis for a sustained recovery was required. Useful proposals had already been made, but the group of landlocked countries had special circumstances that made them especially vulnerable to outside pressures. Indeed, with 12.5 per cent of global land area and 4 per cent of the world population, they had a gross domestic product (GDP) equivalent to only 0.3 per cent of global GDP, and the crisis was already reducing even that low level. They received only 0.34 per cent of foreign direct investment (FDI), while 21 of them had a foreign trade deficit. Moreover, growth rates had declined by a range of 6 to 13 per cent.

Beyond those dire circumstances, he stressed that the least developed and landlocked countries also faced challenges owing to their remote location from international markets. As such, they were the most affected by the downturn in global trade, which was not easily remedied given their tight local markets. Specific attention should, therefore, be paid to those particular countries, especially to improve transportation infrastructure, obtaining special treatment for their goods, and mobilizing private funding and investment. Today, more than ever, support from donors and other financial institutions remained critical to fulfilling the Almaty Programme of Action. He urged the Group of 20 to implement their recovery plans quickly. Further, a concise declaration that reflected the will to act and establish a true global partnership was needed from the Conference.

HILARIO G. DAVIDE, JR. (Philippines) said that speaking of the world economic crisis brought the international community to contemplate other crises, including the ecological crisis, which was euphemistically called the climate change, the food and the energy crisis. Indeed, the financial crisis was the inevitable result of those other catastrophes, which together indicated a "serialized retaliation by an aggrieved Mother Earth". Common sense, experience and scientific findings were convincing that climate change was the primary cause of those crises. But, while the United Nations was preoccupied with

searches for solutions to those crises, not much could be done if Member States and their peoples were not moved to humbly accept their direct and indirect responsibility, and to show sincerity in restoring and repairing nature's harmony.

“We should now stop blaming each other”, he said, stressing that now was the hour of unity. This Conference brought to the fore a genuine and firm resolve to determine the outlines of the future global regulatory framework and ensure that the impact on the development agenda was minimized. For its part, the Philippines was embarking on an Economic Resiliency Plan (ERP) to stimulate its economy through government spending, tax cuts and public-private sector projects. It was also implementing a Comprehensive Livelihood and Emergency Employment Programme to protect its poorest and was upgrading health care through such instruments as the Philippine Health Insurance Corporation. Elsewhere, the Government was confident that the gravest implications of the crisis were easing, but proceeding cautiously lest a misstep cause its people to “shoot ourselves in the foot”. It had also proposed to the Association of South-East Asian Nations (ASEAN) and its three dialogue partners, China, Japan and the Republic of Korea, surveillance and credit tightening, as well as a strengthening of the Chiang Mai Initiative at the regional level. Like others, it also called for an early and successful conclusion of the Doha Round of trade negotiations.

MOHAMMAD KHAZAEI (Iran) said lax Government oversight in major developed countries, together with extensive discrimination in the current world economic order, had led to the crisis and contributed to its speedy spread. Provisions such as the right of veto in the United Nations Security Council, or decision-making power in the Bretton Woods institutions, had been widely and unilaterally misused for imposing and escalating abiding injustices. He was disappointed to see that the solutions to the economic crisis were being crafted mainly by a “discriminatory process” and self-authorized bodies such as the G-8 and G-20. Such approaches aimed to shift the burden of addressing the crisis on those countries that bore the least responsibility for causing it.

So, the crisis was partly due to prevailing systemic injustices coupled with the neglect of the legitimate rights of nations, disregard for norms and the greed of a few, he said. It was against such a backdrop that an ambitious, substantive and comprehensive reform of the international economic and financial system seemed more necessary than ever. The outdated systems in place today, which zealously followed a doctrine solely based on market liberalism and profit-taking, had been exposed as a failure. Not only had it been unable to ensure global economic stability, it had also failed to sound the alarm ahead of the meltdown of key financial markets. He stressed that reforms must go beyond mere “cosmetic repairs”, and the discussion must include a central role for the United Nations, which would lend legitimacy to any final decisions on the matter.

KAIRE M. MBUENDE (Namibia) said his country attached great importance to today's Conference, as it was taking place at a critical moment in history. The current financial crisis had arrived in the midst of food and energy crises. Net food-importing countries like his had had to divert resources from development to emergency relief, while imports of high-priced food had destabilized national budgets. Indeed, the financial and economic downturn revealed existing imbalances in the world economic and financial architecture, international financial and economic institutions were not in a position to effectively carry out their mandates, and there was a need for effective surveillance and warning systems at the global level.

He said that Namibia's real gross domestic growth of 4.1 per cent in 2007 had fallen to 2.4 per cent in 2008 -- due mainly to reduced mining activity as a result of the crisis -- and was expected to drop to a mere 1 per cent in 2009, as the impact of the crisis continued to unfold. The Government had taken various counter-cyclical measures to stimulate domestic demand and growth. It implemented fiscal and monetary policies to ensure that shocks were absorbed. Namibia had noted recent commitments made by the Group of 20 and called for their immediate fulfilment to bring the global economy back on the growth path. Regional and subregional development banks had to be recapitalized to respond to requests for development financing, and world trade had to be resuscitated. He was deeply concerned at the impasse in

the Doha Round of trade negotiation. In closing, he said the crisis was global and required concerted, coordinated actions to find a solution.

JEAN MAURICE RIPERT (France) said that, by its violence and extent, the crisis had touched the entire world and threatened to undue recent progress in development goals. Indeed, it was a crisis like no other and, among other things, was a symptom of an insufficiently regulated international financial system. The global response must, therefore, be commensurate to the challenges and be inclusive. The United Nations can and must contribute to defining a coherent response by supporting efforts at the international level in a range of different forums. Unprecedented measures had already been adopted at April's Group of 20 summit in Italy, with many of their programmes having subsequently been launched. Further, a refusal to engage in protection had been expressed at the summit, and the issue of tax evasion and illegal capital flows was also touched on. That Group had also decided to work towards fairer representation within the international financial system.

He emphasized that France remained committed to its ODA obligations and would continue to support debt alleviation measures through the "Evian Approach". It would remain one of the main defenders of new financial international regulations. It had also been among the first countries to call for a strong response to the food price crisis and had increased its commitments to agricultural development by \$1 billion over five years. France was also working to find new, more reliable sources of financing. Market mechanisms would be one avenue for that pursuit, as would mechanisms for sharing funding. Though considerable, those efforts would not ensure the global, inclusive system that was hoped for. Thus, commitments to such a system must be preserved and the United Nations should play a central role in reforming that system. A decent work framework should be incorporated in all those efforts, which must continue since a great deal remained to be done. In that, dialogue and cooperation would be invaluable.

NASSER ABDULAZIZ AL NASR (Qatar) said that, while the crisis started in developed countries, the poorest nations would eventually carry the heaviest burden, as they were the least capable of taking protective action. Thus, their best interest must be the starting point for finding a solution. Underlying factors to the current situation included inconsistent and insufficiently coordinated macroeconomic policies and inadequate structural reform. Current estimates showed that global financial flows to developing countries would decline by half, and the impact of the crisis was now being felt in all aspects of the global economy. Trade volumes were projected to deteriorate and the ability to provide food security would be limited.

He said solutions would not be found through fiscal reform only -- an integrated approach that recognized the interaction among all such issues would be needed. Citing the International Labour Organization (ILO), he said 45 million new job seekers entered the labour market annually, meaning that 300 million new jobs in the 2009 to 2015 period were needed. Also, the IMF had been excluded from playing a role in the developed countries' response to their financial difficulties and far-reaching changes to its role were needed. In reforming the global financial system, it was imperative that two objectives -- achieving stability and providing financing for development -- be mutually reinforcing processes. Reform should be undertaken in a way that provided adequate resources to developing countries, without hindering their ability to develop domestic resources. It should reflect the weight -- and full fledged responsibility -- of developing countries in a manner commensurate with their role in trade and finance. Finally, he recalled that Qatar had hosted last year's Follow-up International Conference on Financing for Development, in part to promote international partnership so that developing countries could achieve sustainable development.

JAIRO HERNANDEZ-MILIAN (Costa Rica) said the United Nations must play a vital role in assessing the impact of the current crisis "that is shaking the world". As a multilateral forum, the Organization's involvement would help ensure that developing countries did not carry the bulk of the burden for a crisis they did not cause. The world had watched as financial giants had collapsed amid a system that lacked sufficient oversight and control. It had also watched as the impact of that collapse spread, affecting, among other things, employment, social security, foreign investment, tourism and remittances. As for the Latin American region, the challenges would be greatest for the most vulnerable

communities. So the key tasks for the region's Governments was to ensure that democratic institutions and social protection mechanisms remained on stable ground.

He said Costa Rica hoped the current economic downturn did not evolve into a structural crisis leading to a deep regional or global recession; his country could not afford to lose ground towards attaining the Millennium Development Goals. He said that, at the international level, responding to the crisis involved the reinvention of certain sections of the international system. "We need financial architecture with more transparent systems of control, regulation and information, in order to prevent ourselves from repeating this story", he said, appealing for a more symmetric distribution of burdens among countries. Overall, reform processes should unfold in an ethical manner, with a view towards social protection and reducing individual suffering. Finally, he urged the Assembly to keep an eye on other ongoing challenges, such as climate change. "This crisis gives us a creative opportunity to redesign the international economy to one that brings into harmony the production of goods and services and information technology, on the one hand, and social development and environmental sustainability, on the other", he said.

NAWAF SALAM (Lebanon) said the financial and economic crisis had created new challenges for developing countries, forcing them to divert resources originally earmarked for development to other areas that would help them cope. The economic, human and social impacts were alarming. In 2009: unemployment was estimated to increase by 59 million people; the number of undernourished to reach 1 billion; and the level of FDI to developing nations to drop by 32 per cent. The root causes of today's situation lay principally in deficient regulations and mounting international imbalances. Coordinated action among all States was needed and, in that context, he recommended the adoption of a global stimulus package to help developing countries recover.

For their part, developed nations had to scale up assistance by providing adequate and predictable financing without conditionality, which could help poor nations find the necessary fiscal space to implement counter-cyclical measures, he said. While encouraged by the recent Group of 20 commitment to make \$1.1 trillion available for global recovery, he noted with concern the adoption of protectionist measures by 17 of its 20 members. Also, the Bretton Woods institutions must be substantially reformed, particularly their governance structures. Describing Lebanon's situation, he said that, while the country had been able to minimize the crisis' adverse effects, it could not be completely shielded, especially as 20 per cent of its gross national product (GNP) came from remittances. The Government had adopted a development-oriented plan to reinvigorate the economy that included a significant wage increase for public and private sector employees.

MURAD ASKAROV (Uzbekistan) said that, in the face of the current crisis, human civilization had reached a critical moment. For the first time, States could not address the challenges by merely creating new markets or new mechanisms. Indeed, everyone had witnessed the collapse of financial giants that until recently had represented the very epitome of economic success. It was clear that deep structural reforms were needed, and such restructuring must lead to mechanisms that served the global good, rather than their own interests or the interests of a few. Success in that endeavour hinged on the effectiveness and coordination of measures taken by individual States and at multilateral levels.

He went on to say that Uzbekistan had begun to take a series of measures as soon as the effects of the crisis began to appear, including the recapitalization of its banks and simplification of its taxation system. It had, in effect, retooled the foundations of its economy and, in the process, had put in place various social protection schemes and set in motion initiatives that would create nearly 100,000 new jobs. On the way forward, he called on the Assembly to consider measures aimed at creating a more stable financial and economic system. Stakeholders should work together to find common denominators on which a new model for socio-economic development, banking and trade could be based. He added that the efforts of the G-20 and the G-8 should not focus solely on resolving problems among their respective memberships. Rather, they should help with drafting recipes to ensure the current "financial illness" was addressed in a manner that ensured sustainable development for all.

BASHAR JA'AFARI (Syria) noted the agreement among speakers that the world was confronting one of the most dangerous crises in many decades. It was being worsened by both the food crisis and the threats posed by climate change. As a result, aid and foreign direct investment had declined, potentially undermining the Millennium Development Goals and other development goals. Unlike developed countries, developing countries lacked the resources to counter the crisis. The rapid expansion of the crisis was clear proof that radical reform of the international financial system was needed. The current system was not democratic; rather, it imposed the will of the most developed countries.

Because Syria had a strategic reserve of foreign currency and was among the least indebted countries, he said trust in its economy should be strengthened. Nevertheless, the Syrian Government was working to lessen the impact of the crisis on its economy and people. Among other developments, the Economic and Social Commission for Western Asia (ESCWA) had recently adopted the Damascus Declaration. However, measures undertaken by some developed countries had reduced the trust in the international economic system. States taking unilateral measures should avoid using such policies. Obstacles preventing countries from joining the World Trade Organization that stemmed from political motivations did not contribute to the creation of an enabling atmosphere vis-à-vis the global response. He stressed that the global response should not ignore the situation of peoples under foreign occupation. Because the crisis was global, solidarity in fashioning a response was required, and the outcomes of the Conference should seek to implement genuine reform in the Bretton Woods institutions.

GILLES NOGHÈS (Monaco) noted that a lack of financial market regulation had played a role in creating the current recession. The collapse of trade and reversal of capital flows had only worsened the tenuous situation related to high food prices. As with the climate crisis, the economic and financial crisis impacted the most vulnerable populations, particularly women, who constituted the majority of labour in developing country export sectors. Given that situation, Monaco, working with Andorra, decided to finance a joint programme of the World Food Programme (WFP) and the United Nations Population Fund (UNFPA) to reduce the vulnerability of women of child-bearing age.

Achievement of the Millennium Development Goals was already in question before the financial and economic crisis, he continued. The situation called on all to work together, as the spectre of a humanitarian disaster required a concerted and coordinated response. For its part, Monaco supported several measures of the United Nations System Chief Executives Board for Coordination (CEB), including to create minimum social protections that met humanitarian needs. His Government also supported the creation of a follow-up mechanism. He welcomed the adoption of an “unprecedented” programme by the Group of 20 that included provision of budget recovery resources. Expressing Monaco’s grave concern at the environmental crisis, he said the Government would contribute to creating a green economy, notably by putting in place essential climate change adaptation measures.

IBRAHIM DABBASHI (Libya) said everyone understood that the current crisis had led to one of the worst economic downturns in the past 60 years, causing deep socio-economic fissures and threatening to undermine achievements by developing countries to attain internationally agreed development goals. It should not be a surprise then that export volume in developing countries was declining, unemployment was rising, and social conditions and services were fraying. With that in mind, he said, it was clearly time to deal effectively with the current inequitable and antiquated financial mechanisms and institutions, by reforming them in a manner that ensured not only fairness, but a heightened awareness of the needs of the world’s most vulnerable populations and communities.

He went on to say that Libya was concerned by decisions that had been taken by such groups as the G-20, which adopted measures and plans out of sight of the wider international community, and especially the developing world. Indeed, such decisions must at least include broader regional groupings, as well as increased participation by African countries. Beyond action at that level, the international community must stand by its pledges to assist Africa and other developing regions attain the goals to which all nations had agreed were critical for sustainable development and stability.

He stressed the importance of bringing about a truly global recovery, driven by higher quality ODA and better representation of developing countries in decision-making processes. History had shown that economic unilateralism in many cases led to political unilateralism. Therefore, the United Nations should take a priority role in defining not only the reform of global finance structures, but also the role and methods of interaction between its Member States and those institutions.

AHMED KHALEEL (Maldives) said that as a member of two of the three most vulnerable groups identified by the United Nations -- the least developed countries and the small island developing States -- his country's fragile economy had felt a tremendous and unimaginable impact from the crisis. It was stretching already-limited resources to deal with the country's inadequate housing, lack of modern transportation systems, substance abuse and unprecedented fiscal problems. Coming after a series of other challenges in the past few years, which started with the "Asian tsunami", the crisis was causing shortages in foreign currency, price hikes in primary commodities, and the withdrawal of private capital flows and foreign investment. The tourism sector, which accounted for 30 per cent of GDP, had declined by 11 per cent in the first four months of 2009. Moreover, oil price fluctuations and falling tuna prices were negatively affecting the fishing industry.

He said the Maldives was committed to working with the international community to take all necessary precautionary measures to ensure that the crisis did not adversely affect the well-being of its peoples. But, it did not have the necessary fiscal capacity and institutional arrangements to counter the fallout. Its only means of funding domestic expenditures came through borrowed sources and foreign grants, thereby aggravating its public external debt burden. By the end of 2009, forecasts said that debt levels would reach 45 per cent of GDP, with debt servicing increasing to 10 per cent of total exports of goods and services. That would unravel the modest development achievements it had made in the last decade. Urgent assistance was needed to stabilize the situation and maintain the growth rate, employment levels, and physical and social infrastructure, while expanding the social safety net for the most needy. That assistance was also needed to maintain the country's development trajectory, which had put it on track to meet the Millennium Development Goals. Further, the world's commitment to "seal the deal" during climate change negotiations in Copenhagen was imperative to the country's future.

Adoption of Outcome Document

The Conference began its afternoon session with the adoption by consensus of its outcome document contained in document A/CONF.214/L.1

Explanation of Vote

Speaking in explanation of vote, the United States representative welcomed the last three days as an important opportunity to discuss the global crisis. His Government had listened with great interest and had held many informative discussions with delegations from all regions. The outcome offered views in several paragraphs on the governance and operational aspects of international financial institutions, and the Bretton Woods institutions in particular. Those bodies had governance structures independent of the United Nations. Any decisions on their reform could only be made by shareholders and their boards of governors. The United States did not interpret the language in the document as endorsing a formal United Nations role in decisions affecting them.

Regarding paragraph 15, he said that when countries faced an acute shortage of foreign reserves, they should implement efficient policy and monetary responses. Trade measures would not solve balance-of-payments problems associated with capital account pressures, a widening fiscal gap or other corporate failures. Use of them should be avoided and only resorted to when applied in accordance with World Trade Organization (WTO) rules. Articles 12 and 18 related to the General Agreement on Trade and Tariffs and the Understanding on the Balance-of-Payments Provisions. Those conditions included requirements not included in the outcome. There was no provision under the WTO Agreement for use of "trade defense

measures” to address balance-of-payments issues. Paragraph 15 also described temporary capital restrictions and debt standstills as a way to address foreign reserves shortages. The United States did not condone the use of capital controls. If used, they should be taken only as a last resort on a temporary basis and in line with existing multilateral and bilateral agreements.

On paragraph 20, which encouraged regional reserve currency arrangements, he said such arrangements should be judged by whether they contributed to regional and global financial stability. Paragraph 25 noted that the WTO was engaged in a monitoring process. Duplicative efforts should not be undertaken across other bodies. Proposals suggested in the paragraph could undermine existing monitoring and reporting process, and all countries needed to be vigilant about how they responded to the crisis.

Regarding paragraph 27, on unemployment, he said the United States was committed to allowing labour migration to meet labour market needs. On paragraph 28, the United States interpreted the reference to ODA targets to mean donor countries’ individual targets. For paragraph 34, which focused on the need for a structured framework for cooperation in the area of debt, he said such a framework should be explored in line with existing structures, including the Paris Club. Regarding paragraph 35, he said the United States joined others in supporting a general special drawing right (SDR) allocation that would inject \$250 billion into the world economy. However, they were a monetary asset and not suitable for development finance. On paragraph 37, the United States interpreted international commitments to include internationally agreed financial standards. Paragraph 38 referred to promoting double taxation agreements, which should apply only in instances when significant double taxation existed between relevant jurisdictions. Finally, regarding paragraph 54, the United States’ strong view was that the United Nations did not have the expertise to provide direction for meaningful dialogue on a number of issues, such as reserve systems or the international financial architecture.

The representative of the Czech Republic, speaking on behalf of the European Union, expressed satisfaction with the Conference and its outcome document. It deeply appreciated the work of the facilitators, as well as the spirit of cooperation exhibited by Member States. The Conference had been a most important event, which allowed smaller and poorer countries to express their positions. Further, the United Nations had shown its resolve to act as one. The ambitious document provided the basis for the Organization to contribute to ongoing discussions on ways out of the crisis and on reforms of the formal global financial architecture. It also contained substantial steps for follow-up, including, among other things, the establishment of a Panel of Experts. It further addressed a number of issues that were dealt with in other intergovernmental organization and forums.

He said the European Union would continue to participate in each of those forums, respecting each organization’s mandate. The current crisis required concerted international action, and the European Union was determined to play a constructive role to that end. Underlining that the United Nations was “one big family united against adversity”, he said there was no doubt that the path of development would prevail.

Cuba’s representative said that, while his country had joined consensus, it believed the text fell far below the requirements of the most heavily affected nations. It also included elements that created precedents that could prove dangerous to the United Nations. The crisis, which began in the main developed countries, was the result of severe systemic problems that went beyond regulatory policy and the financial sector. Indeed, it demonstrated the failure of the neo-liberal doctrine and of the current financial structure. It was, Cuba believed, time to pass on to a new paradigm of financial relations. The outcome document lacked a serious diagnosis of the root causes. It contained no commitment regarding the provision of new financial resources that were urgently needed by developing countries, nor did it address the existing commitment by developed countries to earmark 0.7 per cent of their GDP for aid, and instead indicated that the developing world was relegated to accepting humiliating alms under conditions.

“We must rethink everything that was created from the Bretton Woods institutions through today”, he said, stressing that the United Nations should play a vital role in that work, which could not be done by closed meetings such as the G-20. The outcome document did not focus with sufficient depth on the

reform of financial institutions, which should be restructured from the bottom up. In particular, Cuba rejected the mention of the controversial concept of “human security”, which lacked a clear definition and connoted an interventionist tendency. The document also mentioned the so-called principles of aid effectiveness, which was linked to South-South cooperation. Cuba did not recognize those principles as mentioned, which it believed were used to deflect attention from the issue of aid commitments from the developed to the developing world. The solution to the financial, economic, food, energy and climate crises would only be possible if the full participation of all nations was ensured.

The representative of Venezuela, while welcoming the outcome document, said it was important to highlight that it had major deficiencies, such as an insufficient emphasis on the United Nations’ role in the response to the financial crisis. The reference in paragraph 3 to human security was alarming. Imperial powers might make the most of that to violate rules governing relations between States concerned. Regarding paragraph 16, which referred to the Group of 20 summit, he noted that the General Assembly should be responsible for making economic and financial decisions for the peoples of the world. He observed with concern, in paragraph 22, references to the World Bank, saying that the recipes of the Bretton Woods institutions were responsible for the crisis today. Venezuela viewed with grave concern the principles of aid effectiveness, stated in paragraph 30. His country’s activities, through Petro Caribe, for example, were based on solidarity and complementarity.

Nicaragua’s representative congratulated today’s outcome as an historic milestone for the General Assembly, which had demonstrated it had a central role in shaping a new international order. The outcome was a compromise text and sent a common message on the global recession. He reiterated that the financial crisis started just a few blocks away, in the offices of greedy Wall Street bankers. The effects of the crisis varied, but the texts’ reference to it reflected a call to the developed countries to change their neo-liberal focus. He rejected the concept of human security linked to the affairs of any State. Any mention of it in the text reflected the fact that the international order did not provide minimum conditions. Today, countries had called for a new financial order that did not include a unipolarity of one currency, criminalization of migrants, and one in which finance institutions really worked for peoples’ well-being. Reforms to the world economic system must have the goal of providing full representation for developing nations. Bretton Woods institutions were obedient to the United Nations Charter, which included the right to self-determination. He was pleased to have joined the world’s consensus and asked that the outcome’s agreements be implemented immediately.

The representative of Canada acknowledged the timeliness of the Conference as an opportunity to discuss the risks faced as a result of the crisis. But, he said he wished to clarify Canada’s stance on several items. While Canada was “very supportive” of the United Nations’ role in addressing the crisis, he noted that several paragraphs delved into the internal workings of international financial institutions, which had distinct governance structures charged with oversight of their policies. Canada did not endorse a formal role for the United Nations in the ongoing reforms within those institutions.

Continuing, he said developing countries should take measures to address the acute shortage of reserves. Balance-of-payment measures used must be consistent with their rules of use. On migration, he said it was his understanding that paragraph 27 referred to individual migrants with respect to a specific place of origin. On labour needs, Canada considered that such reference take into account countries’ social and economic realities and be based on relevant domestic legislation and policies.

He said the use of special drawing rights was primarily for enhancing the stability international liquidity, not for development purposes. It was important to act swiftly and avoid delays in already agreed-upon proposals, including the \$250 billion general SDR allocation. The ad hoc working group proposed in the document should focus on follow-up. It was not useful for the forum to address issues that fell outside the United Nations’ mandate and expertise, such as global reserve system, reform efforts of the Bretton Woods institutions, and frameworks for sovereign debt restructuring.

The representative of Iran welcomed the adoption of the document by consensus. It sent a positive signal that the United Nations was the right place to address the crisis in a holistic manner, taking into account its universal membership and legitimacy. The outcome was a first step in the right direction. He particularly welcomed paragraph 54, on regular follow-up and recommendations. However, his Government thought the document fell short of expectations in proposing a substantive reform of the financial and monetary system and architecture, and the role of United Nations therein. Reference in paragraph 23 to system-wide coherence should not prejudice ongoing negotiations in the Assembly. On a reference in paragraph 3 to human security, he reiterated Iran's position that documents approved by the United Nations should not be open to vague concepts that were not intergovernmentally agreed.

Jamaica's representative, speaking on behalf of the Caribbean Community (CARICOM) and noting that the negotiation process had often been difficult, expressed pleasure with the outcome. The CARICOM attached great importance to the convening of the Conference, which had afforded small island developing States a valuable opportunity to contribute to ongoing discussions on appropriate responses to the crisis. While the reform of the global economic architecture would be incremental, it must be advanced. Towards that end, the focus should be on: enhancing access to financing, including through the use of factors other than GDP to evaluate economic sustainability; creating a level-playing field with respect to small jurisdictions, which should be given a voice when tax matters were being discussed; and creating new financing facilities to provide assistance to developing countries by developed countries, which bore a moral responsibility in that regard.

The representative of Bolivia said that, with the outcome document, the G-192 had demonstrated that the United Nations was the appropriate place to discuss a global response. It hoped that the document would provide a foundation to overcome the crisis. To that end, it was important that the open-ended working group follow up on paragraph 15, which touched on the shortage of foreign reserves and their negative impact on balance of payments. Indeed, it was an unjust paradox that so much capital was flowing out of the poorest countries to the richest. It was also clear that trade would be part of the discussion. On paragraphs 24 and 25, Bolivia believed that the financial crisis had demonstrated that free trade and free markets were unable to self-regulate. Regarding paragraph 10, he said it was essential to mitigate the impact of the crisis with special emphasis on the least developed countries, particularly those that were landlocked. Moreover, the weakest part of the document was its lack of criticism of the Bretton Woods institutions.

The representative of the Sudan, speaking on behalf of the "Group of 77" developing countries and China, said that to stand united was indeed an achievement, and he welcomed the outcome. It was a text of normative highs. He would have wished that the outcome addressed the issue of mitigation, as that issue must urgently be addressed. The task ahead was odious and his delegation believed key priorities were: establishment of an open-ended working group to follow up on actions of outcome document; establishment of a panel of experts; strengthening capacity of the United Nations, notably in the speedy review of the cooperation agreement between it and the Bretton Woods agreements.

Japan's representative welcomed the outcome's adoption by consensus. The outcome document reflected all States' interests in a balanced and inclusive manner. He welcomed ongoing progress in cooperation between the United Nations and Bretton Woods institutions. Matters related to Bretton Woods institutions, including SDRs, should be carried out in their respective governance structures and mandates. Follow-up actions of the Conference should make maximum use of existing frameworks and resources. The outcome document was clearly a milestone in the United Nations' history.

Statements

The Conference then resumed its general debate.

JORGE VALERO BRICEÑO (Venezuela) said "the neo-liberal policies negatively impacting the relations between human beings and the relations between society and nature have failed". More than 100

million starving people had joined the confines of hopelessness; financing for development had been reduced; and commodity prices and remittances had significantly dropped. Unjust relationships operated in the present global power structure, and the concentration of wealth in the hands of the few had led to an unequal society. A few countries maintained the credit monopoly by controlling the Bretton Woods institutions, which themselves had violated the sovereignty of countries in the global South.

He said South-South cooperation should be relaunched. Adoption of a basket of currencies to replace the dollar as a reserve currency was a growing idea. To provide adequate liquidity for developing countries, the issuance of SDRs — without the monopoly of the Bretton Woods institutions — should be expanded. He also supported the initiatives of regional economic reorganization, consistent with the creation of other benchmark currencies. Rich nations should donate their SDR allocations to regional bodies working for the well-being of the disadvantaged. He discussed regional initiatives, saying it was necessary to relaunch a common platform of the South. Stressing the role of the Group of 77 and China in the outcome, he expressed hope that the agreed follow-up mechanisms would be implemented without delay. In closing, he said it was imperative to replace a culture of selfish values with one of peace based on social justice.

DANIELE D. BODINI ([San Marino](#)) welcomed the Conference and commended the skill and tenacity of the facilitators in negotiating the outcome document. However, he regretted the fact that the vast majority of the General Assembly's Member States were not, like his, represented by the "heads of State and Government and High Representatives", as the document stated in its first line. It was unfortunate that the erratic process in preparing the meeting, including the last-minute date change, discouraged the participation of so many world leaders, whose presence would have made the Conference truly historic. While it occurred in one of the most revered halls on the planet, the Conference had barely, if at all, been recognized by the world media and the world's citizens. Thus, it had been a huge missed opportunity. Yet, he hoped that the effort to create an effective open-ended working group would be successful, and the world economic crisis and its impact on development would be a main theme of the General Assembly's sixty-fourth session.

PAUL BADJI ([Senegal](#)) said millions had been plunged into poverty by the crisis and resounding repercussions had been felt in all sectors. Despite the unprecedented nature of the crisis, the international community had shown a will to act. In that regard, the current Conference had the merit of being buttressed by the principle of universality, which was paramount in the pursuit of solutions that took the needs of all countries, no matter their size and wealth, into account. Currently, developing countries like Senegal were facing a series of drops in growth rates, the transfer of funds and aid, and even the drying up of other sources of financing. He hoped that the current Conference would help remedy those negative impacts. Through its outcome document, it sought to ensure that financial regulation, growth, employment and the main economic balances would be stabilized and world trade would be restored, among other things.

He stressed that, despite its limited means, Africa had not remained on the sidelines of efforts to offset the exogenous shock of the crisis. Domestic steps had been made to ensure social stability. The thirty-fourth and thirty-fifth meetings of the African Development Bank the African Development Fund held in May had been part of this general vision. While recent efforts to speed up the transfer of funds to developing countries had been noted, to be effective, those steps must be bolstered by international actions to step up aid to Africa, achieve a more equitable global trade and find a final remedy for the food crisis. Funding should also be increased through access to reserves and SDRs. New financing mechanisms should also be introduced as tools to fight the crisis. Overall, bold and sincere steps were needed to provide a global new deal and a system of economic cooperation based on justice, equity and democracy.

VANU GOPALA MENON ([Singapore](#)) said measures being taken by Governments and international financial institutions to deal with the crisis were unprecedented and on a scale not seen before. No one knew for sure how prolonged or deep the recession was going to be. The speed at which it spread was a reminder of the scale and depth of the world's interconnectedness. South-East Asia had not been able to decouple itself from the rest of the world, with the Singaporean economy contracting 10 per cent in the first quarter of 2009 and the overall forecast for the year being between minus 9 and minus 6 per

cent. But, as countries implement domestic policies to mitigate the impact of the crisis, they also needed to consider their impact on other economies. A rise in protectionism would invite retaliation and undermine economic recovery, and, for that reason, States must take a collective stand to support free trade. The Association of South-East Asian Nations (ASEAN) had issued a strong statement against protectionism at the summit on 1 March.

He said each country's efforts could be enhanced by increasing cooperation through regional institutions and initiatives. For instance, in February, the ASEAN plus China, Japan and the Republic of Korea agreed to increase the size of the Chiang Mai Initiative from \$80 billion to \$120 billion. But, ultimately, the key to the recovery process was the restoration of confidence. 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, and should keep in mind the importance of medium- and long-term sustainability. Singapore expected that, while developed economies would remain important markets, the crisis would probably increase the drive in Asian developing and emerging economies towards greater domestic consumption and intraregional trade, investment and consumption. Those adjustments would benefit the global economy as a whole, as more engines of growth would provide greater resilience.

SIMON MBOSO KIAMPUTU, Minister of Industry of the Democratic Republic of the Congo, focused on the crisis' impacts on his country, a post-conflict and fragile State. The prices of copper, cobalt, wood and oil all had fallen. Foreign exchange reserves and export earnings had fallen, while imports were growing more expensive. The country's terms of trade had deteriorated and its inflation rate at the end of 2008 had reached 27.6 per cent, versus a predicted 23 per cent. The drop in budget and tax earnings had created a public deficit. There was a lack of resources to finance energy and communications infrastructure, and a massive loss of jobs in the mining sector had impacted some 3 million people. The signs of social conflict had been seen in strikes.

To attenuate the situation, the Government created an emergency plan for economic and social stability, he said. While international institutions, including the African Development Bank, had helped in that regard, such support had been insufficient in the face of a humanitarian crisis in the eastern part of the country. His Government sought to alleviate external debt in the short term. Other plans centred on diversifying growth, notably through development of the agriculture sector for food security, reducing dependence on the export of prime commodities, supporting internal consumption of local products; and reducing dependence on imports of consumer goods. The Government also had set up a stabilization plan for the east to ensure the rehabilitation of vulnerable groups. On climate change, he said the Government had made use of all activities, such as preservation forests and carbon wells. In closing, he welcomed the quality of the debate during the Conference. He urged developed countries to respect their development commitments and hoped that the global community could ensure that resolutions were implemented by all.

JOSÉ LUIS CANCELA (Uruguay) said the Conference was the first step in a process to design short- and long-term solutions to constructively respond to the financial and economic crisis. It called for a coordinated effort that was inclusive and participatory, and one that could produce concrete effects. It was important, as well, that the United Nations take its place in the greater international effort on economic issues, and to take part in the decision-making process with the main players on the international economic scene. One of the worst effects of the crisis was the contraction of international trade, especially for developing countries. Additionally, they were made vulnerable by their dependence on capital flows and external financing, and the instability of the exchange rate. It was urgent to correct distortions in the multilateral trade systems through structural reform, in order to help countries overcome the crisis and help spur growth. Similarly, it was important to complete the Doha negotiations, eliminate export subsidies and non-tariff restrictions, especially in the agricultural sector. Since protectionist measures would only aggravate the consequences of the crisis, it was also important to promote an ease of access to open markets.

He said the members of international community should observe their commitments towards development aid, as well as to provide new and additional resources to countries that needed to implement counter-cyclical policies to stem the crisis. The international community needed to review the financial

system, in particular to enable greater participation by developing countries in the financial and economic arena. The Bretton Woods institutions should consider what they could do to facilitate those changes. Uruguay was part of a region comprising mostly middle-income countries; as the world moved towards a solution, it should take account of the particular needs of such countries. The Conference marked the start of a broader process to establish a freer, fairer international economic order and to make possible the attainment of the Millennium Development Goals.

JAN GRAULS ([Belgium](#)) focused on the human reality behind the figures and statistics of the economic crisis, a “dramatic reality indeed”, particularly for the world’s poor and vulnerable. The reality of those who suddenly found they could no longer afford school fees for their children or send part of their salary earned abroad to their families at home represented a challenge to be addressed by all. The Conference would show that the international community’s willingness was on par with that challenge. Beyond steps to boost their own economies, industrialized nations had expressed readiness to provide additional financial support to developing countries, while emerging economies acknowledged that their economic weight entailed new roles. He urged converting the crisis into an opportunity.

For its part, Belgium spent 0.47 per cent of its GDP on ODA in 2008, he said. Efforts related to the quality and effectiveness of its assistance were at least as important. Bilaterally, Belgium had decided to limit its intervention to three sectors at most, and thus evolved towards economies of scale and division of tasks among donors. Where fiduciary and political conditions were fulfilled, the country would spend a growing part of its aid as budget support. Belgium had also “front loaded” its disbursements and sped the rhythm of its payments. Multilaterally, as of this year, its voluntary multilateral contributions would not be earmarked, and instead would go entirely to the general resources of multilateral organizations. Finally, he said Belgium had just finalized an accord stipulating that non-governmental organizations funded by the Government would work to comply with the principles of the Paris Declaration.

JORGE ARGÜELLO ([Argentina](#)) said that measures to blunt the impact of the crisis were needed over the short term, while over the medium term steps should be taken to prevent its recurrence. The crisis would not have happened if the regulatory bodies and international financial institutions had monitored the situation appropriately and made sufficient policy recommendations. Thus, Argentina favoured the reform of those institutions, as well as the overall international financial system. The asymmetries of the World Trade Organization should also be addressed, and the conclusion of the Doha Round of trade negotiations should ensure the equitable treatment of developing countries, the importance of agriculture in food security and the equal footing of exports from developing countries, among other things.

Noting that the IMF had failed in several ways, including by allowing for the imbalances of payments and capital flows, he said the Fund should assist developing countries with needed liquidity through SDRs or through grants or loans that did not contain conditions. A broad agreement was needed to distribute those special drawing rights to developing countries. Further, the financial system could not continue as if nothing had happened. As part of its restructuring, the transfer of resources and the flight of capital to tax shelters must stop. The State must also play a major role in regulating financial activities, promoting growth and ensuring an equitable distribution of income. In that framework, developed countries should finally honour their ODA commitments. Finally, he said the outcome document showed different opinions, as well as shared concerns. It was a product of mature pragmatism and should be seen as part of a broad process that began in Doha to engage the United Nations in addressing financial matters more fully.

OCHIR ENKHTSETSEG ([Mongolia](#)) said the global crisis had most impacted least developed countries, landlocked developing countries and small island developing States. She was encouraged by the broadly shared recognition that vulnerable countries should be assisted to withstand the harsh impact of the crisis. Much had been said in recent days about how the turmoil had impacted economies and such sharing would help in the development of concerted global actions, based on shared responsibility.

In crafting a response, the multiple nature of the various crises had to be taken into account, she said. All actions needed to focus on people -- the human costs -- of overcoming the impacts of multiple

crises, especially as some 73 million people or more could fall into poverty. In addressing financing shortfalls, the special needs of low-income vulnerable countries should be met. Welcoming the Group of 20's reaffirmation of commitment towards the Millennium Development Goals, and \$50 billion package to support social protection, among other things, she said timely delivery of additional resources would be instrumental in helping vulnerable countries. To enhance the United Nations' role, she fully endorsed the idea to set up an ad hoc panel of experts on the crisis. Also, it would be critical to have sustained follow-up to the Conference, and she asked the Secretary-General to prepare a matrix of short- and long-term policy initiatives put forward by Member States. In closing, she reiterated Mongolia's resolve to follow through on implementing its action plan to overcome the crisis

ROBLE OLHAYE (Djibouti) said the present crisis was the third of the three Fs: food, fuel and finances. In turn, those issues were all enveloped in climate change. Like many other small developing countries, Djibouti had experienced difficulties highlighted in higher prices, shortages, a fall in direct investment and increased unemployment. The Government's ability to absorb all the negative consequences were "very limited", and it was hoping that united global determination to reverse the current challenge would soon bear fruit. For Africa, available international credit had tightened at a time when the continent's foreign reserves were nearly depleted. Trade barriers hampered the ability to expand growth, and it was unclear what burden international financial institutions should bring to bear.

He said a global coordination mechanism was needed to respond to the crisis and to ensure sustained economic growth to help eradicate poverty. It was also an opportunity to restore balance within global governance institutions, particularly the sharing of power, so that they could retain their relevance. The history of the free market had been one of rising monopolies that had come to dominate both markets and Governments. Unbridled greed had led the world to where it was today. Laying the basis for a "saner, more productive, more responsive, more ethical and accountable economy" was why delegates were present today.

NARINDER KAKAR, International Union for Conservation of Nature and Natural Resources, said the current crisis provided a critical opportunity to put in place a more sustainable economy, by investing in the social and natural environment. It offered a chance to rethink the way humans derived well-being from those environments. To that end, the world needed a strong appreciation and application of the principles of sustainability. Sound ecosystem management would be essential in building a stronger support system for economies at all scales. Moreover, the global economy's resilience was intricately linked to the environment, and climate change could severely compromise economic development, ecosystem health and resilience unless urgent action was taken. By stimulating private enterprise and creating new green jobs, greater investments in the environment could be an important catalyst for economic development.

He warned, however, that investing in the environment would only work if it empowered the societies that lived in and depended on those natural resources that were currently being degraded. Programmes to empower consumers to make sustainable choices were needed. Managing the crisis required massive global fiscal stimulus, and a large part of that spending must be an investment in a green future by fighting climate change, creating green jobs and spurring green growth.