



**CHECK AGAINST DELIVERY
VÉRIFIER AU PRONONCÉ**

**STATEMENT BY
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PERMANENT REPRESENTATIVE OF CANADA TO THE UNITED NATIONS**

**ON BEHALF OF
AUSTRALIA, NEW ZEALAND AND CANADA**

**AT THE UNITED NATIONS CONFERENCE ON THE WORLD
FINANCIAL AND ECONOMIC CRISIS AND ITS IMPACT
ON DEVELOPMENT**

NEW YORK, 25 JUNE 2009

**DÉCLARATION DE
L'AMBASSADEUR JOHN MCNEE
REPRÉSENTANT PERMANENT DU CANADA AUPRÈS DES NATIONS UNIES**

**AU NOM DE
L'AUSTRALIE, DE LA NOUVELLE-ZÉLANDE ET DU CANADA**

**DANS LE CADRE DE LA CONFÉRENCE DE L'ORGANISATION DES NATIONS
UNIES SUR LA CRISE FINANCIÈRE ET ÉCONOMIQUE MONDIALE
ET SES EFFETS SUR LE DÉVELOPPEMENT**

NEW YORK, LE 25 JUIN 2009

Mr. Secretary-General, Mr. President of the General Assembly, distinguished representatives and delegates, Excellencies,

It is my pleasure to address you today on behalf of the Governments of Canada, Australia, and New Zealand.

This Conference presents a valuable and timely opportunity to come together to discuss the risks we all face as a result of the global financial and economic crisis, with a particular focus on development. We welcome this opportunity to contribute to the further coordination and collaboration between all relevant actors, and to help identify where gaps remain in our response.

We are hearing, for the first time, from all UN member states, and developing countries in particular, regarding the real impacts of the crisis, as well as what is needed most to spur recovery.

I wish to focus my comments on three critical issues: first, the importance of meeting existing aid commitments; second, the critical role of the international financial institutions in mitigating the impacts of this crisis on developing countries; and third, the need to ensure complementary engagement of all actors, including the UN.

Meeting Existing International Assistance Commitments

Hidden behind falling GDP statistics are the men, women, and children who are struggling to feed their families, pay for medical treatment, keep their jobs, and remain enrolled in school.

Of critical importance during this time of financial and economic uncertainty, is a reaffirmation of our shared financing for development commitments, particularly with respect to mobilizing all available resources for development in order to achieve sustained economic growth, promote sustainable development, and eradicate poverty.

The risks are significant in terms of deepening poverty, increasing child mortality and loss or even reversal of development progress towards the internationally agreed development goals, including the Millennium Development Goals.

Now, more than ever, it is critical that all donors fulfill existing, national international assistance commitments, despite the financial and economic crisis. Canada, Australia, and New Zealand are proud of our record in this regard:

- Canada is on track to double international assistance to \$5 billion by 2010-11 and we have already met our G8 Gleneagles commitment to double aid to Africa by 2008-09.
- Australia remains committed to effectively doubling ODA by 2015 and their development budget for 2009-10 commits to increasing aid to Africa by 75% in real terms over 2008-09.

- New Zealand's development assistance is continuing to increase, and will reach NZ\$600 million in ODA by 2012-13, more than doubling 2003-04 levels.

To help those that are most vulnerable to the impacts of this crisis, we have made multi-year pledges to support development in the Americas, Africa, Asia (including Afghanistan), the Pacific, the Middle East and Eastern Europe. We have worked hard to focus our aid on programs that generate employment and economic growth, protect the vulnerable, notably children and youth, contribute to food security, and deliver basic health and education services, particularly in fragile environments.

Quantity of aid is only part of the story - we must also ensure that the aid is effective. For too many years, international assistance has not been fully effective because it came with strings attached.

We therefore reaffirm our commitment to make our aid more effective. This includes fully untying our aid programs, increasing transparency and accountability, but also tailoring our responses to the individual needs of our partners. These actions are consistent with our *commitments under the Paris Declaration and the Accra Agenda for Action*.

Supporting the International Financial Institutions

Staving off an extended global recession and promoting early recovery is of primary importance in containing the impact of the global financial and economic crisis on all countries, whether advanced, middle or low income economies.

In this respect, G20 Leaders provided a strong response at the London Summit on April 2. The combined \$1.1 trillion commitment to the International Financial Institutions will help to restore credit, encourage economic growth, promote global trade, and maintain employment.

Canada committed an additional US\$10 billion in temporary bilateral credit arrangements with the International Monetary Fund to ensure that emerging markets and developing countries have the access to the capital they need to mitigate the impacts of the financial and economic crisis. This amount will later be rolled into to our permanent commitment under an expanded and reformed "New Arrangements to Borrow" facility, to which Australia has also committed \$7 billion.

CANZ countries are also helping out in our respective neighbourhoods:

- Canada and Australia are contributing to a 200% general capital increase to the Asian Development Bank so this institution can significantly expand its lending capacity for programs in the region.
- Canada will temporarily double the callable portion of its capital investment in the Inter-American Development Bank's with a new investment of up to \$4 billion, allowing the Bank to immediately increase its lending capacity in response to real needs in the region.
- Australia and New Zealand will use the upcoming Pacific Island Forum Leader's Meeting to focus on supporting an effective response to the crisis and its impacts on the Pacific Islands.

It is critical that we also address the specific needs of highly-indebted countries and avoid a new build-up of unsustainable debt levels and be mindful of safeguarding the significant progress achieved to date.

We will also continue to work with our partners on important governance reforms to the IFIs to improve their effectiveness and enhance their capacity to be a platform for international cooperation. This process is currently underway in both the World Bank and IMF, as per their respective mandates and governance structures.

For example, we support further strengthening the capacity of the International Monetary Fund, including partners such as the Financial Stability Board, as central bodies in global economic surveillance and dialogue. Beyond these measures, we encourage the IMF to urge national government responses to effectively address these challenges in a cooperative and consistent manner.

CANZ countries are fully committed to resisting protectionism, including through concrete steps to further liberalize trade, which is unequivocally a key ingredient to global economic recovery. We must also work toward reaching a successful, ambitious, and balanced conclusion to the WTO Doha Development Round, which would bolster confidence in the global economy.

As part of Canada's commitment to assist developing countries through the crisis, we are providing US\$200 million to the International Finance Corporation's Global Trade Liquidity Program to help counter the ongoing collapse of trade finance in the developing world.

Australian Aid for Trade allocations were nearly US\$320 million last year and that total is expected to increase.

New Zealand's Aid for Trade will also increase in line with the increased focus on supporting broad-based economic development

Complementary Engagement:

One of the key strengths of the United Nations is its broad network of experts, making it uniquely placed to access first-hand the impact of the crisis on the most vulnerable, including fragile states and small island developing states, which is vital during this rapidly evolving crisis.

We call on the UN to continue playing a leadership role in this regard.

We know that the United Nations alone cannot solve the economic crisis, nor can it alone mitigate the impact of the crisis on developing countries.

All development actors, including the International Financial Institutions, the regional development banks, private sector, and civil society, must work together to complement the multilateral responses to date.

In conclusion, by working collectively to meet our existing national commitments, we are helping to fill the financing gaps faced by the most vulnerable; by recognizing the important role of the international financial institutions in mitigating the impacts of the crisis, we also welcome the efforts of these institutions to undertake reform agendas to ensure that they maintain their effective role in addressing the needs of the developing world; and finally, by harnessing the value-added of all development actors, we will be well-placed to concertedly address the development implications posed by this crisis.

I thank you.