



STALNA MISIJA CRNE GORE PRI UJEDINJENIM NACIJAMA
PERMANENT MISSION OF MONTENEGRO TO THE UNITED NATIONS

STATEMENT

by H.E. Mr. Nebojša Kaludjerović
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to the United Nations

at the

UN Conference on the World Economic and Financial
Crisis and its Impact on Development

New York
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Mr. President, Secretary-General, Excellencies, Ladies and Gentlemen,

We align ourselves with the statement made by Ms. Helena Bambasova, Deputy Minister of Foreign Affairs of the Czech Republic, on behalf of the European Union.

I would like to thank the Co-facilitators – Ambassador Majoor of Netherlands and Ambassador Gonsalves of Saint Vincent and the Grenadines – for their commitment, hard work and excellent stewardship of the process forward, as well as our colleagues for their tireless efforts to arrive at a consensual and successful outcome document.

Mr. President,

Taking into consideration myriad of challenges we are currently facing and the downturn of economy, the worst since Great Depression, convening of this Conference is very timely.

Economic and financial crisis, food and energy crises, flu pandemic and climate change are negatively influencing the economic systems and our social equilibrium. Spill-over negative effects can create volatile environments and increase social, religious and cultural tensions, causing paramount political and security repercussions.

There is also a risk that hard-earned progress on MDGs and other internationally agreed development goals will be halted and in some instances even reversed. The world's poorest and most vulnerable populations are already severely impacted and their burden is only increasing, as they do not have the capability to influence these processes, which are beyond their control.

It is, therefore, imperative, to achieve international solidarity in addressing the needs of world's poor and most vulnerable, put development issues at the top of the international agenda and increase aid effectiveness. We echo the calls of many countries for "comprehensive, timely, targeted and coordinated actions and efforts to support developing countries". We also wholeheartedly call upon all donors to fulfill their ODA commitments, which are of crucial importance in these difficult times.

Mr. President,

UN, as the only universal body, has the power and legitimacy to influence change and to deliver. We recognize that better coordination among various agencies, funds and programmes is necessary in achieving solid results. UN should build upon policies and measures initiated through various international fora and multilateral agencies in addressing the adverse effects of the economic and financial crisis, including the IMF, World Bank, and G-20. We would like to use this opportunity to welcome the G-20 agreement, particularly a substantial package totaling over \$1 trillion, designed to mitigate the impacts of crisis on developing countries.

In stabilizing economies and ensuring successful economic recovery, it is also vital to avoid protectionist measures, trade barriers and pro-cyclical policies that can even further alienate vulnerable and marginalized economies. We should keep in mind the specific needs of developing countries and help them tackle these challenges. We should also utilize public-private partnerships, new and innovative sources of financing, reach a successful conclusion of the Doha Round, as well as ensure that stimulus packages and further policy measures promote "green recovery". Our future lies in sustainable development, and we, therefore, reiterate the calls to reach strong post-2012 climate framework and "seal the deal" in Copenhagen in December.

The crisis has revealed many weaknesses of the international financial and economic institutions. We fully support the ongoing efforts to reform those institutions, making them more open, transparent and responsible, as well as in installing adequate regulatory and supervisory measures and mechanisms, and early-warning signs, designed to avoid similar situations in the future.

Mr. President,

Please allow me to briefly turn to the situation in Montenegro.

As a country that enjoyed rapid economic growth, the fastest in Europe with annual growth rate of 9%, but which is also heavily reliant on foreign direct investments, tourism industry and the commodity price stability, we have not been immune, nor isolated from the negative impacts of the economic and financial crisis.

In the first months of the crisis, the Government adopted anti-crisis package, including the Law on Banking Sector Safeguards, which allows the Government to intervene with short-term credit loans, banking guarantees for credit support and almost unique measure – to guarantee banking deposits of the citizens and enterprises to the full amount. Other crucial elements of anti-crisis policies and measures are the reduction of personal income tax rates and contributions towards social insurance, abolishment of fees and duties related to the fuel and construction terrain, as well as elimination of electricity market distortions, resulting in the reduction of electricity prices, all totaling 320 million € or 10% of the GDP.

The essential goal of these measures is to safeguard most vulnerable sectors of our society from negative impacts of the crisis, as well as to improve the competitive position of enterprises through reduction of input costs, stimulating employment and entrepreneurship.

Mr. President,

Global challenges require global responses. Only in coming together through global coordinated action and close cooperation between the Member States, UN system, international and regional institutions, civil and private sector will we be able to effectively address the consequences of the economic and financial crisis and achieve sustainable development, safety and security for all.