



**Statement by H.E. Mr. Madhu Raman Acharya, Ambassador /Permanent Representative of Nepal to the United Nations, at the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development**

NEW YORK, 29 JUNE 2009

Mr. President,  
Excellencies,  
Distinguished Delegates,

The world financial and economic crisis has hit us all.  
In many of the most vulnerable countries, the tribulations are just started to appear.

The present crisis has affected the least developed countries (LDCs) severely and disproportionately.

The situation in the landlocked developing countries has been further exacerbated by their remoteness and bottlenecks in transit transport system.

It has decelerated their growth, reduced investment and brought downturn in tourism, remittances and jobs, contraction in exports, and reduction of foreign reserves.

It is seriously undermining their development efforts, including the achievement of the MDGs and the internationally agreed development goals.

Most importantly, the crisis has started to show ripple effects on social and human development in these countries.

In many cases, the crisis has started to reverse economic and social gains.

Mr. President,

This complex crisis has multiple causes.

Collectively, we failed to anticipate and appreciate its full scope and risks.

We depended upon the so-called self-correcting capability and 'invisible hand' of the market-driven economy.

We relied on deficient regulations and on weak institutional oversight.

We took the "Washington Consensus" as a basic mantra of global financial and economic development and continued the beggar-thy-neighbor policy until it was too late.

We wanted globalization to self-adjust without hurting us.

We were slow to respond to the crisis.

Mr. President,

So far, our response has been uncoordinated and piecemeal.

Our efforts have not matched the scale of the problem and its impact.

The world's most vulnerable countries, which are neither responsible nor capable to handle the crisis on their own, are getting little or nothing.

It will be anyone's guess how much of the estimated 18 trillion collective stimulus packages announced so far is exactly going to world's most vulnerable countries.

We welcome the commitment of G20 London Summit for additional \$ 1.1 trillion stimulus package to help salvage the world economy through the crisis.

But only a limited share, \$ 50 billion, of that amount was targeted to low income countries and there was no explicit reference to the most vulnerable countries.

There is no clear cut strategy to make the increased SDR of IMF to be available to the most vulnerable countries in an easier and transparent way.

Mr. President,

The crisis poses several challenges. It also offers opportunity to start a greener and cleaner economy.

It opens up the possibility if a global jobs pact that allows migrant workers their rights and job security, without the fear of being sent home.

It has also created a historic opportunity to begin comprehensive reform of the global trading and financial architecture, particularly the Bretton Woods Institutions and regional development banks.

It also offers us chance to reinforce social protection of the world's most vulnerable populations.

The response should be clear.

We need good policy.

We need good vigilance.

And we need more resources.

The least developed countries need additional resources for social protection against the impact of the crises, on food security on human development and on financing their development.

The United Nations should take central and proactive role in resolving this problem through a more inclusive, equitable, and development-oriented global economic and financial policy.

The UN system and the Bretton Woods need to develop further comprehensive response to the crisis, especially in supporting the national development strategies in the most vulnerable countries.

The response to the global financial and economic crisis should take a comprehensive approach.

It must address the multiple challenges such as food crisis, energy crisis and the climate change, especially in addressing their impacts in most vulnerable countries.

Mr. President,

We need to act collectively and as our destiny is shared is mutually interdependent.

The global nature of this crisis can only be solved through global resolve and concrete action.

Rebuilding trust in the global financial and economic system will require coordinated multilateral response.

We need global stimulus package to restore growth, confidence, credit and jobs.

Such package should take into account the needs of all countries, rich and poor, strong and vulnerable.

It is not a big consolation that the outcome of this conference is not more than a list of recommendations.

We need committed additional resources, actual change in policy to correct the defects that created this debacle, and a plan of action to implement our commitments.

And we need to seriously implement our pledges.

I thank you Mr. President.