



**Permanent Mission of the Kingdom of Swaziland
to the United Nations**

Statement by

**H.E. Mr. Joel M. Nhleko
Ambassador and Permanent Representative
of the Kingdom of Swaziland**

at the

**United Nations Conference on the World Financial and Economic Crisis
and Its Impact on Development**

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Mr. President,
Secretary-General,
Your Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

It is my great honour to address this High-Level Conference on behalf of His Majesty King Mswati III, Her Majesty the Indlovukazi, the Government, and the people of the Kingdom of Swaziland.

Mr. President,

Globalization has irrefutably changed the structure of the modern firm. The economic borderlines of our world are no longer drawn between countries, but around Economic Domains. Commercial entities have sold and sourced their wares and services around the world, many have reaped efficiency gains from outsourcing their activities to low cost corners of the globe and have been able to reap equally high yields on their investments by taking advantage of the unencumbered movement of capital. However, today we gather not to sing the praises of this new, efficient, interconnected world, -we gather to rue its detrimental effects. What began as a national crisis in the Financial Sector has fast become a Global phenomenon, affecting goods and services in the real economy of Developed and Developing States alike, the latter of which had little, if any contribution to the cause of the Crisis.

Small, open, and vulnerable developing countries like my own, although not affected directly by the financial crisis itself because of our weak integration into world capital markets, have nonetheless been affected much more directly by the economic contraction in the advanced economies. These secondary effects are as yet being unraveled, implying that we, the poorest countries of the world, have not seen the worst of the crisis. Already reeling from the disastrous effects of the food and fuel crisis, our countries have now to contend with falling export volumes, falling commodity prices, balance of payments shortfalls, falling access to trade finance, diminished foreign direct investment and reduced remittance flows to enumerate but a few. The Crisis has triggered a slowdown and in some instances an outright retraction of the economic and social progress achieved by many developing countries during the past decades; this making the achievement of the Internationally Agreed Development Goals, including the Millennium Development Goals (MDGs) an unattainable task.

However, unlike many advanced countries, most Developing, mainly African Countries lack the individual financial capacity to either affect the system or provide the necessary stimulative measures to jump start their economies and weather the economic meltdown. With revenues and official aid declining in many poor countries, the world should be further alarmed by the erosion of the legitimacy of national and regional Governments. As the crisis continues unmitigated, the security and integrity of sovereign States will become yet another casualty of the economic collapse of developing economies.

Mr. President,

The dire and pervasive nature of this crisis cannot be exaggerated and compels us to devise a vigorous, coordinated, comprehensive and global response. Globalisation has facilitated the rapid international diffusion of the crisis, and whilst we appreciate the initiatives and efforts that have already been taken to try and find a solution to the Financial and Economic Crisis, such as those of the G20 Summits held in Washington and London; it is only fitting that the United Nations should hold this conference as a key component of our collective effort towards recovery. Work done and decisions taken in this body with the largest international representation will consolidate what is already being undertaken by other actors and in other fora and is intended to give political guidance and direction to future meetings, action and measures undertaken by the world community.

Mr. President,

These efforts will require Developed Countries to provide leadership in steering the global ship out of these perilous waters. Developed countries need to intensify efforts to boost global demand, restore stability in financial markets, strengthen financial system regulation, and unlock credit markets to increase prospects for global recovery. They need at this time more than ever, to intensify efforts to fulfill their commitments to development, especially in Africa with pledges of official Aid for Trade and ODA as reflected in the Monterrey Consensus, the G8 Africa Plan of Action, The Gleneagles Summit and the Paris Declaration. These fulfilled pledges will allow Governments policy space to stabilize their economies and ensure that the financial crisis does not erode the tremendous gains in economic and social performance made by several Developing Countries especially African countries in recent years.

Similarly, Mr. President, Developing countries cannot sit idle in complacency. There is need to deepen economic and structural reforms to our undiversified economies, to employ more efforts to boost private savings through building and strengthening domestic financial systems, to maintain political and macroeconomic stability, and to exploit the potential of microfinance institutions for the mobilization of savings in the informal sector. To realize these imperatives, Mr. President, the Government of Swaziland has, as an example, partnered with regional financial institutions such as the African Development Bank on a medium term programme for bank intervention in line with our development priorities as articulated in Swaziland's Poverty Reduction Strategy and Action Plan (PRSAP). The quantitative targets to attain during its implementation rests on two strategic pillars, namely;

- (i) Investing in infrastructure to foster a business-enabling environment that is conducive for the private sector, to raise productivity and competitiveness, and;
- (ii) Enhancing Health delivery and Skills development in order to enhance the quality of life for all, especially the poor.

Macro-economic programmes and financial partnerships like these Mr. President, will better prepare small, vulnerable countries like Swaziland to quickly adjust when the global economy starts to recover.

Mr. President,

In conclusion, as we the member states of the United Nations gathered here today to find a Global solution to what is considered the worst Financial and Economic Crisis since the Great Depression, let us remember this, as the Crisis continues to ravage Developed and Developing Countries alike, it is the least developed of these, without the singular means to buttress themselves, that will bear the brunt of the downturn. It is the responsibility of Member States of both Developed and Developing Countries to do whatever possible with the limited resources available to grow economies and arrest the slippage to abject poverty for the most vulnerable amongst us. Let us remember the multilateral and bilateral commitments we have made and honour those commitments as they may make the difference between falling through the economic precipice or making it to see the now famous green shoots of the global economy.

I Thank You