

STATEMENT

by

**H.E. Mr. Anders Lidén
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of Sweden**

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

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- CHECK AGAINST DELIVERY -

Mr/Madam Chair, Distinguished Colleagues, Ladies and Gentlemen.

At the centre of this conference are the voices of the countries that are the most severely affected by the economic and financial crisis. It provides a unique opportunity to hear their experiences, their concerns and their ideas on how to meet the crisis.

Until recently, we saw global progress towards reaching the millennium development goals. The order of the day is to determine how to go through this economic crisis while safeguarding the progress made toward poverty reduction in recent years, and to help create the conditions for renewed growth and progress on poverty reduction. We need to look forward and face those challenges together.

Tomorrow, Sweden will assume the Presidency of the European Union for 6 months. We take that challenge of responsible leadership seriously. Managing the economic and financial crisis will be one of Sweden's two main priorities, the other being addressing climate change.

Governments have the primary responsibility for determining how to respond to the crisis. Sweden on its part is ready to support national efforts by providing ODA. Sweden exceeds the international agreed target of 0.7 percent ODA of GNI and will continue to do so. It is now essential that all donors deliver on their international ODA commitments. In November EU Development Ministers will review progress in this regard .

However, increased ODA levels alone will not be sufficient. Equally important is to make our development cooperation more effective. The most vulnerable groups must be protected. This cannot be stressed enough. The private sector and infrastructure investments must also be sustained. We need to continue efforts on an ambitious, action- and results-oriented response to the Paris Declaration and the Accra Agenda for Action. Securing agreement to an EU operational framework for this very purpose will be a key aspiration for the Swedish EU Presidency.

In response to the crisis, we must refrain from protectionist measures and work towards an inclusive globalization and an open world economy. The European Union has an important role to play in this regard, as a major international market and a key trading partner for many developing countries. The EU is – and should remain - at the forefront, promoting free trade and increased market access for developing countries.

Furthermore, measures to improve financial stability is a common interest to us all. The European Union has adopted a coordinated strategy to support the financial sector in stabilising markets. A few days ago, EU Heads of States and Governments concluded that although this strategy has been effective, governments still need to stay alert for possible further measures.

Mr/Madam Chair

Policy areas like agriculture, trade, investment and migration have profound impacts on development. The Swedish government has decided that all our various policies should be coherent and mutually supportive of development. During our EU Presidency, we will make efforts to further strengthen the EU agenda on Policy Coherence for Development.

I would like to conclude by outlining the additional support that Sweden intends to provide to assist in addressing a number of specific challenges related to the crisis.

We will provide,

- a supplementary contribution in the order of \$92 million to the International Development Association of the World Bank, to assist the poorest countries in addressing challenges related to climate change and the financial crisis.

- We will also provide a special provision in the order of 13 million US\$ to counter the effects of high and volatile food prices in the poorest countries.

- Furthermore, we will increase our support for trade and microfinance in the poorest countries,

- and make a special provision intended for nutrition, and promoting social protection for the most vulnerable.

- In addition, Sweden has allocated funds to improve maternal health (MDG5) through promoting Sexual and Reproductive Health and Rights.

- Furthermore, Swedfund, Sweden's risk capital company, has been granted an additional replenishment to support private sector investment in developing countries.

- Finally, the Swedish government is setting up a high level advisory council with the Swedish private sector to make better use of the experience and expertise of Swedish enterprises engaged in developing countries.

Thank you.