



**Permanent Mission of the United Republic of Tanzania
to the United Nations**

CHECK AGAINST DELIVERY

STATEMENT BY

**H.E AMBASSADOR CHARLES KASHASHA MUTALEMWA,
PERMANENT SECRETARY, PRESIDENT'S OFFICE, PLANNING
COMMISSION OF THE UNITED REPUBLIC OF TANZANIA**

AT THE

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

THURSDAY 25 JUNE, 2009

**201 East 42nd Street, Room 1700, New York, New York 10017
Tel. No. (212) 972-9160**

**STATEMENT BY H.E. AMBASSADOR CHARLES KASHASHA MUTALEMWA,
PERMANENT SECRETARY, PRESIDENT'S OFFICE, PLANNING COMMISSION, OF
THE UNITED REPUBLIC OF TANZANIA AT THE CONFERENCE ON THE WORLD
FINANCIAL AND ECONOMIC CRISIS AND ITS IMPACT ON DEVELOPMENT**

24 – 26 JUNE 2009, NEW YORK

Mr. President,

Heads of State and Government,

Honourable Ministers,

Distinguished Delegates and Participants,

Ladies and Gentlemen,

I have the honour to speak on behalf of the Government of the United Republic of Tanzania at this important Conference. I wish to congratulate you, Mr. President, for the efforts you have made in organizing and steering this High Level Conference. We realise that these efforts, much as they were challenging, have achieved the expected results. We are certain that the efforts will leave historical evidence on how the 63rd General Assembly during your tenure mobilised efforts of the UN membership to address the most serious financial crisis since the great depression.

Allow me at this juncture to also congratulate our Co-Chairs and your advisors for the stewardship of the negotiation process that has resulted into a balanced outcome document that all of us can live with. We know that it has entailed a lot of give and

take on the part of different constituencies. It is really a great success of which we are all proud.

Mr. President,

You may also wish to recall that my country, Tanzania, hosted in collaboration with the IMF, an Africa/IMF Ministerial Meeting also meant to contribute to the global endeavours to address the current crisis. Besides that meeting in Dar es Salaam, I am sure we are all aware of the various meetings and fora that have taken place in the period leading up to this conference. All of these have provided the building blocks upon which this UN Conference can chart a coordinated global endeavour to resolutely deal with the crisis.

Mr. President,

The importance of this conference cannot be over emphasised. We recall that such a conference was held in 1945 almost 64 years ago to address the crisis that faced the world at that time. The current crisis is connected to multiple, interrelated global crises and challenges, such as the high food prices and food insecurity, volatile energy and commodity prices, climate change, as well as the lack of results so far in the multilateral trade negotiations. These challenges have led to a significant loss of confidence in the international economic system. Ironically, the crisis has worsened the situation for developing countries and endangered the achievement of specific national development objectives as well as the internationally agreed development goals, including the MDGs. For example, for the past five years, Tanzania has been enjoying an average growth rate of 7.2 percent. But as a result of the current crisis, the growth rate for 2009 is projected to drop to 6.5 percent and that of 2010 dropping further to 5.0%!

Mr. President,

The global crisis is manifesting itself in many profound ways. For example, for Tanzania, this includes rapid increase in unemployment and reduced access to credit and trade financing. There has also been notable loss in investment opportunities, including the shelving of a number of planned large investment projects as the prospective investors have failed to mobilise the requisite capital. Our tourism revenue has declined by 20% while the prices of our major export crops have declined due to fall in demand on the world market. Government revenues are in distress thus constraining the provision of vital social services and public goods as well as the development of key infrastructure. The impact of all this on our poverty reduction efforts must be clear. It is dire!

Mr. President,

The origins of this current crisis have been extensively discussed and it is not my desire to recite them here. The outcome document we shall soon adopt has also highlighted them, underlining the fact that developing and least developed countries have not been party to those origins, but they are now suffering collateral damage. Nevertheless, despite the varying responsibility in terms of the origins of the crisis, we need to work together in solidarity and in a coordinated manner to respond to the crisis in accordance with our respective abilities. An immediate priority should be to continue stabilizing the financial markets with a view to restoring public confidence and counter falling demand which is fueling the recession. We have to revitalize trade and investment and reject protectionism. At the same time, resolute and urgent measures are needed to mitigate the impact of the crisis on the most vulnerable countries and populations. The LDCs in particular, including Tanzania, have the least capacity for self-defense against the effects of the current crisis. They deserve special attention.

Mr. President,

Tanzania as an LDC and many African countries will need external resources and assistance to mitigate these impacts. One estimate puts the needed annual additional financial resources for LDCs at \$50 billion (ODA) while others estimate that developing countries as a whole would need an additional \$1 trillion. We feel encouraged by the pronouncement of the G 20 at the London Summit to the effect that, in spite of the crisis, the developed countries would meet their respective ODA pledges including commitments on Aid for Trade and debt relief and also refrain from raising new barriers to investment or to trade in goods and services and ensure urgent conclusion of the Doha Development Round. We hope the G 20 will hold well on their promises.

Mr. President,

The pronouncement at the G20 summit in London gives a glimmer of hope as in recent years we have not only witnessed a stagnation in Official Development Assistance (ODA) but also the imposition of onerous conditionalities. We take the G20 pronouncement as a signal to all development partners to maintain and deliver on their existing bilateral and multilateral commitments and targets. These were made, inter alia, in the Millennium Declaration, the Monterrey Consensus, the 2005 World Summit, at the G8 summit in Gleneagles and in the Doha Declaration. We underline that the fulfillment of all ODA commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of GNP for ODA to developing countries by 2015 and to reach the level of at least 0.5 per cent of GNP for ODA by 2010, as well as a target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries. We recognize that many developed countries have set a timeframe to reach the level of at least 0.5 per cent for ODA by 2010. At the same time, we thank all

development partners who have stood by our side especially at this time of crisis and we urge them to continue doing so.

Mr. President,

While we implore our development partners to factor the needs of the developing countries and LDCs, in particular, in their efforts to deal with the crisis, we remain cognizant of our own responsibility to do whatever is in our power to cope with the effects of the crisis. For example, as for Tanzania, we have been taking various measures to cope with the impact of the crisis. In this regard, the Bank of Tanzania has set up an Early Warning System to detect weaknesses in the financial sector and is constantly on alert to take any decisive action that may be necessary to respond to any weaknesses that may be detected. On the broader front, the government is committed to taking a wider range of measures to mitigate the effects of the crisis. For example, earlier this month, the President unveiled a stimulus package equivalent to 5.4 percent of GDP to cushion the economy from effects of the crisis. We hope that these efforts will be complemented by part of the 1.1 trillion dollars pledged at the G20 Summit in London.

Mr. President,

Before I conclude, let me underline the importance of this Conference and its outcome. While efforts have been made by different groupings and in various formats to contain the effects of the crisis, the United Nations remains the single and most competent mechanism for galvanizing world action on any global emergency. We, therefore, feel proud that the United Nations has taken its rightful place in dealing with this financial and economic emergency and look forward to the adoption of the outcome document which we believe will provide the basis for practical short, medium and long term measures. We believe that the proposed institutional mechanism for follow-up will not only act as a mechanism for coordinating worldwide efforts to stem the current crisis

but also will act as a watchdog to protect us from recurrence of similar crises in the future.

I thank you Mr. President