



REPUBLIC OF MALAWI

TOWARDS IMPROVED AGRICULTURE AND FOOD SECURITY

STATEMENT BY

**HIS EXCELLENCY DR. BINGU WA MUTHARIKA
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AT THE

**FOLLOW-UP INTERNATIONAL CONFERENCE
ON FINANCING FOR DEVELOPMENT
TO REVIEW THE IMPLEMENTATION
OF THE MONTERREY CONSENSUS**

**DOHA
STATE OF QATAR
29TH NOVEMBER, 2008**

- **Mr. President;**
- **Your Highness, Sheikh Hamad bin Khalifa Al-Thani, the Emir of the State of Qatar;**
- **Excellencies, Heads of State and Government;**
- **Excellency Secretary-General of the United Nations, Mr. Ban Ki-moon;**
- **Honourable Ministers;**
- **Distinguished Delegates;**
- **Ladies and Gentlemen.**

I am happy to have this opportunity to address this distinguished gathering on international financing for development as a follow up on the Monterrey Consensus.

I thank His Highness, Sheikh Hamad bin Khalifa Al-Thani, the Emir of the State of Qatar, the Government and people of this great nation for the warm hospitality extended to me and my delegation since our arrival in this beautiful city of Doha.

I would also like to thank the Secretary General, His Excellency Mr. Ban Ki-moon, and his dedicated staff for the preparations for this conference.

Excellencies

I believe we all agree that the most important challenge facing developing and developed countries alike is how to achieve sustained economic growth and to eradicate poverty. The challenge of poverty is a global issue that requires collaboration. We must work together.

We are now meeting here in Doha six years after adopting the Monterrey Consensus and under the dark cloud of collapsed Doha Trade Negotiations and the global financial crisis. We appreciate the opportunity to assess the progress made in its implementation, reaffirm our commitments to eradicate global poverty, to share best practices and lessons for attaining sustainable growth and development. It is my hope that this conference will not turn out to be another talk shop.

Excellencies

You are aware that as part of their commitment towards the Monterrey Consensus, developing countries have introduced sound economic and social policies to improve governance, eradicate corruption, and create a domestic regulatory environment aimed at achieving sustained socio-economic development.

On the other hand, although the industrialized countries pledged to provide financial resources to kick-start macro-economic growth and to reduce poverty in

Africa, little or no progress has been achieved in this direction. Africa still faces formidable problems of access to markets of developed countries.

We are also concerned that the development dimension of the Doha round of the WTO is now in limbo, and the flow of foreign direct investment to Africa is not sufficient to promote greater technology transfer and improve the international financial architecture in order to protect African countries from the financial crises.

Malawi appreciates the concrete action taken by some donors to increase resource allocation to Africa including foreign direct investment to promote development. We realize that such aid flow involves great sacrifices in the G8/OECD countries.

However, Malawi wants to draw the attention of the world to the need to guarantee more donor financing to mitigate the impacts of the current global financial crises so that more people in Africa do not slide into the poverty trap. Specifically, Malawi wishes to highlight the following:

First, Malawi is concerned that over the past three to four decades there has been a reduction in financing to Agriculture by the World Bank and other multilateral and bilateral development financing institutions. This has led to chronic food shortages, insecurity and soaring world food prices.

We therefore appeal to donors to shift their mindset and to significantly increase aid and investment finance to agriculture, food production, irrigation and water development in order to ensure adequate food production at affordable cost. The development finance should also be channeled to climate change, the environment rural infrastructure, food storage facilities and soft loans and credits to poor as well as commercial farmers. In that regard, Malawi appreciates the EU allocation of €1 billion towards agriculture in Africa. This will save millions of lives from poverty, hunger and malnutrition.

I believe that an investment made in agriculture and food now will guarantee world economic and financial stability. This observation is made against the background that less than ten percent of arable land in Africa is under agriculture and less than four percent of Africa's vast water resources are now used for irrigation farming and power generation.

Second, Malawi appeals to this conference to consider agricultural input subsidies as an integral part of the implementation of the Monterrey Consensus. In Africa, much of the food production is in the hands of poor farmers who cannot afford to buy fertilizers, improved seeds, insecticides and herbicides. Therefore, without subsidies to enable peasant farmers to produce beyond subsistence, Africa will be more hard hit by the financial crisis than is generally realized.

Third, Malawi appeals for subsidies for African agriculture. We feel that each member state of the United Nations has a sovereign right to introduce subsidies as part of its national development policy. Therefore, we understand why the American and European countries have been granting huge subsidies to their

farmers. Similarly, we appeal to these developed countries to equally understand why subsidies are needed for our farmers in Africa.

Fourth, Malawi wishes to add its voice to request developed countries to facilitate the resumption and successful conclusion of the Doha Development Round of Multilateral Trade Negotiations, in order to give a chance to African countries to generate adequate earnings from exports. Malawi further supports the call upon developed countries to open their markets to products from developing countries, including industrial and agricultural manufactured goods.

Fifth, Malawi appreciates the measures taken to bail out failing financial and banking institutions in North America and Europe. But let us not forget the commitment of the Millennium Development Goals to eradicate poverty. The solution of the financial crisis should not divert resources away from the poverty reduction programmes. Malawi therefore appeals to the G8/OECD governments to understand that the world's poorest people mostly in sub-Saharan Africa who live in absolute poverty, need to be bailed out of poverty, hunger, malnutrition, maternal mortality, infant mortality, illiteracy, deprivation and readily preventable diseases. One way is through a fair and equitable international financial and trading system that developing countries are seeking under the Doha Round.

**Mr. President
Excellencies**

Let me conclude by assuring you that Malawi strongly believes that the "Monterrey Consensus" and this follow-up conference give us a unique opportunity to make a difference for future generations. This is a defining moment and a challenge to world leaders to address the issue of global financing for development and global poverty. In that regard the financial and monetary supervision by the IMF and World Bank needs to be revived as part of the implementation of the Monterrey Consensus.

It is my hope that we will leave this place with a new commitment to achieve the objectives of the Monterrey Consensus and that mechanisms will be put in place to protect poor African nations against the on-going global financial crisis.

I thank you all.