

13 October 2010

**Statement of H.E. Mr. Joseph Deiss,
President of the 65th Session of the General Assembly,
at the 29th Plenary Meeting: Follow-up to the International Year of
Microcredit**

Excellencies,
Distinguished delegates,

Our plenary meeting on this 13th of October 2010 concerns the follow-up to the International Year of Microcredit. This issue seems to me to be particularly relevant for at least two reasons.

First, it is important to ensure that the issues brought to the international community's attention when an international year is declared do not drop out of sight afterward. Our credibility depends on it. The publication of the "Blue Book" and the establishment of the United Nations Advisers Group on Inclusive Financial Sectors have already represented important milestones in this regard.

Second, this meeting is taking place just three weeks after the High-level Plenary Meeting on the Millennium Development Goals. Microfinance has an essential role to play in efforts to attain the Goals; one need only cite the improvement of women's access to financial services, their consequent empowerment and the indirect positive effects this has on children's school enrolment and health care.

Microfinance is a key instrument for improving the living conditions of poor populations. The considerable growth of microfinance over the last few years can be termed a success.

This development has been fostered by a strong partnership among Governments, non-governmental organizations, civil society and the private sector. Innovative practices and new stakeholders have emerged. These developments are encouraging, but more needs to be done.

The report of the Secretary-General on the role of microcredit and microfinance in the eradication of poverty reveals a number of limitations.

Geographical coverage is uneven and rural areas are still often excluded. In general, microfinance has difficulty reaching the poorest populations. Most significantly, another basic finding is that, while microfinance helps to improve the lives of the poor, it cannot lift them permanently out of poverty.

Microfinance is not sufficient to generate productive activities. It does, however, have significant educational potential in terms of introducing poor populations to market mechanisms and activities, of which they often know little.

We should draw lessons from the experience gained thus far so as to take better advantage of the potential of microfinance. Just as we developed the initial concept of microcredit into the concept of microfinance, the better to reflect the wider range of financial services offered, we should now take steps to give effect to the idea of inclusive finance, thus ensuring that the financial sector promotes the creation of jobs and productive activities and is thus placed at the service of the poorest and of society as a whole.

Excellencies,
Distinguished delegates,

To that end, I invite you to consider the recommendations made by the Secretary-General in his report. Best wishes for a fruitful debate.