

UNITED NATIONS



NATIONS UNIES

THE SECRETARY-GENERAL

--

REMARKS TO THE OPENING OF THE FOLLOW-UP INTERNATIONAL  
CONFERENCE ON FINANCING FOR DEVELOPMENT

Doha, 29 November 2008

Your Highness Sheikh Hamad bin Khalifa Al-Thani, Amir of the State of Qatar,  
Heads of State and Government,  
Mr. President of the General Assembly,  
Excellencies,  
Ladies and Gentlemen,

Thank you, Your Highness Sheik Hamad bin Khalifa Al-Thani, for your generosity and hospitality in hosting this meeting.

We gather at a fateful moment.

Without exaggeration, we can say that the well-being of our people and the health of our societies — even the future of our planet — depend on what we do today and in the weeks to come.

The global financial crisis has brought an abrupt end to a long era of global growth.

It compounds other major threats: climate change, food insecurity, the terrible persistence of extreme poverty.

No nation has been spared. But it is the poorest countries that will feel the blow most sharply.

If not handled correctly, today's financial crisis will become tomorrow's human crisis. Social unrest and political instability will grow, exacerbating all other problems.

The danger, ultimately, is a cascading series of crises, each building on the other, with potentially devastating consequences for all.

Major economies have responded with fiscal and monetary rescue packages and stimulus plans. The emergency G20 summit in Washington showed that governments are deeply concerned and are trying to coordinate their actions.

This is welcome. But we need to do more. Probably much more.

Let me briefly discuss six aspects of development financing, as I see them in our current context:

First, liquidity. The wealthiest nations have moved to keep credits flowing at home. We must ensure that developing countries can do so as well.

Their currencies are not reserve currencies; their foreign reserves, while often large, are not sufficient to withstand the threat coming from today's crisis.

We therefore need additional emergency financing from the IMF and the Central Banks of the advanced countries. Without it, the credit crisis will spread to emerging economies. Growth will stall, hurting them and the world as a whole.

Second, the Millennium Development Goals. An increase in grants and long-term lending from the development banks should be part of our response. I welcome the announcements by the IMF and World Bank in this regard. Above all, we must hold to our pledges of assistance. Reducing aid to the poorest nations under current circumstances would have devastating consequences.

Third, debt relief. We must step up the debt relief programs granted to the poorest nations, so that a greater number can benefit. This burden will only weigh more heavily in the current climate, impeding investment and government spending that might otherwise go into growth and economic development.

Fourth, mobilizing local resources. In the new climate, financing for development will come increasingly from within. National governments must develop new ways to raise revenues while encouraging domestic firms to make productive investments.

We need to help show the way. Specifically, we need more international co-operation to minimize harmful tax competition and stem the loss of tax revenues, particularly in resource-rich nations.

Fifth, protectionism. Beggar-thy-neighbor trade policies benefit no one. This year's food crisis only grew worse when some nations placed restrictions on exports. Again, in today's climate, "aid for trade" is the only sustainable path of the future.

We need to see the Doha trade round revived and concluded successfully, and I call on world leaders to come together once again to do so — as soon as possible.

Excellencies,

Like wayfarers in a boat on troubled seas, we are all in this together.

I cannot stress enough that now, more than ever, we must be bold and summon up the will to lead.

Thank you for your commitment in being here today.