

Mr. President,
Mr. Secretary General,
Excellencies,
Ladies and Gentlemen,

Luxembourg welcomes this United Nations conference on the economic and financial crisis and its impact on development. Luxembourg aligns itself with the declaration made by the Representative of the Czech Republic on behalf of the European Union.

The human cost of the severe economic and financial crisis that the world is facing is significant.

The crisis, which started with the crash of the subprime mortgage market in the United States, has rapidly spread to the world financial markets characterized by fast gains and insufficient regulation, affecting the real economy and triggering a true worldwide economic recession. Jobs have disappeared at a worrying rate. The volume of trade has crumbled around the world. Movements of private international capital have registered a steep decline.

These consequences of the crisis have been aggravated by the fragility caused by the food and energy crises of the last years as well as by the acceleration of climate change.

The dire consequences of this multidimensional crisis are all the more evident for the developing countries.

According to new estimates published last week by the UN Food and Agriculture Organization, there are 1 billion and 20 million people suffering from hunger in 2009. The crisis might push some 100 million more people into hunger and chronic poverty this year.

It is therefore vital to address the human consequences of this worldwide economic and financial crisis and to act in a coordinated and coherent fashion to prevent it from evolving into a global human tragedy.

And what better forum, what more legitimate forum to do so than the United Nations?

I want to thank the Secretary General for his report on the crisis and its impact on development, which clearly presents the challenges that we have to address and the coherent action that we have to undertake to help the developing countries. Those countries have limited resources to finance the measures that can help alleviate the effects of the economic crisis and to make critical investments, in particular in the fields of infrastructure, social programmes and job creation. Their margin of maneuver to adapt to the deteriorating economic realities is reduced: while the turmoil touches all regions of the world simultaneously, the impact of mechanisms designed to remedy the situation, in particular the depreciation of exchange rates and loans on the international capital markets to absorb macroeconomic shocks, is limited.

According to the International Monetary Fund, the developing countries will be violently hit by the third wave of the crisis. The IMF estimates that, depending on what kind of scenario will unfold, there will be a need for between 25 and 140 billion dollars to deal with this emergency.

The challenge is considerable, but not insurmountable. We have to continue working towards a true global partnership for development. It is only through a multilateral approach that we will be able to find solutions to the present challenges. In this respect, the UN system has an important role to play, and I would like to welcome the measures that are being taken by the agencies, funds and programmes of the United Nations, in particular towards the establishment of a system-wide mechanism for detecting and monitoring vulnerability. At the country-level, this mechanism will allow us to better target the populations that the crisis has hit hardest. In more general terms, the ongoing reform should help improve the efficiency of the United Nations system on the ground.

Mr. President,

Luxembourg fully subscribes to the conclusions of the Secretary General's report. Downscaling official development aid including trade aid at this stage would not only be irresponsible and immoral, but also totally counterproductive. Instead of saving money, we would halt progress.

We have to respect our commitments under the Millennium Development Goals, in terms of quantity and quality of aid, and in terms of agreed timetables.

My country, which is also heavily hit by the crisis, intends nonetheless to continue to take its responsibilities in this regard. Having spent 0.95 % of its Gross National Income on ODA in 2008, Luxembourg maintains its objective to bring its ODA up to 1 % of its GNI in the coming years. Luxembourg calls on the Member States to make all the necessary efforts to respect the commitments that we jointly took, in this forum, and that we reiterated at the Millennium Summit, in Monterrey, and recently in Doha. In today's time of crisis even more than yesterday, we have to show real solidarity.

Mr. President,
Mr. Secretary General,
Excellencies,
Ladies and Gentlemen,

The crisis, despite all its negative repercussions, also holds opportunities. The opportunity to make the necessary reforms and to redefine our priorities. The opportunity to rethink our institutions, to review our structures of international governance and to adapt them to the new political and socio-economic realities.

We welcome the process that our Organization has engaged in in this respect. The United Nations and its main organs necessarily have to be at the center of any such reflection. The Economic and Social Council, which is the central mechanism for coordination in the UN system and the principal organ competent for economic and social issues, and which my country chairs this year, will in particular have an important role to play in this regard.

It is together that we have to face this global economic crisis. The declaration that we are to adopt at the end of this Conference shows that the international community is capable of speaking with one voice when the situation requires it. I would hope that this important declaration will be followed by the concrete actions necessary to alleviate the additional burden that this crisis puts on the poorest. We are all jointly responsible to take these actions.

I thank you for your attention.