



# IRELAND

**Statement**

by

**Mr. Peter Power T.D.**

**Minister of State for Overseas Development**

at the

**United Nations Conference on the World**

**Financial and Economic Crisis and its Impact on**

**Development**

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Mr. President, distinguished delegates,

When we gathered in Doha seven months ago to reaffirm our commitment to global development, we knew that the world faced a financial and economic crisis. Today it is clear that the crisis is more far-reaching and more unpredictable than many had feared. Its impact is being felt in different countries and communities in different ways. It is seriously undermining progress on the Millennium Development Goals. At this Assembly last September, I participated in the launch of the Report of the Irish Government's Hunger Task Force. Our objective then, as it is now, was to highlight the central importance of global hunger and food security, the most basic of the MDGs.

We are very conscious of the severe consequences of the crisis for those in a seriously weaker position than ourselves. For the poorest people on the planet – not least the one billion people who do not have enough food to eat – the financial and economic crisis is becoming a human calamity. Macroeconomic statistics cannot demonstrate the true extent of a crisis still unfolding across the developing world. Growth projections for sub-Saharan Africa are constantly being adjusted downwards. Crucially, private capital flows, which played a key role in the economic growth of recent years in Africa, are drying up. Whole communities are feeling the decline in workers' remittances. Commodity exporters are seeing a sharp drop in revenues, and tourism and other revenues are also declining.

Households across the developing world are facing stark choices. Poor families will have to ask whether they have the resources to meet basic consumption needs and the costs of keeping children in school. Several hundred thousand infants will die this year, many because of malnutrition, as a direct consequence of the economic crisis.

That simple, unacceptable reality demands a more urgent, concerted and effective response by the international community – not alone to work for the restoration of economic growth, but to ensure that the poorest and most vulnerable are protected through this economic storm.

Ireland and our EU partners support targeted, counter-cyclical measures aimed at protecting the most vulnerable and sustaining economic activity and employment. We also need to improve the effectiveness of our aid, based on the principles outlined in the Accra Agenda for Action. By the same token, it is important to focus more clearly on key priorities – in the case of Ireland's aid programme, on the global hunger crisis.

In recent months, there has been important positive action by the G20 and by the World Bank – IMF Development Committee. The crisis has reaffirmed the indispensable role of the international financial institutions. It has also confirmed the urgent need to reform them, and to strengthen their legitimacy as development actors by giving greater voice and representation to emerging and developing economies, including the least developed.

The United Nations has a key role to play in the efforts to help developing countries tackle the full range of social, economic, financial and environmental challenges they face. In line with the consensus reached here in the General Assembly by all Member States last September, the UN's capacity to 'Deliver as One' must be strengthened. Real progress has been made on system-wide coherence, but more needs to be done to ensure that the UN, across all its agencies, delivers as one for the poorest people of the world. In building on the successes to date of the One UN Pilots at country level, it is now essential to foster stronger coherence between the UN and other development actors, including the international financial institutions. Coherence and coordination of policies and actions between the UN, the international financial institutions and the relevant regional organisations needs to be strengthened.

The UN, working with the other relevant institutions, should be given the resources to monitor the impact of the crisis on the poorest and most vulnerable.

The UN has already reported that the volume of global trade is expected to fall by 11 per cent this year – the largest annual decline since the Great Depression. This underlines the need for an ambitious, balanced and comprehensive agreement in the WTO Doha Development Round, which addresses the real concerns of developing countries, particularly the poorest.

Mr President,

In agreeing initiatives to respond to the crisis, we must recognise clearly the need to deliver life-saving results in the immediate term for the most vulnerable people in the least developed countries. The cruel fact is that we need to do so in a situation where budgets for overseas assistance are under serious pressure everywhere. In Ireland, we have had to take the very difficult decision to adjust our budget for ODA in 2009, with the sole objective of providing the macroeconomic foundation and conditions to enable our economy to return quickly to sustainable growth. This is crucial to enable us to resume expansion of our aid programme. In this context, we are maintaining our commitments on ODA targets. We are also maintaining our sharp focus on poverty and hunger in sub-Saharan Africa. And we are ensuring that the fight against the global hunger crisis – accentuated by the economic crisis – is a cornerstone of our aid programme.

This seriously difficult environment challenges us all to recommit to global development, and to ensure that our financial contributions – our ODA – are delivered more effectively and sustainably, with tangible results. The Agenda on aid effectiveness adopted in Accra last September will save lives if it is implemented.

It requires all Governments and all non-governmental development organisations to examine and often overcome old habits. If we want to ensure that sustainable international development is an achievable goal, we need as development partners to account more clearly and effectively to each other, and to our citizens.

In conclusion, Mr. President, allow me to congratulate the facilitators for their work in achieving broad consensus on the draft outcome document from this Conference. The message we send from New York this week must be that we are ready to put words into action, to act more effectively despite the constraints of limited resources, and to save lives which will otherwise be destroyed by the economic crisis.

Thank You