

18 July 2008

**Statement of H.E. Mr. Srgjan Kerim,
President of the 62nd Session of the General Assembly,
at the General Assembly Meeting on the Food and Energy Crisis**

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

The international community is confronted with an alarming and interconnected increase in food and oil prices. These conditions have been compounded by the unpredictable affects of climate change and a depressed world economy. The potential social consequences are extremely grave.

The United Nations Development Programme's Human Development Report identifies food insecurity, together with water stress, rising seas levels, exposure to climate disasters and environmental degradation as the key transmission mechanisms through which climate change could reverse human development.

According to the IMF, the rise in food and oil prices could "severely weaken" the economies of up to 75 developing countries, so that the prospect of stagflation – slowing growth and rising inflation and unemployment - is real for many.

The World Bank estimates that rising food and fuel costs could reduce the GDP of 40-50 countries by 3 to 10 per cent pushing at least 100 million people into poverty.

The global food and energy crisis therefore requires an immediate, coherent and coordinated response with the UN system playing a central role.

When the Secretary-General briefed Member States in June he pleaded for the continued support of the General Assembly in order to deal with these pressing issues.

And on various occasions, Member States have underlined the need for the General Assembly to take concrete steps to tackle the food and energy crisis.

Furthermore, ECOSOC's 2008 Ministerial Declaration calls for urgent individual and collective action to stem the impact of the crisis and put the global economy on a more sustainable footing.

The Comprehensive Framework for Action before us today provides a coherent and coordinated strategy to do so. I would therefore like to commend the Secretary-General for taking the initiative and recognizing the need for prompt and coordinated global action.

As we have dealt with climate change this session, we must now apply the full, continuous and high-level commitment of all Member States to the food and energy crisis.

And, while dealing with the dramatic effects of these crises we must use this opportunity to inject new life – a new deal - into the multilateral system.

Excellencies,

Since the beginning of the year commodity prices have surged by more than 30 per cent as a result of record food and oil costs.

This growing tension between the supply of and demand for agricultural products is a result of a complex cycle of factors, such as skyrocketing energy costs, increasing demand from emerging economies, the unwinding of the credit crisis in the real economy and commodity speculation.

Climate changes, intensifying drought, floods and cyclones, and the increasing popularity of ethanol based bio-fuel have taken food off the worlds table.

As a result of all these complex factors for more than two billion people today, higher food prices are a matter of daily struggle, sacrifice and survival.

All economies, regardless of size and strength, but particularly the least developed have been affected.

This is why it is an emergency.

This is why prompt action and global coordination is necessary.

Excellencies,

A comprehensive multilateral approach based on the Framework is necessary to address these crises, minimize the negative spillovers, and lay the foundations for improved supply over the medium term.

The Framework for Action has two key objectives. Firstly, to meet the immediate needs of vulnerable populations; and secondly, to build long-term global food security.

To achieve this, the Secretary-General has called for the international community to provide US\$25 billion per annum to support these goals.

Together the multilateral system, including the World Food Program, World Bank, OCHA, the IMF, IFAD, and FAO have already amassed around US\$2.3 billion; and, the G8 countries around

US\$10 billion to support food aid, nutrition interventions, social protection activities and measures to increase agricultural output in affected countries.

This is still well short of what is needed annually. I would therefore like to call on donors and the multilateral system to do more. Not only because development aid for agriculture has fallen from a high of 17 per cent in the 1970s to just 3 per cent today, but also because the real impact of each dollar spend on food aid is almost half what it was last year.

Excellencies,

The General Assembly must now provide the political commitment necessary so that the measures before us today receive widespread international support.

The General Assembly should also play an active and crucial role by facilitating global partnerships on food and agriculture, involving all relevant actors – national governments, the private sector, civil society, donors and international institutions.

The United Nations must facilitate and coordinate all these actors, while the General Assembly should set the overall policy direction.

We should carefully listen to those voices who are calling for more sustainable patterns of consumptions and production as the pillars of a new economic model.

We must now begin to take the tough initial steps so that over the long-term we can inject new life into multilateralism and move to a new economic paradigm for the 21st century.

In order to do so, we must use every available process and mechanism at our disposal to address the food crisis, this includes Financing for Development, climate change and upcoming meetings on Africa's development needs and the MDGs, as well as the UNs overall reform agenda.

We must also systematically address longer term structural issues to create economic security for all.

An urgent and mandatory step at the global level is to reach an agreement to rationalise agricultural policies by ensuring a swift and successful outcome to the Doha Trade Round.

As long as agriculture continues to experience more market distorting policies than any other sector we cannot count on sustainable global food security.

It has been estimated that reducing subsidies, lifting tariffs and other trade barriers will stimulate food production and offer a route to development for 180 million small farmers in Africa.

The food crisis therefore offers a win-win opportunity for the international community to collectively agree to policies that promote trade efficiency while also boosting agricultural production and reducing the vulnerability of the poorest around the world.

Spiraling oil prices, in the context of a warming global climate, also offer the opportunity to reduce CO2 emissions by embracing new cleaner and sustainable energy – such as wind, solar and why not nuclear.

Excellencies,

Most importantly, we must have the courage to actively engage these issues and to take decisions.

I would therefore support calls from several Member States for food security and development to be one of the main priorities of the 63rd session.

However, given the urgency to deal with the food and energy crisis the General Assembly should adopt a Resolution calling for immediate concerted global action.

Unless collectively we develop a joined-up solution to deal with the food and energy crisis all of our efforts to address climate change and achieve our Millennium Development Goals will be fatally undermined.

I thank you.