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UN takes the ball on global economic policy, say Catholic development agencies on UN response to the financial crisis

NEW YORK – The UN agreement on response to the financial crisis takes important steps toward a global consensus on response to the crisis, according to CIDSE, an international alliance of 16 Catholic development agencies working together for global justice.

“Global economic policy should be like the World Cup, with every nation playing -- not a tournament for rich countries and their invited guests. With this agreement, the UN took the ball,” said René Grotenhuis, President of CIDSE and Director of Dutch organization Cordaid.

“The U.S. ought to be particularly commended for supporting economic justice -- anyone at the Bush or Bill Clinton State Department would have been fired for approving this. Agreement for countries to impose capital controls is a total reversal of Clinton and Bush-era policies. And U.S. support for World Bank and IMF hiring according to geographic and gender diversity moves them part of the way from G8-dominated clubs towards accountability to the world,” said Aldo Caliarì, Director of the Rethinking Bretton Woods project at Center of Concern, the U.S. member of CIDSE.

Member nations have already agreed the text of a final report from the United Nations conference on the impacts of the financial crisis on developing countries, which runs through Friday 26 June.

Progress includes:

-- Trade: Developing countries earn half their GDP from exports, and trade is the main way the financial crisis is hitting them. The document recognizes many countries will need to change trade and investment rules or impose capital account restrictions, to implement crisis recovery measures.

-- Debt: Developing countries face more than \$3 trillion in debt maturing this year. The agreement includes temporary standstills on debt payments for countries in crisis, and agreement to go beyond existing ad hoc responses to a structured mechanism for sovereign debt settlements.

-- Stimulus: The agreement calls on countries with stimulus spending not to impose rules that hurt third countries.

-- Continuing mandate: While some countries opposed follow-up to the conference, the UN will have a continuing working group to implement these measures.

“This is slow progress for more than 50 million people are expected to lose their jobs, and 100 million newly hungry in the world. But the UN is asserting influence on the global economy, and that’s good news for the majority of people who aren’t represented at the G8 or the World Bank and IMF they control.” said René Grotenhuis, President of CIDSE and Director of Dutch organization Cordaid.

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Notes to the editors:

- **CIDSE** is an international alliance of Catholic development agencies. Its members share a common strategy in their efforts to eradicate poverty and establish global justice. CIDSE's advocacy work covers global governance, resources for development, climate change, trade & food security, EU development policy and business & human rights. (www.cidse.org).
- [Reaching the MDGs amidst a Financial and Economic Crisis](#), a CIDSE, Cordaid Oxfam International, Afrodad and Latindad side event at the UN conference on the financial crisis in NY, sponsored by the Permanent Mission of the Kingdom of the Netherlands
- [From Collapse to Opportunity: Development Perspectives on the Global Financial Crisis](#), a CIDSE policy paper, April 2009
- [The Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System](#)
- [Online press pack](#)