

People's Republic of Bangladesh

The issues before the 2nd Committee are: (1) "The impact of the financial crisis on the achievement of the MDGs," and: (2) "Climate change and the MDGs."

1. The impact of the financial crisis on the achievement of the MDGs

Inconsiderate confidence in the self-regulating strengths of the markets, lax regulation, high increase in household and public debt, unbridled greed of the executives of financial institutions and poor asset qualities contributed to the crisis. What we are witnessing is the worst economic downturn since the Great Depression in the 1930s. The recovery will be slowly and costly. There is no denying that the crisis is having a disproportionately high impact on the Least Developed Countries (LDCs) and is affecting their development aspirations particularly putting at risk their achievement of the MDGs. The condition of the poor is degrading and the number is rising rapidly. Latest statistics from the FAO put the number of hungry people now at unprecedented 1.02 billion.¹ Immediate, collective, efficient, and forceful measures are necessary in order to cope with the effects of the crisis. Bangladesh regards the following measures as necessary to prevent future crises and regulate the financial markets.

- 1) **Reform the role and duties of national central banks.** The politics of easy and cheap money have proven to be detrimental. Therefore, Central banks have to increase the prime rate in times of economic recovery. Furthermore, they should be in charge of forecasting and preventing so called economic bubbles and regulate the credit policies of the clearing banks.
- 2) **Implement a politically feasible tax on foreign exchange transactions.** This will stabilize exchange rates while the income of the tax should be used for development in developing countries and coping with crises. Therefore, the tax would lead to a more equitable distribution of opportunities within the world economy

Furthermore, Bangladesh regards the following measures as inevitable to fight the effects of the financial crisis in the world and especially in the LDCs:

- 1) **Redistribute the voting power in favor of the developing countries in the Breton Woods Institutions.** Those institutions have lost their effectiveness and the public support, especially in developing countries. Therefore, we need to address democratic deficits in order to create a global financial governance mechanism based on various currencies – not just one or two.
- 2) **Increase and improve official development aid (ODA)** so that the developing countries can maintain critical investment in infrastructure, health, education and agriculture. Development agencies must emphasize their support for the MDGs and coordinate technical support around the goals. The UN resident coordinator has to be strengthened in order to coordinate among UN organizations and to support the host government in developing and implementing MDG-based strategies.
- 3) **Increase investment in green energy and sustainable resources.** The economic shortfalls must not put at risk our commitment to fighting climate change. Therefore, the investments in core technologies must be promoted.
- 4) **Build partnerships and enhance technology transfer.** In order to make the necessary investments and facilitate the development of the developing countries, partnerships between aid givers and receivers including civil society and NGOs are of utmost importance. Furthermore, one part of development assistance should consist of technology transfer from developed to developing countries, especially in the agricultural and energy sector.
- 5) **Facilitate open trade and movement of natural persons.** As the trade flow has significantly declined due to the crisis it is more important than ever to abolish trade barriers and to refrain from raising new barriers to investment and trade in goods and services. Additional funding can come from jointly designed World Bank – UN System mechanisms. We also demand easier movement of workers which will improve the flexibility and quality of world labor markets.
- 6) **Expansion of social safety nets and improvement of health care.** This can be achieved through the establishment of an academic medical exchange program, development agencies which provide sanitation infrastructure and clean water as well as the improvement of health care centers in cooperation with NGOs.

To sum up, Bangladesh regrets that the crisis is heavily affecting the LDCs and poses a threat to the live of Millions of poor people. In the future, everything has to be done to prevent such a crisis. Furthermore, efficient and resolute measures are necessary to cope with the consequences of the crisis in the LDCs.

¹ Moni, Dipo: Statement on behalf of the Least Developed Countries." At the plenary of the UN Conference on the World Financial and Economic Crisis and its Impact on Development. New York, 24 June 2009.

2. Climate change and the MDGs.

Bangladesh is particularly vulnerable to climate change given that we are a low lying delta in one of the highest rainfall areas in the world. There is growing concern that an irreversible climate shift will displace tens of millions of our people. A one meter sea-level rise would submerge about one third of the total area of Bangladesh. Given our population and its vulnerabilities this would result in the greatest humanitarian crisis in history. What affects Bangladesh also affects various other countries, such as small island states, states threatened by desertification of fertile farmland, populations dependent on melting glacial water and many more. It is a basic moral imperative that countries which have contributed little to the crisis must not be left alone and unsupported to suffer most from its consequences. We must follow our goal to limit warming to 2° Celsius while we must prepare for a world where temperature rises by 4° C. Finally, by 2050, global emissions of CO₂ Equivalents must not exceed 14 billion tons per year. Therefore, Bangladesh is convinced that a viable post-Kyoto agreement must contain the following:

- 1) **Binding commitment for a substantial reduction of Greenhouse Gas Emissions for all developed countries.** The reduction of Greenhouse Gas Emissions is of utmost importance and only binding commitments which are implemented and reduce the output in the developed world significantly can have an impact on the crisis. Reduction should be at least 50 % in 2025 compared to 1990 levels for Annex 1 signatories and 80 % in 2050 while global emission trading shall be enhanced.
- 2) **Availability to the Adaptation Fund for LDCs.** LDCs urgently need the 2 Billion US \$ promised in 2001 for taking immediate and urgent action on adaptation to climate change. To allocate the future support from the adaptation fund and to have a legally binding instrument for adaptation a vulnerability index is proposed to ensure early access to funds for countries in need.
- 3) **Enhance technology and financial transfer.** Developing countries require easy access to environmentally sound technologies for adaptation and mitigation. It is one of the prime responsibilities of the developed countries to provide these technologies to developing countries. Intellectual Property Rights should not be a barrier to allow developing countries to get and benefit from such technologies.
- 4) **Framework to fight deforestation and degradation.** Forestry is an important way to sequester carbon. Therefore, a framework has to be developed which prevents the further loss of forests and establishes reforestation and afforestation programs in affected countries.
- 5) **Create a mechanism which allows the fair and equitable sharing of benefits arising from the utilization of genetic resources.** Especially chemistry, pharmacy-industry, and cosmetic product enterprises use natural materials like plant extracts for their purposes. States, where those plants or biomaterials grow naturally must be compensated for the gains generated with those materials. We therefore recall the Bonn Guidelines and the decisions made during the Convention on Biological Diversity² and favor a compensation framework in this regard.
- 6) **Creation of a fund to cope with localized extreme events.** In case of local cyclones, floods, severe droughts or other climate related catastrophes the development efforts of a country during the last decades can be put at risk. Therefore, a permanent fund which allocates resources quickly and effectively in such a case has to be created so that developing countries can cope with the effects of such an event.
- 7) **Help developing countries to formulate Climate Change Action Plans.** Those plans should formulate programs for interventions in order to cope with the effects of climate change in the respective countries. They should be crafted and implemented in a transparent and inclusive process in cooperation with NGOs, the private sector, civil society and relevant UN organizations and developed countries if necessary.
- 8) **Further develop monitoring mechanism and develop sanctioning mechanisms in case of non-compliance with the post-Kyoto agreement.** A viable and feasible monitoring mechanism will be the Intergovernmental Panel on Systemic Risks. As sanctioning mechanisms we propose a new form of global governance, linking the Post-Kyoto Agreement with the WTO and the UN system in order to be able to impose trade sanctions on states in case of non-compliance with their duties.

To sum up, Bangladesh is one of the worst affected countries by climate change although it has not contributed to the crisis. Therefore, a viable and meaningful post-Kyoto agreement is of utmost importance. The developed countries must acknowledge their responsibility while all governments have to work on a global solution. The developed countries will provide the necessary technologies and financing to achieve global sustainability.

² UNEP/CBD/COP/DEC/IX/12: "Convention on Biological Diversity." 9 October 2008. Bonn