Translated from French

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New York, 27 May 2011

The Permanent Mission of Senegal to the United Nations presents its compliments to the Department of Economic and Social Affairs of the Secretariat of the United Nations, and, with reference to its note verbale DESA-11/0021 of 20 January 2011, has the honour to transmit herewith the contribution of the Government of Senegal to the report of the Secretary-General on global economic governance.

The Permanent Mission of Senegal to the United Nations takes this opportunity to convey to the Department of Economic and Social Affairs of the Secretariat of the United Nations the assurances of its highest consideration.

Ref: MEF/OPEE/DPMSP

Dakar

Subject: Contribution on global economic governance

The last decade has been marked by a series of events that have had a significantly unfavourable impact on the global economy and on the fight against poverty. Indeed, between 2007 and 2008, the world was rocked by the soaring prices of fuel and food products, entailing dramatic consequences for the purchasing power of the vulnerable sectors of society, particularly in the least developed countries (LDCs). Following the energy and food crisis, the global economy had to face the economic and financial crisis, which began with the sub-prime crisis in the United States and ended up spreading throughout the world in early 2009. The breadth of this crisis was such that gross world product shrank by 0.6 per cent in 2009, after growing by 2.8 per cent in 2008 and by an average of 5 per cent during the period from 2004 to 2007. The advanced economies were seriously affected; economic growth in those countries shrank by an average of 3.2 per cent in 2009 (in contrast to slight growth of 0.2 per cent in 2008); the unemployment rate reached 9.4 per cent in 2009, from 7.5 per cent the previous year. In sub-Saharan Africa, growth dropped to 2.6 per cent in 2009, compared to an average of 6.4 per cent between 2002 and 2008. This situation has also resulted in a slow-down in investment, attributable in particular to a reduction in capital flows from developed countries. The impact on poverty was significant. Indeed, persistent unemployment in the West was reflected in the level of remittances from foreign workers to their countries of origin. In the case of Senegal, transfers of funds from migrants, which had been very high in recent years (10.5 per cent of GDP in 2008), fell by 6.7 per cent. Along with the sluggishness of aid for development, these factors had a noticeable effect on the living conditions of households in the LDCs.

This global situation reflects dysfunction in the international monitoring system, as well as insufficient coordination with regard to international cooperation, and therefore calls for reconsideration of the effectiveness and direction of global economic governance. Indeed, on the one hand, greater international solidarity would have enabled a global mechanism to regulate, or even protect against, the shocks associated with the oil and commodities markets, in order to combat global poverty more effectively. On the other hand, given the interconnectedness of the various economies and the speed at which the economic and financial crisis spread around the world, it seems necessary to take appropriate measures to ensure that such a situation never happens again. Consequently, major reforms of the global economic governance system are required.

In that regard, Senegal reiterates the proposals it made in its contribution to the report of the African Development Bank (ADB) on a plan of action for Africa and the global economic crisis, with regard to reforming financial governance.

Firstly, at the institutional level, Senegal proposes enlarging frameworks for dialogue to include emerging and developing countries, to ensure effective participconomiomil go whieureic ndit5.3, gund imrks forio6earolobal

Moreover, with regard to the damage done by the international economic and financial crisis, monitoring of the financial markets should be strengthened and speculation limited, in particular through the use of better exchange system monitoring. Along these lines, a system of taxation on international financial transactions should be introduced and more suitable international regulation bodies to prevent and manage economic and financial risks should be identified.

In the longer term, global economic governance should evolve towards "a global economic and social governance" to take into broader account questions relating to world poverty and, beyond those, the Millennium Development Goals. In that regard, global economic governance should take responsibility for regulating the commodities markets in order to limit speculation and thereby reduce the risk borne by poor countries. Indeed, the recent energy and food crises had serious consequences for developing countries. In low-income African countries, consumer prices registered moderate increases of 13.4 per cent and 13.5 per cent in 2008 and 2009 respectively, thereby noticeably affecting the purchasing power of disadvantaged groups. This also had a social impact, leading to disturbances known as the "hunger riots", which took place in several African countries. Thus, protecting the vulnerable sectors of society all around the world should be at the heart of the debate on the reform of global economic governance.

It was in this context that the recent 2011 Dakar International Agriculture Forum proposed the introduction of a system of regulation for the agricultural markets in order to prevent food crises, the use of management tools and international cooperation to improve food security and fight poverty, and the creation of a new system of global governance that would give high priority to agriculture, food and environmental preservation. These great challenges are given substance by the proposals of Senegal's Head of State on creating a global agriculture organization headquartered in Africa and a global food security council, modelled on the United Nations Security Council, bringing together States from all five continents.