



United Nations

Report of the Conference on the World Financial and Economic Crisis and Its Impact on Development

New York, 24-30 June 2009

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Note

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Chapter I

Resolutions adopted by the Conference

Resolution 1*

Draft outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development

The Conference on the World Financial and Economic Crisis and Its Impact on Development,

Having met at United Nations Headquarters in New York from 24 to 26 June 2009,

1. *Adopts* the draft outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development, as contained in the annex to the present resolution;

2. *Recommends* to the General Assembly that it endorse, during its sixty-third session, the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development.¹

Annex

Outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development

We, Heads of State and Government and High Representatives, met in New York from 24 to 26 June 2009 for the Conference on the World Financial and Economic Crisis and Its Impact on Development.

1. The world is confronted with the worst financial and economic crisis since the Great Depression. The evolving crisis, which began within the world's major financial centres, has spread throughout the global economy, causing severe social, political and economic impacts. We are deeply concerned about its adverse impact on development. This crisis is negatively affecting all countries, particularly developing countries, and threatening the livelihoods, well-being and development opportunities of millions of people. The crisis has not only highlighted long-standing systemic fragilities and imbalances, but has also led to an intensification of efforts to reform and strengthen the international financial system and architecture. Our challenge is to ensure that actions and responses to the crisis are commensurate with its scale, depth and urgency, adequately financed, promptly implemented and appropriately coordinated internationally.

2. We reaffirm the purposes of the United Nations, as set forth in its Charter, including "to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character" and "to be a centre for harmonizing the actions of nations in the attainment of these common ends". The principles of the Charter are particularly relevant in addressing the current

* Adopted at the 7th plenary meeting, on 26 June 2009; for the discussion, see chap. VI.

¹ Subsequently, the General Assembly endorsed the Outcome of the Conference in its resolution 63/303 of 9 July 2009.

challenges. The United Nations, on the basis of its universal membership and legitimacy, is well positioned to participate in various reform processes aimed at improving and strengthening the effective functioning of the international financial system and architecture. This United Nations Conference is part of our collective effort towards recovery. It builds on and contributes to what already is being undertaken by diverse actors and in various forums, and is intended to support, inform and provide political impetus to future actions. This Conference also highlights the importance of the role of the United Nations in international economic issues.

3. Developing countries, which did not cause the global economic and financial crisis, are nonetheless severely affected by it. The economic and social progress achieved during recent years, in particular on internationally agreed development goals, including the Millennium Development Goals, is now being threatened in developing countries, particularly least developed countries. This progress, partially underpinned by a period of high economic growth in many countries, needs to be secured and enhanced in the face of threats posed by the crisis. Our endeavours must be guided by the need to address the human costs of the crisis: an increase in the already unacceptable number of poor and vulnerable, particularly women and children, who suffer and die of hunger, malnutrition and preventable or curable disease; a rise in unemployment; the reduction in access to education and health services; and the current inadequacy of social protection in many countries. Women also face greater income insecurity and increased burdens of family care. These particular human costs have serious development consequences on the human security of those affected. An equitable global recovery requires the full participation of all countries in shaping appropriate responses to the crisis.

4. Although the financial and economic crisis has affected all countries, it is important to take into account the varying impacts and challenges of the crisis on the different categories of developing countries. The crisis is further endangering the achievement of their national development objectives, as well as the internationally agreed development goals, including the Millennium Development Goals. We are particularly concerned about the impact on countries in special situations, including least developed countries, small island developing States and landlocked developing countries, and on African countries and countries emerging from conflict. We are equally concerned about the specific development challenges of middle-income countries and low-income countries with vulnerable and poor populations. For all these countries, the crisis presents unique challenges to their efforts to achieve their national development goals. Our collective responses to this crisis must be made with sensitivity to the specific needs of these different categories of developing countries, which include trade and market access, access to adequate financing and concessionary financing, capacity-building, strengthened support for sustainable development, financial and technical assistance, debt sustainability, trade facilitation measures, infrastructure development, peace and security, the Millennium Development Goals, and our previous international development commitments.

5. Peace, stability and prosperity are indivisible. In today's globalized economy, all nations are far more closely tied together than ever before. The global reach of the crisis calls for prompt, decisive and coordinated action to address its causes, mitigate its impact and strengthen or establish the necessary mechanisms to help prevent similar crises in the future.

6. This Conference represents a milestone in an ongoing and concerted engagement by all States Members of the United Nations to address the crisis and its impact on development. Today, we have set forth our global consensus on the responses to this crisis, prioritized required actions and defined a clear role for the United Nations. We are doing so in the interest of all nations in order to achieve a more inclusive, equitable, balanced, development-oriented and sustainable economic development to help overcome poverty and inequality.

Present state of the world economy

7. This crisis is connected to multiple, interrelated global crises and challenges, such as increased food insecurity, volatile energy and commodity prices and climate change, as well as the lack of results so far in the multilateral trade negotiations and a loss of confidence in the international economic system. The global economic downturn is deeper than many early estimates, and the recovery is predicted to be gradual and varied. While some countries still experience positive, though much slower growth, the latest estimate of the United Nations indicates that world gross product will fall by 2.6 per cent in 2009, the first such decline since the Second World War. The crisis threatens to have calamitous human and development consequences. Millions of people all over the world are losing their jobs, their income, their savings and their homes. The World Bank estimates that more than 50 million people have already been driven into extreme poverty, particularly women and children. The Food and Agriculture Organization of the United Nations projects that the crisis will contribute to the number of hungry and undernourished people worldwide rising to a historic high of over one billion.

Impacts of the crisis

8. The crisis has produced or exacerbated serious, wide-ranging yet differentiated impacts across the globe. Since the crisis began, many States have reported negative impacts, which vary by country, region, level of development and severity, including the following:

- Rapid increases in unemployment, poverty and hunger
- Deceleration of growth, economic contraction
- Negative effects on trade balances and balance of payments
- Dwindling levels of foreign direct investment
- Large and volatile movements in exchange rates
- Growing budget deficits, falling tax revenues and reduction of fiscal space
- Contraction of world trade
- Increased volatility and falling prices for primary commodities
- Declining remittances to developing countries
- Sharply reduced revenues from tourism
- Massive reversal of private capital inflows
- Reduced access to credit and trade financing
- Reduced public confidence in financial institutions

- Reduced ability to maintain social safety nets and provide other social services, such as health and education
- Increased infant and maternal mortality
- Collapse of housing markets.

Causes of the crisis

9. The drivers of the financial and economic crisis are complex and multifaceted. We recognize that many of the main causes of the crisis are linked to systemic fragilities and imbalances that contributed to the inadequate functioning of the global economy. Major underlying factors in the current situation included inconsistent and insufficiently coordinated macroeconomic policies and inadequate structural reforms, which led to unsustainable global macroeconomic outcomes. These factors were made acute by major failures in financial regulation, supervision and monitoring of the financial sector, and inadequate surveillance and early warning. These regulatory failures, compounded by over-reliance on market self-regulation, overall lack of transparency, financial integrity and irresponsible behaviour, have led to excessive risk-taking, unsustainably high asset prices, irresponsible leveraging and high levels of consumption fuelled by easy credit and inflated asset prices. Financial regulators, policymakers and institutions failed to appreciate the full measure of risks in the financial system or address the extent of the growing economic vulnerabilities and their cross-border linkages. Insufficient emphasis on equitable human development has contributed to significant inequalities among countries and peoples. Other weaknesses of a systemic nature also contributed to the unfolding crisis, which has demonstrated the need for more effective government involvement to ensure an appropriate balance between the market and public interest.

Response to the crisis

10. We are all in this crisis together. While each country has primary responsibility for its own economic and social development, we will continue to work in solidarity on a vigorous, coordinated and comprehensive global response to the crisis in accordance with our respective abilities and responsibilities. Developed countries and emerging markets have taken the lead in restoring global growth. An immediate priority has been to stabilize the financial markets and restore confidence in them and counter falling demand and the recession. Major actions have already been taken to maintain macroeconomic stability and strengthen the international financial system. At the same time, strong and urgent actions are needed to counter the impact of the crisis on the most vulnerable populations and help to restore strong growth and recover lost ground in their progress towards our internationally agreed development goals, including the Millennium Development Goals. Therefore, an adequate share of any additional resources — both short-term liquidity and long-term development financing — will need to be made available to developing countries, especially the least developed countries. Although this crisis continues to have a significant impact on the peoples of the world, we believe that it represents an important opportunity for meaningful change. Going forward, our response must focus on creating jobs, increasing prosperity, strengthening access to health and education, correcting imbalances, designing and implementing environmentally and socially sustainable development paths and having a strong gender perspective. It

must also strengthen the foundation for a fair, inclusive and sustainable globalization supported by renewed multilateralism. We are confident that we will emerge from this crisis stronger and more vigorous and more united.

The need for prompt and decisive action

11. We commit to working in solidarity on a coordinated and comprehensive global response to the crisis and to undertaking actions aimed at, inter alia:

- Restoring confidence and economic growth, and creating full and productive employment and decent work for all
- Safeguarding economic, development and social gains
- Providing adequate support for developing countries to address the human and social impacts of the crisis, in order to safeguard and build upon hard-won economic and development gains to date, including the progress being achieved towards the implementation of the Millennium Development Goals
- Ensuring long-term debt sustainability of developing countries
- Seeking to provide sufficient development resources to developing countries without unwarranted conditionalities
- Rebuilding trust in the financial sector and restoring lending
- Promoting and revitalizing open trade and investment and rejecting protectionism
- Fostering an inclusive, green and sustainable recovery, and providing continued support for sustainable development efforts by developing countries
- Strengthening the role of the United Nations development system in responding to the economic crisis and its impact on development
- Reforming and strengthening the international financial and economic system and architecture, as appropriate, to adapt to current challenges
- Fostering good governance at all levels, including in the international financial institutions and financial markets
- Addressing the human and social impacts of the crisis.

Lines of action

Make the stimulus work for all

12. In attempting to combat the immediate impacts of the crisis, there have already been a number of responses at the national, regional and international levels. While acknowledging those efforts, we encourage greater cooperation and coordination among countries' fiscal and economic actions. Support for development is an essential and integral part of the solution to the global crisis, inter alia, through actions aimed at enhancing sustained economic growth, poverty eradication and sustainable development. We encourage countries, while implementing national stimulus measures, to avoid protectionism in any form and possible adverse impacts on third countries, particularly developing countries.

13. We encourage countries in a position to do so to utilize the room for fiscal stimulus that they possess, while also ensuring long-term fiscal sustainability. We also encourage individual countries to tailor their responses to their specific circumstances and use the available scope for domestic resource mobilization.

14. While a number of developed and emerging market economies have implemented stimulus packages, the majority of the world's developing countries lack fiscal space to implement countercyclical measures to combat the effects of the crisis and spur recovery. Many also face foreign-exchange shortages. In order to adequately respond to the crisis, developing countries will need a larger share of any additional resources — both short-term liquidity and long-term development financing. We call for an examination of mechanisms to ensure that adequate resources are provided to developing countries, especially the least developed countries. We underscore that developing countries should not be unduly financially burdened by the crisis and its impacts.

15. Developing countries facing an acute and severe shortage of foreign reserves because of the fallout of the crisis, which is negatively affecting their balance-of-payment situation, should not be denied the right to use legitimate trade defence measures in accordance with relevant provisions of the World Trade Organization (WTO), and, as a last resort, impose temporary capital restrictions and seek to negotiate agreements on temporary debt standstills between debtors and creditors, in order to help mitigate the adverse impacts of the crisis and stabilize macroeconomic developments.

16. We acknowledge the G20 summit held in London on 2 April 2009, and recognize its commitment to make available an additional \$1.1 trillion programme aimed at revitalizing the world economy. A major part of these funds will be available for use by emerging markets and developing countries. A limited share (\$50 billion) of these resources was targeted specifically to low-income countries. We call upon the G20 to further consider addressing the financial needs of developing countries, especially low-income countries. We also call upon all G20 countries to follow through with their commitments and to monitor the implementation of them. While recognizing the decisions taken by the G20, we are resolved to strengthen the role of the United Nations and its Member States in economic and financial affairs, including its coordinating role.

17. Countries must have the necessary flexibility to implement countercyclical measures and to pursue tailored and targeted responses to the crisis. We call for a streamlining of conditionalities to ensure that they are timely, tailored and targeted and support developing countries in the face of financial, economic and development challenges. In this context we note the recent improvement of the lending framework of the International Monetary Fund (IMF), through inter alia, modernizing conditionality, and the creation of more flexible instruments, such as a flexible credit line, as a welcome step. New and ongoing programmes should not contain unwarranted procyclical conditionalities. We call upon the multilateral development banks to move forward on flexible, concessional, fast-disbursing and front-loaded assistance designed to substantially and quickly assist developing countries facing financing gaps. While doing so, multilateral development banks need to assure the application of agreed safeguards to ensure their financial stability.

18. The increasing interdependence of national economies in a globalizing world and the emergence of rules-based regimes for international economic relations have

meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and international development, is now often framed by international disciplines and commitments and global market considerations. We recognize that these regimes, disciplines, commitments and considerations have presented challenges to many developing countries seeking to fashion a national response to the financial and economic crisis. We also recognize that many developing countries have called for opportunities to exercise greater policy flexibility within the scope of these constraints as a necessary component of recovery from the crisis and to address specific national concerns, which include, inter alia, the human and social impacts of the crisis, safeguarding progress achieved towards implementation of the Millennium Development Goals, effective use of credit and liquidity facilities, regulation of local financial markets, institutions, instruments and capital flows, and limited trade defence measures. It is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space.

19. We recognize the continued importance of good governance along with national ownership of policies and strategies. We commit ourselves to the promotion of effective and efficient economic and financial institutions at all levels — key determinants of long-term economic growth and development. We also commit ourselves to accelerating our collective recovery from the crisis through improved transparency, eradication of corruption and strengthened governance. In this regard, we urge all States that have not done so to consider ratifying or acceding to the United Nations Convention against Corruption² and call upon all States parties to vigorously implement the Convention.

20. The crisis has disparate impacts across regions, subregions and countries. These heterogeneous impacts have added complexity to our common goal of eradicating poverty, reducing inequality and promoting human development. Given the sensitivity of regional and subregional institutions to the specific needs of their constituencies, we note the value of regional and subregional cooperation efforts in meeting the challenges of the global economic crisis and we encourage enhanced regional and subregional cooperation, for example, through regional and subregional development banks, commercial and reserve currency arrangements, and other regional initiatives, as contributions to the multilateral response to the current crisis and to improved resilience to potential future crises.

Contain the effects of the crisis and improve future global resilience

21. This crisis does not affect only the economic and financial sectors. We recognize the human and social impacts of the crisis and the inherent challenges involved in addressing them. Short-term mitigation measures should take into account long-term goals, especially those related to poverty eradication; sustainable development, including environmental protection and clean and renewable energy; food security; gender equality; health; education; and sustained economic growth, including full and productive employment and decent work for all. Strengthening existing social safety nets, establishing new ones where needed and protecting social expenditures are important for the advancement of people-centred development and addressing the human and social impacts of the crisis. We reaffirm our commitment

² United Nations, *Treaty Series*, vol. 2349, No. 42146.

to the timely achievement of our internationally agreed development goals, including the Millennium Development Goals.

22. Closer cooperation and strong partnership between the United Nations development system, regional development banks and the World Bank and their scaled-up efforts can effectively address the needs of those hardest hit and ensure that their plight is not ignored. We call for the mobilization of additional resources for social protection, food security and human development through all sources of development finance, including voluntary bilateral contributions, to strengthen the foundation for early and sustained economic and social recovery in developing countries, particularly least developed countries. Such additional resources should be channelled through existing institutions such as the United Nations development system, the World Bank-proposed vulnerability fund and framework and multilateral development banks, where appropriate. These funds, including those for the United Nations development system, should be provided on a predictable basis. Furthermore, we stress the importance of the United Nations development system, given its broad field presence, in supporting the activities at the country level to mitigate the impact of the crisis in developing countries.

23. We commit ourselves to strengthening the ability of the United Nations to fulfil its development mandate. United Nations funds and programmes and United Nations agencies, in accordance with their respective mandates, have an important role to play in advancing development and in protecting development gains, in accordance with national strategies and priorities, including progress towards achieving the internationally agreed development goals, including the Millennium Development Goals, threatened by the current economic crisis. The United Nations should use the current economic situation as an opportunity to redouble its efforts to improve the efficiency and effectiveness of its development programmes in support of system-wide coherence. We recognize the unique role of the United Nations as an inclusive forum to promote a better understanding of the social and economic impact of the crisis and to fashion appropriate responses.

24. We acknowledge that the current economic crisis has the potential to increase the need for resources for humanitarian assistance in developing countries. We stress the need to take measures to ensure adequate resources for international cooperation in the provision of humanitarian assistance.

25. The crisis has severely impacted on international trade in most countries, especially developing countries. For many developing countries, these impacts include, among others, falling exports and loss of export revenue, diminishing access to trade finance, reductions in export-oriented and infrastructure investment, lower fiscal revenues and balance-of-payment problems. We undertake to resist all protectionist tendencies and rectify any protectionist measures already taken. At the same time we recognize the right of countries to fully utilize their flexibilities consistent with their WTO commitments and obligations. It is important that we contribute to the efforts of WTO and other relevant bodies to monitor and report on protectionist measures, including on how they affect developing countries.

26. We must also fully harness the potential of trade as an engine of sustained economic growth and development in our efforts to overcome this crisis. In this regard, we reaffirm our commitment to a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. We reaffirm that international trade is an engine for development and sustained economic growth. We

therefore reiterate our call for an early, ambitious, successful and balanced conclusion to the Doha Round that increases market access, generates increased trade flows and places the needs of developing countries at its centre. We welcome the commitment to implement duty-free and quota-free access for least developed countries, as agreed in the WTO Hong Kong Ministerial Declaration;³ to make operationally effective the principle of special and differential treatment for developing countries; to the parallel elimination of all forms of export subsidies; to disciplines on all export measures with equivalent effect; to substantial reductions in trade distorting domestic support, in accordance with the mandate of the Doha Round and the WTO Hong Kong Ministerial Declaration; and to meet existing aid-for-trade pledges. We also reaffirm the need to make progress on the implementation of the WTO work programme on small economies, mandated in the Doha Ministerial Declaration.⁴

27. Migrant workers are among the most vulnerable in the context of the current crisis. Remittances, which are significant private financial resources for households in countries of origin of migration, have been seriously affected by rising unemployment and weak earnings growth among migrant workers, particularly in advanced economies. We should resist unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration in order to maximize the benefits of international migration, while complying with the relevant national legislation and applicable international instruments. We recognize the important contribution of migrant workers for both countries of origin and destination. We commit ourselves to allowing labour migration to meet labour market needs.

28. An effective response to the current economic crisis requires timely implementation of existing aid commitments. There is an urgent need for all donors to maintain and deliver on their existing bilateral and multilateral official development assistance (ODA) commitments and targets made, inter alia, in the United Nations Millennium Declaration,⁵ the Monterrey Consensus⁶ and the 2005 World Summit Outcome,⁷ at the G8 summit in Gleneagles, in the Doha Declaration⁸ and at the G20 London summit. We underline that the fulfilment of all ODA commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product (GNP) for ODA to developing countries by 2015 and to reach the level of at least 0.5 per cent of GNP for ODA by 2010, as well as a target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries. We recognize that many developed countries have established timetables to reach the level of at least 0.5 per cent for ODA by 2010. We encourage other donors to work on national timetables, by the end of 2010, to increase aid levels within their respective budget allocation processes towards achieving the established ODA targets. The full implementation of these

³ World Trade Organization, document WT/MIN(05)/DEC. Available from <http://docsonline.wto.org>.

⁴ A/C.2/56/7, annex.

⁵ See resolution 55/2.

⁶ *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

⁷ See resolution 60/1.

⁸ See resolution 63/239, annex.

commitments will substantially boost the resources available to push forward the international development agenda and to assist developing countries to mitigate and more effectively respond to the crisis in accordance with their national strategies. Donors should review and, if appropriate, increase or redirect their assistance to developing countries to enable them to mitigate and more effectively respond to the crisis in accordance with their national strategies.

29. We emphasize the importance for all development actors to continue to pursue economic and governance reforms and other steps to improve the effectiveness of aid based on the fundamental principles of national ownership, alignment, harmonization and managing for results.

30. We also encourage developing countries in a position to do so to continue to make concrete efforts to increase and make more effective their South-South cooperation initiatives, in accordance with the principles of aid effectiveness. We reiterate our support for South-South cooperation, as well as triangular cooperation, which provide much-needed additional resources for the implementation of development programmes.

31. New voluntary and innovative forms of financing can contribute to addressing our global problems. We encourage the scaling up of development finance from existing sources and the establishment, where appropriate, of new voluntary and innovative sources of financing initiatives to provide additional stable sources of development finance, which should supplement and not be a substitute for traditional sources of finance and should be disbursed in accordance with the priorities of developing countries and not unduly burden them. We reiterate our request to the Secretary-General to produce a progress report by the sixty-fourth session of the General Assembly, taking into account all existing initiatives.

32. The crisis must not delay the necessary global response to climate change and environmental degradation, taking into account the principle of common but differentiated responsibilities and respective capabilities. We acknowledge that the response to the crisis presents an opportunity to promote green economy initiatives. In this regard, we encourage the utilization of national stimulus packages, for those countries in a position to do so, to contribute to sustainable development, sustainable long-term growth, promotion of full and productive employment and decent work for all and poverty eradication. It is important that global green initiatives and proposals be inclusive and address sustainable development and environmental challenges and opportunities, including climate change mitigation and adaptation, financing and technology transfer to developing countries and sustainable forest management. We also encourage private-sector participation in these initiatives at the national level in accordance with national development strategies and priorities. We look forward to a successful outcome of the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Copenhagen in December 2009, as part of our overall efforts for a green recovery from the crisis.

33. The deepening crisis threatens to increase the debt and therefore threatens the debt sustainability of developing countries. This growing pressure limits the ability of these States to enact the appropriate fiscal measures to mitigate the impact of the crisis or engage in development financing. We affirm that the appropriate measures must be taken to mitigate the negative effects of the crisis on the indebtedness of

developing States and to avoid a new debt crisis. In that regard, we support making full use of the existing flexibility within the Debt Sustainability Framework.

34. We call upon States to redouble efforts to honour their commitments regarding debt relief and stress the responsibility of all debtors and creditors on the issue of debt sustainability, and emphasize the importance of equivalent treatment of all creditors. Donors and multilateral financial institutions should also increasingly consider providing grants and concessional loans as the preferred modalities of their financial support instruments to ensure debt sustainability. We will also explore enhanced approaches to the restructuring of sovereign debt based on existing frameworks and principles, broad creditors' and debtors' participation and comparable burden-sharing among creditors. We will also explore the need and feasibility of a more structured framework for international cooperation in this area.

35. We recognize that increases in global liquidity play a useful role in overcoming the financial crisis. Therefore, we strongly support and call for early implementation of the new general special drawing right (SDR) allocation of \$250 billion. We also call for the urgent ratification of the fourth amendment to the IMF Articles of Agreement for a special one-time allocation of SDRs, as approved by the IMF Board of Governors in September 1997. We recognize the need for keeping under review the allocation of SDRs for development purposes. We also recognize the potential of expanded SDRs to help increase global liquidity in response to the urgent financial shortfalls caused by this crisis and to help prevent future crises. This potential should be further studied.

36. The crisis has intensified calls by some States for reform of the current global reserve system to overcome its insufficiencies. We acknowledge the calls by many States for further study of the feasibility and advisability of a more efficient reserve system, including the possible function of SDRs in any such system and the complementary roles that could be played by various regional arrangements. We also acknowledge the importance of seeking consensus on the parameters of such a study and its implementation. We recognize the existence of new and existing regional and subregional economic and financial cooperation initiatives to address, inter alia, the liquidity shortfalls and the short-term balance-of-payment difficulties among its members.

Improved regulation and monitoring

37. The current crisis has revealed many deficiencies in national and international financial regulation and supervision. We recognize the critical need for expanding the scope of regulation and supervision and making it more effective, with respect to all major financial centres, instruments and actors, including financial institutions, credit rating agencies and hedge funds. The need for tighter and more coordinated regulation of incentives, derivatives and the trading of standardized contracts is also apparent. We reject the imposition of needlessly onerous regulatory requirements, and call for effective, credible and enforceable regulations at all levels to ensure the needed transparency and oversight of the financial system. Every relevant institution must be subject to adequate and proportionate surveillance and regulation. We underscore that each country should adequately regulate its financial markets, institutions and instruments consistent with its development priorities and circumstances, as well as its international commitments and obligations. We

underscore the importance of political commitment and of capacity-building to ensure that the measures taken are fully implemented.

38. We emphasize the need to ensure that all tax jurisdictions and financial centres comply with standards of transparency and regulation. We reiterate the need to further promote international cooperation in tax matters, including within the United Nations, *inter alia*, by promoting double taxation agreements. Inclusive and cooperative frameworks should ensure the involvement and equal treatment of all jurisdictions. We call for consistent and non-discriminatory implementation of transparency requirements and international standards for exchange of information.

39. Illicit financial flows are estimated to amount to several times global ODA and have a harmful effect on development financing. Measures to enhance regulation and supervision of and transparency in the formal and informal financial system should include steps to curb illicit financial flows in all countries. Improving the transparency of the global financial system also deters illicit financial flows, including to international financial centres, and enhances the ability to detect illicit activities.

40. The current crisis has been compounded by an initial failure to appreciate the full scope of the risks accumulating in the financial markets and their potential to destabilize the international financial system and the global economy. We recognize the need for even-handed and effective IMF surveillance of major financial centres, international capital flows and financial markets. In this context, we welcome the improvement of early warning systems by the relevant international institutions to provide early warning of macroeconomic and financial risks and the actions needed to address them.

41. The ongoing crisis has highlighted the extent to which our economies are integrated, the indivisibility of our collective well-being and the unsustainability of a narrow focus on short-term gains. We reaffirm the principles of sustainable development and underscore the need for a global consensus on the key values and principles that will promote sustainable, fair and equitable economic development. We believe that corporate social and environmental responsibility are important elements of such a consensus. In this regard we recognize the importance of the 10 principles of the United Nations Global Compact.

Reform of the international financial and economic system and architecture

42. This crisis has added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including issues related to mandate, scope, governance, responsiveness and development orientation as appropriate. There is consensus on the need for continued reform and modernization of the international financial institutions to better enable them to respond to the current financial and economic challenges and to the needs of Member States, and to better equip them to strengthen existing monitoring, surveillance, technical assistance and coordination roles to help prevent the occurrence of similar crises in the future, in accordance with their respective mandates.

43. We stress the urgent need for further reform of the governance of the Bretton Woods institutions, on the basis of a fair and equitable representation of developing countries, in order to increase the credibility and accountability of these institutions.

These reforms must reflect current realities and should enhance the perspective and voice and participation of dynamic emerging markets and developing countries, including the poorest.

44. We call for an expeditious completion of the reform process of the World Bank's governance and of an accelerated road map for further reforms on voice and participation of developing countries, with a view to reaching agreement by April 2010, based on an approach that reflects its development mandate and with the involvement of all shareholders in a transparent, consultative and inclusive process. We also call for inclusive consultations on further reforms to improve the responsiveness and adaptability of the World Bank.

45. It is imperative that the reformed World Bank emerge with the requisite technical capacities, credit facilities and financial resources needed to assist and complement the efforts of developing countries aimed at achieving their overall development needs.

46. We recognize the importance of strengthening regional development banks, taking into account the interests of all their member countries. It is also important for them to provide medium- and long-term assistance to meet the development needs of their clients. We support measures to enhance the financial and lending capacity of regional development banks. Furthermore, we recognize the importance of other regional, interregional and subregional initiatives and arrangements aimed at promoting development, cooperation and solidarity among their members.

47. We recognize that it is imperative to undertake, as a matter of priority, a comprehensive and fast-tracked reform of IMF. We look forward to this accelerated progress in order to increase its credibility and accountability. We acknowledge the agreement to accelerate the implementation of the package of IMF quota and voice reforms agreed in April 2008. We strongly support completion of the next quota review, which, based on current trends, is expected to result in an increase in the quota shares of dynamic economies, particularly in the share of emerging market and developing countries as a whole, to be completed no later than January 2011, thus enhancing the legitimacy and effectiveness of the Fund.

48. We reaffirm the need to address the often expressed concern at the extent of representation of developing countries in the major standard-setting bodies. We therefore welcome, as a step in the right direction, the expansion of the membership in the Financial Stability Board and the Basel Committee on Banking Supervision and encourage the major standard-setting bodies to further review their membership promptly while enhancing their effectiveness, with a view to enhancing the representation of developing countries as appropriate.

49. We agree that the heads and senior leadership of the international financial institutions, particularly the Bretton Woods institutions, should be appointed through open, transparent and merit-based selection processes, with due regard to gender equality and geographical and regional representation.

50. The United Nations and the international financial institutions have complementary mandates that make the coordination of their actions crucial. Accordingly, we encourage continued and increasing cooperation, coordination and coherence and exchanges between the United Nations and the international financial institutions. In this regard, we believe that this Conference represents an important step to ensure increased cooperation.

The way forward

51. We have come together to raise our collective understanding of the impacts of the crisis and to contribute in the fashioning of the global response, in an inclusive manner, with actions at the national, regional and international levels.

52. We will strive to combine our short-term responses to meet the immediate impact of the financial and economic crisis, particularly on the most vulnerable countries, with medium- and long-term responses that necessarily involve the pursuit of development and the review of the global economic system. In this context, we propose the following course of action:

(a) Strengthen the capacity, effectiveness and efficiency of the United Nations; enhance the coherence and coordination of policies and actions between the United Nations, international financial institutions and relevant regional organizations;

(b) Further develop the United Nations development system's comprehensive crisis response in support of national development strategies through a coordinated approach by United Nations funds and programmes, specialized agencies and the international financial institutions at the country level. The response must continue to be led by programme countries and, in this context, address vulnerabilities caused or exacerbated by the crisis and further strengthen national ownership. It should build on steps already taken by the United Nations development system, in particular at the country level. We urge the international community to ensure adequate support to the United Nations development system's crisis response;

(c) Explore ways to strengthen international cooperation in the area of international migration and development, in order to address the challenges of the current economic and financial crisis on migration and migrants, taking into account the related work and activities of the United Nations funds and programmes, regional commissions and specialized agencies and of other international organizations, such as the International Organization for Migration.

53. We request the General Assembly and the Economic and Social Council, as well as the United Nations funds and programmes and specialized agencies, to take full advantage of their advocacy role to promote the recovery and development of the developing countries, especially the most vulnerable among them.

54. We invite the General Assembly to establish an ad hoc open-ended working group of the General Assembly to follow up on the issues contained in the present outcome document, and to submit a report on the progress of its work to the General Assembly before the end of the sixty-fourth session.

55. We encourage the President of the General Assembly to make the world financial and economic crisis and its impact on development a main theme of the general debate of the sixty-fourth session of the General Assembly.

56. We request the Economic and Social Council:

(a) To consider the promotion and enhancement of a coordinated response of the United Nations development system and specialized agencies in the follow-up to and implementation of this outcome document, in order to advance consistency and

coherence in support of consensus-building around policies related to the world financial and economic crisis and its impact on development;

(b) To make recommendations to the General Assembly, in accordance with the Doha Declaration of 2 December 2008, for a strengthened and more effective and inclusive intergovernmental process to carry out the financing for development follow-up;

(c) Examine the strengthening of institutional arrangements to promote international cooperation in tax matters, including the United Nations Committee of Experts on International Cooperation in Tax Matters;

(d) Review the implementation of the agreements between the United Nations and the Bretton Woods institutions in collaboration with these institutions, focusing in particular on enhancing collaboration and cooperation between the United Nations and the Bretton Woods institutions, as well as on the opportunities for contributing to advancing their respective mandates;

(e) Consider and make recommendations to the General Assembly regarding the possible establishment of an ad hoc panel of experts on the world economic and financial crisis and its impact on development. The panel could provide independent technical expertise and analysis, which would contribute to informing international action and political decision-making and fostering constructive dialogues and exchanges among policymakers, academics, institutions and civil society.

57. We request the Secretary-General to report to the Economic and Social Council on a regular basis on the work of the High-level Task Force on the Global Food Security Crisis.

58. We invite the International Labour Organization to present the “Global Jobs Pact”, adopted at the ninety-eighth session of the International Labour Conference, to the substantive session of the Economic and Social Council in July 2009, which intends to promote a job-intensive recovery from the crisis, drawing on the decent work agenda, and to shape a pattern for sustainable growth.

59. We encourage the Inter-Parliamentary Union to continue to contribute to the development of global responses to the crisis.

Resolution 2*

Credentials of representatives to the Conference on the World Financial and Economic Crisis and Its Impact on Development

The Conference on the World Financial and Economic Crisis and Its Impact on Development,

Having considered the report of the Credentials Committee and the recommendation contained therein,

Approves the report of the Credentials Committee.

* Adopted at the 10th plenary meeting, on 30 June 2009; for the discussion, see chap. V.

Chapter II

Attendance and organization of work

A. Date and place of the Conference

1. The Conference on the World Financial and Economic Crisis and Its Impact on Development was held at United Nations Headquarters in New York from 24 to 30 June 2009, in accordance with General Assembly resolution 63/277 and General Assembly decision 63/556. The Conference held 10 plenary meetings (1st to 10th).

B. Attendance

2. The following States and the European Community were represented at the Conference: Afghanistan, Albania, Algeria, Andorra, Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bhutan, Bolivia (Plurinational State of), Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Cameroon, Canada, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Democratic Republic of the Congo, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Estonia, Ethiopia, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Grenada, Guatemala, Guinea, Guyana, Haiti, Holy See, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, Somalia, South Africa, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Timor-Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, Tuvalu, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Uzbekistan, Vanuatu, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

3. Palestine and the Sovereign Military Order of Malta were represented at the Conference.

4. The secretariats of the following regional commissions were represented: Economic Commission for Africa (ECA), Economic and Social Commission for Asia and the Pacific (ESCAP), Economic Commission for Europe, Economic

Commission for Latin America and the Caribbean and Economic and Social Commission for West Asia.

5. The following United Nations bodies and programmes were represented: United Nations, Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Children's Fund (UNICEF), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Fund for Women, United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Population Fund (UNFPA), International Trade Centre, Office of the United Nations High Commissioner for Human Rights and World Food Programme (WFP).

6. The following specialized agencies and related organizations were represented: Food and Agriculture Organization of the United Nations, International Civil Aviation Organization, International Fund for Agricultural Development, International Labour Organization (ILO), International Monetary Fund (IMF), International Telecommunication Union (ITU), United Nations Educational, Scientific and Cultural Organization, United Nations Industrial Development Organization, World Bank, World Health Organization, World Intellectual Property Organization (WIPO), World Meteorological Organization, World Tourism Organization and World Trade Organization (WTO).

7. The following intergovernmental organizations were represented: African Union, Asian Development Bank, Caribbean Community, Central American Integration System, Common Fund for Commodities, Commonwealth, Cooperation Council for the Arab States of the Gulf, Global Digital Solidarity Fund, International Criminal Court, International Institute for Democracy and Electoral Assistance, International Organization for Migration (IOM), International Union for the Conservation of Nature, International Organization of la Francophonie, League of Arab States, Organization for Economic Cooperation and Development, Organization of American States, Organization of the Islamic Conference and South Centre.

8. Other entities having received a standing invitation and participating as observers were: International Committee of the Red Cross and Inter-Parliamentary Union.

9. Numerous business sector entities that were accredited to the International Conference on Financing for Development or its follow-up process, including the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, attended the Conference.

10. Numerous non-governmental organizations in consultative status with the Economic and Social Council, as well as those accredited to the International Conference on Financing for Development or its follow-up process, including the Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, also attended the Conference.

C. Opening of the Conference

11. The Conference was opened on 24 June by the Secretary-General of the United Nations.

D. Election of the President of the Conference

12. Pursuant to General Assembly resolution 63/277, the Conference elected by acclamation Miguel d'Escoto Brockmann, President of the sixty-third session of the United Nations General Assembly, as President of the Conference.

E. Adoption of the rules of procedure

13. At its 1st meeting, on 24 June, the Conference adopted the provisional rules of procedure (A/CONF.214/2), as recommended by the General Assembly in its decision 63/555.

F. Adoption of the agenda and other organizational matters

14. At its 1st meeting, on 24 June, the Conference adopted the provisional agenda (A/CONF.214/1), as recommended by the General Assembly in its decision 63/555. The agenda read as follows:

1. Opening of the Conference.
2. Election of the President.
3. Adoption of the rules of procedure.
4. Adoption of the agenda and other organizational matters.
5. Election of officers other than the President.
6. Organization of work, including the establishment of the Main Committee.
7. Credentials of representatives to the Conference:
 - (a) Appointment of members of the Credentials Committee;
 - (b) Report of the Credentials Committee.
8. General debate on the world financial and economic crisis and its impact on development:
 - (a) General exchange of views on the world financial and economic crisis and its impact on development;
 - (b) Consideration of the draft outcome document of the Conference.
9. Interactive round tables under the overall theme "Examining and overcoming the deepening world financial and economic crisis and its impact on development", focusing on the main issues before the Conference:
 - (a) Present and future impacts of the crisis on, inter alia, employment, trade, investment and development, including the achievement of the internationally agreed development goals and the Millennium Development Goals (round table 1);
 - (b) Coordinated and collaborative actions and appropriate measures to mitigate the impact of the crisis on development (round table 2);

- (c) The role of the United Nations and its Member States in the ongoing international discussions on reforming and strengthening the international financial and economic system and architecture (round table 3);
 - (d) Contributions of the United Nations development system in response to the crisis (round table 4).
10. Adoption of the outcome document of the Conference.
 11. Adoption of the report of the Conference.

G. Election of officers other than the President

15. At its 1st meeting, on 24 June, the Conference elected the following Vice-Presidents, based on the composition of the General Committee of the General Assembly at its sixty-third session: Afghanistan, Argentina, Bolivia (Plurinational State of), Cameroon, China, Egypt, France, Honduras, Hungary, Iraq, Jamaica, Kyrgyzstan, Mongolia, Myanmar, Namibia, Netherlands, Niger, Nigeria, Portugal, Republic of Moldova, Russian Federation, Rwanda, Solomon Islands, Spain, Togo, United Kingdom of Great Britain and Northern Ireland, and United States of America.

H. Election of the Rapporteur-General

16. At its 1st meeting, on 24 June, the Conference elected Maged A. Abdelaziz (Egypt) as its Rapporteur-General.

I. Organization of work, including the establishment of the Main Committee

17. At its 1st meeting, on 24 June, the Conference approved its organization of work as contained in the note by the Secretariat on organizational and procedural matters (A/CONF.214/5).

18. Also at its 1st meeting, the Conference approved its proposed timetable of work (A/CONF.214/5, annex).

J. Credentials of representatives to the Conference

19. At the 1st meeting, on 24 June, on the proposal of the President, it was decided that the composition of the Credentials Committee would be based on that of the Credentials Committee of the General Assembly of the United Nations at its sixty-third session, as follows: Botswana, China, Cyprus, Luxembourg, Mexico, Mozambique, Russian Federation, Saint Kitts and Nevis, and United States of America.

Chapter III

General debate on the world financial and economic crisis and its impact on development

A. General exchange of views

1. Under agenda item 8 (a), the Conference, at its 1st to 7th meetings, from 24 to 26 June 2009, held a general exchange of views on the world financial and economic crisis and its impact on development.

2. At the 1st meeting, on 24 June, opening statements were made by the President of the Conference and the Secretary-General of the United Nations.

3. Also at the 1st meeting, statements in the general exchange of views were made by Isatou Njie-Saidy, Vice-President and Secretary of State for Women's Affairs of the Gambia; Aristides Mejía Carranza, Vice-President of Honduras; Joyce Mujuru, Vice-President of Zimbabwe; Dean Barrow, Prime Minister and Minister of Finance of Belize (on behalf of the Caribbean Community); Mirko Cvetković, Prime Minister of Serbia; Nikola Špirić, Chairman of the Council of Ministers of Bosnia and Herzegovina; and Tillman Thomas, Prime Minister of Grenada.

4. At the same meeting, statements were made by Alexey Kudrin, Deputy Prime Minister and Minister of Finance of the Russian Federation; Thongloun Sisoulith, Deputy Prime Minister and Minister for Foreign Affairs of the Lao People's Democratic Republic; Susan Rice, Member of the Cabinet and Permanent Representative of the United States of America to the United Nations; Helena Bambasova, Deputy Minister for Foreign Affairs of the Czech Republic (on behalf of the European Union and those countries that aligned themselves with the statement); and Ngozi Okonjo-Iweala, Managing Director of the World Bank.

5. At its 2nd meeting, on 24 June, the Conference heard statements by Bert Koenders, Minister for Development Cooperation of the Netherlands; Kenneth Baugh, Deputy Prime Minister and Minister for Foreign Affairs and Foreign Trade of Jamaica; José Luis Guterres, Deputy Prime Minister of Timor-Leste; Ernesto Cordero Arroyo, Minister of Social Development of Mexico (on behalf of the Rio Group); Dipu Moni, Minister for Foreign Affairs of Bangladesh (on behalf of the least developed countries); Maite Nkoana-Mashabane, Minister of International Relations and Cooperation of South Africa; Steve Abana, Minister for National Development and Aid Coordination of Solomon Islands (on behalf of the African, Caribbean and Pacific Group); Le Duc Thuy, Minister, Chairman of the National Financial Supervisory Commission of Viet Nam; Carlos Morales Troncoso, Minister of External Relations of the Dominican Republic; Rodrigo Malmierca Díaz, Minister of Foreign Trade and Foreign Investment of Cuba; Yang Jiechi, Minister for Foreign Affairs of China; Zhivargo Laing, Minister of State for Finance of the Bahamas; Ashni Singh, Minister of Finance of Guyana; Mark Malloch Brown, Minister of State for Africa, Asia and the United Nations of the United Kingdom of Great Britain and Northern Ireland; and João Gomes Cravinho, Secretary of State for Foreign Affairs and Cooperation of Portugal.

6. At its 3rd meeting, on 25 June, the Conference heard statements by Rafael Correa, President of Ecuador; Ralph E. Gonsalves, Prime Minister, Minister for Finance, Planning, Economic Development of Saint Vincent and the Grenadines;

Stephenson King, Prime Minister of Saint Lucia; Peter Power, Minister for Overseas Development of Ireland; Darcy Boyce, Minister of State, Ministry of Finance, Investment, Telecommunications and Energy of Barbados; Heidemarie Wieczorek-Zeul, Federal Minister for Economic Cooperation and Development of Germany; Syed Salim Raza, Minister and Governor of the State Bank of Pakistan; Paavo Väyrynen, Minister for Development and Trade of Finland; Urmas Paet, Minister for Foreign Affairs of Estonia; Gamini Lakshman Peiris, Minister of Export Development and International Trade of Sri Lanka; Datuk Ahmad Husni Hanadzlah, Minister of Finance of Malaysia; Preneet Kaur, Minister of State for External Affairs of India; Salaheddine Mezouar, Minister of Finance and Economy of Morocco; Héctor Miguel Dada Hirezi, Minister of Economy of El Salvador; and Manuel Chang, Minister of Finance of Mozambique.

7. At its 4th plenary meeting, on 25 June, the Conference heard statements by Jean Asselborn, Deputy Prime Minister and Minister of Foreign Affairs and Immigration of Luxembourg; Alberto José Guevara, Minister of Finance of Nicaragua; Håkon Gulbrandsen, State Secretary for International Development of Norway; Nobuhide Minorikawa, Parliamentary Vice-Minister for Foreign Affairs of Japan; Driss Jazairy, Special Envoy of the President of Algeria; Fawzi Al-Hunaif, Governor of the Kuwait Fund for Arab Economic Development; Humphrey Hildenberg, Minister of Finance of Suriname; Obaid Humaid Al Tayer, Minister of State for Financial Affairs of the United Arab Emirates; Richard Désiré Fienena, Minister of Economy and Industry of Madagascar; Alrich Nicolas, Minister for Foreign Affairs of Haiti; Augusto da Silva Tomas, Minister of State for Planning and Minister of Finance of Angola; Wycliffe Ambetsa Oparanya, Minister of State for Planning of Kenya; Martin Dahinden, Secretary of State of Switzerland; Mohamed El Oraby, Deputy Foreign Minister for International Economic Relations and Cooperation of Egypt; Kak-soo Shin, Vice-Minister of Foreign Affairs and Trade of the Republic of Korea; Shamsuddeen Usman, Deputy Minister of the National Planning Commission of Nigeria; Pradit Phataraprasit, Deputy Minister of Finance of Thailand; Oscar Erasmo Velásquez, Vice-Minister of Investment of Guatemala; and Soraya Rodríguez, Deputy Minister for International Cooperation for Development of Spain.

8. At its 5th plenary meeting, on 25 June, the Conference heard statements by Anatolii Maksjuta, First Deputy Minister of Economy of Ukraine; László Várkonyi, State Secretary of Hungary; Olga Algayerova, State Secretary of the Ministry for Foreign Affairs of Slovakia; Andrej Benedejčič, Director-General for Multilateral and Global Affairs of the Ministry of Foreign Affairs of Slovenia; Stefano Manservigi, Director-General for Development of the European Community; Charles Mutalemwa, Permanent Secretary of Planning of the United Republic of Tanzania; Georges Aboua, Director of the United Nations and International Organizations, Department of the Ministry of Foreign Affairs of Côte d'Ivoire; Abdulrahman Almofadhi, Resident Representative to the World Bank of Saudi Arabia; Giandomenico Magliano, Director, Directorate General for Economic Cooperation, Ministry of Foreign Affairs of Italy; John McNee, Chairman of the delegation of Canada (also on behalf of Australia and New Zealand); Delano Frank Bart, Chairman of the delegation of Saint Kitts and Nevis; Michel Tommo Monthe, Chairman of the delegation of Cameroon; Ali'ioaiga Feturi Elisaia, Chairman of the delegation of Samoa; Charles Them bani Ntwaagae, Chairman of the delegation of Botswana; Byrganym Aitimova, Chairperson of the delegation of Kazakhstan; Marty

M. Natalegawa, Chairman of the delegation of Indonesia; Claudia Blum, Chairperson of the delegation of Colombia; Baki İlkin, Chairman of the delegation of Turkey; Gonzalo Gutiérrez, Chairman of the delegation of Peru; and Christian Wenaweser, Chairman of the delegation of Liechtenstein.

9. At its 6th plenary meeting, on 26 June, the Conference heard statements by Celso Amorim, Minister for Foreign Affairs of Brazil; Reinhold Lopatka, State Secretary in the Federal Ministry of Finance of Austria; Paula Quintana, Minister of Planning of Chile (on behalf of the Union of South American Nations); Karnit Flug, Director of the Research Department in the Bank of Israel; Marlene Moses, Chairperson of the delegation of Nauru (on behalf of the Pacific small island developing States); Oumar Daou, Chairman of the delegation of Mali (on behalf of the Group of the Least Developed Countries and Landlocked Countries); Hilario G. Davide, Chairman of the delegation of the Philippines; Mohammad Khazae, Chairman of the delegation of the Islamic Republic of Iran; Kaire Munionganda Mbuende, Chairman of the delegation of Namibia; Jean-Maurice Ripert, Chairman of the delegation of France; Nassir Abdulaziz Al-Nasser, Chairman of the delegation of Qatar; Jorge Urbina, Chairman of the delegation of Costa Rica; Nawaf Salam, Chairman of the delegation of Lebanon; Murad Askarov, Chairman of the delegation of Uzbekistan; Bashar Ja'afari, Chairman of the delegation of the Syrian Arab Republic; Gilles Noghès, Chairman of the delegation of Monaco; Abdurrahman Mohamed Shalgham, Chairman of the delegation of the Libyan Arab Jamahiriya; and Ahmed Khaleel, Chairman of the delegation of Maldives.

10. At its 7th plenary meeting, on 26 June, the Conference heard statements by Ali Rodríguez, Minister of Economic and Finance of the Bolivarian Republic of Venezuela; Daniele D. Bodini, Chairman of the delegation of San Marino; Paul Badji, Chairman of the delegation of Senegal; Vanu Gopala Menon, Chairman of the delegation of Singapore; Simon Mboso, Minister of Industry of the Democratic Republic of the Congo; José Luis Cancela, Chairman of the delegation of Uruguay; Jan Grauls, Chairman of the delegation of Belgium; Jorge Argüello, Chairman of the delegation of Argentina; Enkhsetseg Ochir, Chairperson of the delegation of Mongolia; Roble Olhaye, Chairman of the delegation of Djibouti; and Narinder Kakar, Permanent Observer of the International Union for Conservation of Nature.

11. At its 8th plenary meeting, on 29 June, the Conference heard statements by Raymond Serge Balé, Chairman of the delegation of the Congo; Pablo Solón-Romero, Chairman of the delegation of the Plurinational State of Bolivia; Sirodjidin M. Aslov, Chairman of the delegation of Tajikistan; Joel Musa Nhleko, Chairman of the delegation of Swaziland; Jalel Snoussi, Chairman of the delegation of Tunisia; Leslie Kojo Christian, Chairman of the delegation of Ghana; Araya Desta, Chairman of the delegation of Eritrea; Yavel Francis Lanuza, Chairperson of the delegation of Panama; Negash Kebret Botora, Chairman of the delegation of Ethiopia; Antonio Pedro Monteiro Lima, Chairman of the delegation of Cape Verde; Alexandru Cujba, Chairman of the delegation of the Republic of Moldova; Andrei Dapkiunas, Chairman of the delegation of Belarus; Gunnar Pálsson, Chairman of the delegation of Iceland; and Adrian Neritani, Chairman of the delegation of Albania.

12. At its 9th plenary meeting, on 29 June, the Conference heard statements by Zahir Tanin, Chairman of the delegation of Afghanistan; Sin Son Ho, Chairman of the delegation of the Democratic People's Republic of Korea; Archbishop Celestino Migliore, Chairman of the delegation of the Holy See; Neven Jurica, Chairman of

the delegation of Croatia; Nebojša Kaludjerović, Chairman of the delegation of Montenegro; Mohammed F. Al-Allaf, Chairman of the delegation of Jordan; Abderrahim Ould Hadrami, Chairman of the delegation of Mauritania; Madhu Raman Acharya, Chairperson of the delegation of Nepal; Steve Dick Tennyson Matenje, Chairman of the delegation of Malawi; Marina Annette Valere, Chairperson of the delegation of Trinidad and Tobago; Riyad H. Mansour, Permanent Observer of Palestine; and Ali Mchumo, Managing Director of the Common Fund for Commodities and representative of the Inter-Parliamentary Union.

13. At its 10th plenary meeting, on 30 June, the Conference heard statements by Ahmed Elobeid, observer for the African Union; Anders Lidén, Chairman of the delegation of Sweden; and Massimo Tommasoli, Permanent Observer for the International Institute for Democracy and Electoral Assistance.

B. Consideration of the draft outcome document of the Conference

14. At its 1st plenary meeting, on 24 June, the Conference decided that agenda item 8 (b) “Consideration of the draft outcome document of the Conference” would be taken up directly at the concluding plenary meeting in the afternoon of Friday, 26 June 2009.*

* For the adoption of the outcome document, see chap. VI.

Chapter IV

Interactive round tables

1. In accordance with the decision of the Conference on organizational and procedural matters contained in document A/CONF.214/5, four interactive round tables were held under the overall theme “Examining and overcoming the deepening world financial and economic crisis and its impact on development”, as follows:

Round table 1

(24 June, p.m.)

The role of the United Nations and its Member States in the ongoing international discussions on reforming and strengthening the international financial and economic system and architecture

Round table 2

(25 June, a.m.)

Coordinated and collaborative actions and appropriate measures to mitigate the impact of the crisis on development

Round table 3

(25 June, p.m.)

Present and future impacts of the crisis on, inter alia, employment, trade, investment and development, including the achievement of the internationally agreed development goals and the Millennium Development Goals

Round table 4

(26 June, a.m.)

Contributions of the United Nations development system in response to the crisis

2. An account of the round tables is set out below.

Round table 1

The role of the United Nations and its Member States in the ongoing international discussions on reforming and strengthening the international financial and economic system and architecture

3. The Co-Chairpersons of round table 1, David Thompson, Prime Minister of Barbados, and Mirko Cvetković, Prime Minister of Serbia, presided over the round table.

4. Statements were made by the following panellists: Joseph Stiglitz, Chairman of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System; Ngozi Okonjo-Iweala, Managing Director of the World Bank; Alicia Bárcena, Under-Secretary-General and Executive Secretary of ECLAC; Andrei Bougrov, Managing Director and member of the Board of Directors of Interros Company, former Principal Resident Representative of the Russian Federation, Executive Director and member of the Board of Directors of the International Bank for Reconstruction and Development; and Yu Yongding, former Director of the Institute of World Economics and Politics, Chinese Academy of Social Sciences, and former member of the Monetary Policy Committee, People’s Bank of China.

5. Comments were made and questions raised by:

(a) The representatives of Malaysia, the Czech Republic (on behalf of the European Union), Cuba, the Bolivarian Republic of Venezuela, the Democratic Republic of the Congo, the Bahamas, Ghana, India, Guyana, Côte d'Ivoire, Saudi Arabia, Sweden, the United Republic of Tanzania, Norway, Barbados, Indonesia, the United States of America and China;

(b) The following institutional stakeholder participants: World Trade Organization and United Nations Educational, Scientific and Cultural Organization;

(c) The following civil society participants: Social Watch and Jubilee South;

(d) The following business sector participant: E-Standards Forum (on behalf of the Private Sector Steering Committee).

6. Panellists responded to comments and questions raised. Co-Chairperson Cvetković made concluding remarks.

7. The summary of discussion for round table 1 is contained in annex II.

Round table 2

Coordinated and collaborative actions and appropriate measures to mitigate the impact of the crisis on development

8. The Co-Chairpersons of round table 2, Tongloun Sisoulit, Deputy Prime Minister and Minister for Foreign Affairs of the Lao People's Democratic Republic, and Jean Asselborn, Deputy Prime Minister and Minister for Foreign Affairs and Immigration of Luxembourg, presided over the round table.

9. Statements were made by the following panellists: Supachai Panitchpakdi, Secretary-General of UNCTAD; Noeleen Heyzer, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP); Martin Khor, Executive Director of the South Centre; Robert Johnson, former Chief Economist of the United States Senate Banking Committee and former Senior Economist of the United States Senate Budget Committee; and Yaga Venugopal Reddy, former Governor of the Reserve Bank of India.

10. Comments were made and questions raised by the representatives of India, Gabon, Bangladesh, the Czech Republic (on behalf of the European Union), the Republic of Korea, Ghana, the Bolivarian Republic of Venezuela, Madagascar, the United States of America, Côte d'Ivoire, Indonesia and the Congo.

11. Panellists responded to comments and questions raised. Co-Chairperson Sisoulit declared round table 2 closed.

12. The summary of discussion for round table 2 is contained in annex II.

Round table 3

Present and future impacts of the crisis on, inter alia, employment, trade, investment and development, including the achievement of the internationally agreed development goals and the Millennium Development Goals

13. The Co-Chairpersons of round table 3, Diego Borja, Minister of Coordination of Economic Policy of Ecuador, and Bert Koenders, Minister for Development Cooperation of the Netherlands, presided over the round table.

14. Statements were made by the following panellists: Navanethem Pillay, United Nations High Commissioner for Human Rights; Sha Zukang, Under-Secretary-General for Economic and Social Affairs; Abdoulie Janneh, Under-Secretary-General and Executive Secretary of ECA; Valentine Rugwabiza, Deputy Director-General of WTO; Stephen Pursey, Director, Policy Integration Department of ILO and François Houtart, Emeritus Professor, Catholic University of Louvain (Belgium), founder of the Tricontinental Center (New Louvain).

15. Comments were made and questions raised by:

(a) The representatives of Indonesia, Gabon, Ethiopia, Guatemala, Côte d'Ivoire, the United States of America, India, China, the Czech Republic (on behalf of the European Union), Italy, Benin, Turkey and the Holy See, as well as the observer of IOM;

(b) The following civil society participants: Global Call to Action Against Poverty, Arab Network for Development and WIDE Network.

16. Panellists responded to comments and questions raised. Co-Chairperson Koenders made concluding remarks.

17. The summary of discussion for round table 3 is contained in annex II.

Round table 4

Contributions of the United Nations development system in response to the crisis

18. The Co-Chairpersons of round table 4, Ralph E. Gonsalves, Prime Minister of Saint Vincent and the Grenadines, and Dipu Moni, Minister for Foreign Affairs of Bangladesh, presided over the round table.

19. Statements were made by the following panellists: Helen Clark, Administrator of UNDP; Thoraya Obaid, Executive Director of UNFPA; Manuel Aranda da Silva, Deputy Executive Director of WFP; Hilde F. Johnson, Deputy Executive Director of UNICEF; and Pedro Páez, former Minister for Economic Coordination of Ecuador, member of the Commission of Experts of the President of the General Assembly.

20. Comments were made and questions raised by:

(a) The representatives of Barbados, China, Bangladesh, India, the Czech Republic (on behalf of the European Union), Benin, Australia, Indonesia, the United States of America, Côte d'Ivoire, Ghana, Sweden and Japan;

(b) The following institutional stakeholder participants: UNAIDS, UNEP, the International Trade Centre, WIPO and ITU;

(c) The following civil society participant: CIVICUS;

(d) The following business sector participant: Private Sector Steering Committee on Financing for Development.

21. Panellists responded to comments and questions raised. Co-Chairperson Moni made concluding remarks.

22. The summary of discussion for round table 4 is contained in annex II.

Chapter V

Report of the Credentials Committee

1. At its 1st plenary meeting, on 24 June 2009, the Conference, in accordance with rule 4 of its rules of procedure, appointed a Credentials Committee having the same composition as that of the Credentials Committee of the General Assembly of the United Nations at its sixty-third session, namely, Botswana, China, Cyprus, Luxembourg, Mexico, Mozambique, the Russian Federation, Saint Kitts and Nevis and the United States of America.
2. The Credentials Committee held one meeting, on 25 June 2009.
3. Charles Ntwaagae (Botswana) was unanimously elected Chairperson.
4. The Committee had before it a memorandum by the secretariat of the Conference dated 25 June 2009 on the credentials of representatives of States and of the European Community to the Conference. The Assistant Secretary-General for Legal Affairs made a statement relating to the memorandum prepared by the secretariat of the Conference, in which, inter alia, he updated the memorandum to indicate credentials and communications received subsequent to its preparation.
5. As noted in paragraph 1 of the memorandum and in the statement relating thereto, formal credentials of representatives to the Conference, in the form required by rule 3 of the rules of procedure of the Conference, had been received as of the time of the meeting of the Credentials Committee from the following 48 States and the European Community: Albania, Algeria, Armenia, Bahamas, Belarus, Belize, Brazil, Bulgaria, Chad, Cyprus, Czech Republic, Democratic Republic of the Congo, Denmark, Estonia, Fiji, Finland, Greece, Holy See, Hungary, Iceland, Jordan, Lao People's Democratic Republic, Latvia, Liberia, Luxembourg, Malta, Mauritius, Monaco, Mozambique, Myanmar, Netherlands, New Zealand, Oman, Poland, Portugal, Saint Vincent and the Grenadines, San Marino, Seychelles, Singapore, Slovenia, South Africa, Sudan, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkmenistan, Uzbekistan and Zimbabwe.
6. As noted in paragraph 2 of the memorandum and in the statement relating thereto, information concerning the appointment of representatives of States to the Conference had been communicated to the Secretary-General of the United Nations as of the time of the meeting of the Credentials Committee, by means of a cable or a telefax from the Head of State or Government or the minister of foreign affairs, or by means of a letter or note verbale from the mission concerned, by the following 138 States: Afghanistan, Andorra, Angola, Antigua and Barbuda, Argentina, Australia, Austria, Bahrain, Bangladesh, Barbados, Belgium, Benin, Bhutan, Bolivia (Plurinational State of), Bosnia and Herzegovina, Botswana, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Canada, Cape Verde, Central African Republic, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Democratic People's Republic of Korea, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, France, Gabon, Gambia, Georgia, Germany, Ghana, Grenada, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Jamaica, Japan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Lesotho, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mexico, Mongolia, Montenegro, Morocco, Namibia, Nauru, Nepal, Nicaragua, Niger, Nigeria, Norway, Pakistan,

Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Samoa, Saudi Arabia, Senegal, Serbia, Sierra Leone, Slovakia, Solomon Islands, Somalia, Spain, Sri Lanka, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Tonga, Trinidad and Tobago, Tunisia, Turkey, Tuvalu, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Vanuatu, Venezuela, Viet Nam, Yemen and Zambia.

7. As noted in paragraph 3 of the memorandum and in the statement relating thereto, the following nine States had not, as of the time of the meeting of the Credentials Committee, formally communicated to the Secretary-General of the Conference any information regarding their representatives to the Conference: Azerbaijan, Cameroon, Cook Islands, Guinea-Bissau, Kiribati, Micronesia (Federal States of), Niue, Sao Tome and Principe, and Togo.

8. The Committee decided to accept the credentials of the representatives of all States listed in the above-mentioned memorandum and the statement relating thereto and the European Community, on the understanding that formal credentials for representatives of the States referred to in paragraphs 7 and 8 above would be communicated to the Secretary-General of the United Nations as soon as possible.

9. The Committee adopted the following draft resolution without a vote:

“The Credentials Committee,

Having examined the credentials of the representatives to the Conference on the World Financial and Economic Crisis and Its Impact on Development referred to in the memorandum of the secretariat of the Conference dated 25 June 2009,

Accepts the credentials of the representatives of the States concerned and of the European Community referred to in the above-mentioned memorandum.”

10. The Committee decided, without a vote, to recommend to the Conference the adoption of a draft resolution.

Action taken by the Conference

11. At its 10th meeting, on 30 June 2009, the Conference considered the report of the Credentials Committee (A/CONF.214/6).

12. The President of the General Assembly, on behalf of the Chairman of the Credentials Committee, indicated that since the meeting of the Credentials Committee, Andorra, Chile, Congo, Côte d’Ivoire, El Salvador, France, Libyan Arab Jamahiriya, Saint Kitts and Nevis, Syrian Arab Republic, Turkey and Viet Nam had submitted formal credentials.

13. The Conference adopted the draft resolution recommended by the Committee in its report (for the text, see chap. I, resolution 2).

14. Since the adoption of the resolution, the Secretary-General of the United Nations has received formal credentials from the following countries: Barbados, Bosnia and Herzegovina, Botswana, Brunei Darussalam, Cuba, Germany, Grenada,

Guyana, India, Israel, Jamaica, Maldives, Mali, Mexico, Peru, Qatar, Senegal, Serbia, Sri Lanka, Suriname, Tajikistan, Thailand, Trinidad and Tobago, and Uruguay. Togo has communicated to the Secretary-General by means of a note verbale information regarding their appointment of representatives to the Conference.

Chapter VI

Adoption of the outcome document of the Conference

1. At its 7th meeting, on 26 June 2009, the Conference had before it a draft resolution on the outcome of the Conference (A/CONF.214/L.1).
2. At the same meeting, on the recommendation of the President of the Conference, the Conference adopted draft resolution A/CONF.214/L.1 and recommended it for endorsement by the General Assembly (for the text, see chap. I, resolution 1).

Chapter VII

Adoption of the report of the Conference

1. At the 7th meeting, on 26 June 2009, the Rapporteur-General introduced the draft report of the Conference (A/CONF.214/8).
2. At the same meeting, the Conference adopted the draft report and authorized the Rapporteur-General to finalize it, in conformity with the practice of the United Nations, with a view to its submission to the General Assembly at its sixty-third session.

Chapter VIII

Closure of the Conference

1. At the 10th meeting, on 30 June 2009, the Under-Secretary-General for Economic and Social Affairs made a statement on behalf of the Secretary-General of the United Nations.
2. Also at the 10th meeting, the President of the Conference made a statement and declared the Conference closed.

Annex I

List of documents

<i>Symbol</i>	<i>Title or description</i>
A/CONF.214/1	Provisional agenda
A/CONF.214/2	Provisional rules of procedure
A/CONF.214/3	Note by the President of the General Assembly transmitting the draft outcome document of the Conference
A/CONF.214/4	Report of the Secretary-General on the world financial and economic crisis and its impact on development
A/CONF.214/5	Note by the Secretariat on organizational and procedural matters
A/CONF.214/6	Report by the Credentials Committee
A/CONF.214/7	[Symbol not used]
A/CONF.214/8	Draft report of the Conference
A/CONF.214/L.1	Draft resolution on the outcome of the Conference
A/CONF.214/INF.1	Information for participants
A/CONF.214/INF.2	List of delegations to the Conference
A/CONF.214/CRP.1 (English only)	Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System

Annex II

Summaries of round-table discussions

Round table 1

The role of the United Nations and its Member States in the ongoing international discussions on reforming and strengthening the international financial and economic system and architecture

1. Round table 1 was co-chaired by David John Howard Thompson, Prime Minister of Barbados, and Mirko Cvetković, Prime Minister of Serbia. Presentations were made by the following panellists: Joseph Stiglitz, Professor, Columbia University, and Chairman of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System; Ngozi Okonjo-Iweala, Managing Director of the World Bank; Alicia Bárcena, Under-Secretary-General and Executive Secretary of the Economic Commission for Latin America and the Caribbean; Andrei Bougrov, Managing Director and member of the Board of Directors of the Interros Company, Russian Federation; Yu Yongding, former Director of the Institute of World Economics and Politics, Chinese Academy of Social Sciences, and former Member of the Monetary Policy Committee, People's Bank of China.

2. In his opening remarks, Mr. Thompson highlighted the impact of the current crisis, the worst one since the Great Depression, on developing countries, stating that the implementation of the United Nations development agenda, particularly the Millennium Development Goals, was under threat. The crisis also undermined the ability to tackle climate change, food and energy security, reduce poverty and meet other social needs. The subsequent growing loss of confidence in international institutions called for reform of the basic financial and economic governance systems and structures. He recalled that the first global conference on world finances had been held in 1944 in Bretton Woods, with the participation of 44 nations. Since the last quarter of 2008, there had been renewed international debate — in the G-8, G-20 and the boards of World Bank and IMF — on reforming and strengthening of the Bretton Woods system. But the absence of the United Nations was a glaring omission, and today's round table was designed to address the role of the United Nations in the global economic governance, both in dealing with short-term requirements and the longer-term needs of structural change.

3. Mr. Stiglitz stressed that the ongoing crisis had highlighted the fact that, in today's global economy, activities in one part of the world could affect other parts. For instance, the failure on the part of the United States and Europe to regulate their financial institutions in an appropriate way had inflicted costs on their own economies, as well as the global economy, including developing countries. With economic policies still determined at the national level, the world was now facing the consequences of lacking an overarching institution to manage globalization. The global nature of the crisis required a global response.

4. Despite broad agreement on the need for a stimulus package, the absence of coordination meant there was a risk that each country would undertake a stimulus focused on maximizing domestic benefits. The Commission of Experts felt strongly about the need for an inclusive decision-making process. It was not G-8 or G-20, but G-192 of the United Nations that needed to play a central role. The Commission's

report had recommended the creation of a global economic coordination council to identify gaps in existing economic arrangements and deficiencies in the workings of the current arrangements. As a first step, the draft outcome document of the Conference would call for the establishment of a panel of experts on the world financial and economic crisis and its impact on development.

5. Noting that developing countries lacked the resources and policy space to undertake a successful stimulus plan, he said that, while efforts to assist them were commendable, most assistance was offered in the form of credit. For the least developed countries, that raised concerns of another debt crisis. That category of countries would require grants in addition to credit. There was also a need to create new credit facilities and disbursement mechanisms and to remove pro-cyclical conditionalities, another matter addressed in the Commission's report.

6. He noted that the crisis had also highlighted the importance of re-examining the economic doctrines upon which those models were based and the basic policy perspectives that had been advocated as a result, such as capital- and financial-market liberalization. However, there was also a concern that financial regulatory reforms would not be deep enough and that the special interests that had once pushed for deregulation would now push for merely cosmetic reforms. Already, some countries were advancing the view that some banks were too big for restructuring. The Commission proposed to strengthen host country regulation and to increase the transparency of the accounting practices of deposit-taking institutions. In the longer term, there was a need for better systems of risk mitigation, a more effective sovereign debt restructuring mechanism and reform of the global reserve system.

7. Ms. Okonjo-Iweala stressed that, as part of the debate on global economic and financial governance, States must consider giving low-income and emerging market countries more of a voice and increased assistance. Revenue in developing countries had shrunk by \$200 billion, and some 95 million people were expected to fall into poverty as a result, in addition to the hundreds of millions more who were already classified as poor. A further 200,000 infant deaths were possible due to the crisis. Core spending on education, health, nutrition and social safety net programmes would not be met.

8. The World Bank was watching to see whether the United States would continue to depend on domestic consumer spending to fuel its economy, or whether China would continue its reliance on exports as its economic engine. The reaction of those economic giants would help the World Bank determine its own next steps. In the meantime, its President had called on developed countries to consider devoting 0.7 per cent of their fiscal stimulus packages to the needs of developing countries. For its own part, the World Bank had created a \$1.2 billion facility through which it could "fast-track" resources to countries hit by the food and energy crises in recent months. It had already disbursed \$730 million to more than 33 countries, largely in the form of grants. It was now using those instruments as part of its response to the global crisis.

9. In addition to the immediate response to the crisis, existing institutions needed recalibrating, including far-reaching governance reforms. In this process, not only emerging market countries but also low-income countries needed to be heard. The World Bank had begun to move in that direction by including more African countries on its Board and recalibrating voting rights. We should also start thinking

how to avoid similar crises in the future, taking into account lessons learned. There was a need to reach consensus on how the global economy was about to change and on the future role of international economic institutions. A new council could be debated but it would take time to make it work. It would be faster to reform existing institutions.

10. Ms. Bárcena highlighted the importance of the transition from financial and trade globalization to politically effective global governance. Financial globalization had been proceeding faster than institutional and political change. Agreement on the conference outcome document was not only raising expectations about United Nations-led reform but also eliciting questions as to whether the international community would follow suit. Some countries were wary of overregulation, while others feared there would not be enough regulation or that certain powerful States would choose to operate outside the multilateral framework. She stressed that the world financial architecture was part of a larger global structure, and not a building block to be dealt with separately.

11. There was a need to better monitor the real impact of the current crisis on vulnerable economies. In the poorest parts of the world, when the main breadwinner became unemployed, a family could lose everything, including the ability to keep children in school and to afford health care, because of the lack of safety nets that existed in developed countries. Developing countries were also concerned about new forms of protectionism, competitive bilateralism and social exclusion. There was a need for a crisis management architecture, including liquidity provision, as well as for structural changes, including regulatory infrastructure, to ensure transparency and accountability.

12. Noting that the Commission of Experts had proposed the creation of a coordination forum, she said it should be housed within the United Nations. Similarly, the Commission's suggestion to establish an international panel of experts could be carried out in the same mould as the Intergovernmental Panel on Climate Change, bringing together views from all parts of the world. She also noted that WTO, for example, lacked an institutional agreement with the United Nations and needed to be brought into the reform process more formally.

13. Mr. Bougrov recalled that, when the founders of the Bretton Woods institutions had met in 1944, they had been fuelled by the need to undertake post-war reconstruction. They had also had the will to follow through and enough leadership to pave the way. Today, the world had the need and the will but not the leadership. Leadership would not emerge automatically but would originate from having a clear understanding of events and a clear vision of next steps. The Commission served the purpose of providing that clarity.

14. He expressed the view that the Bretton Woods institutions could not be reformed from within. Instead, Member States, as shareholders in the World Bank and IMF, must lead the reform process. The major shareholders in those institutions had been detached from their benefits in terms of poverty alleviation and financial stability. That detachment explained their failure to reform. The Bretton Woods institutions should not replicate the world geography but should be organized to serve different types of clients. There should be more effective coordination within the United Nations so that every voice could be heard. In the new conditions, global standards for financial institutions were needed to better manage risks and allocate capital well.

15. Mr. Yu, referring to the Commission's report, said it represented a comprehensive re-examination and rethinking of the policies and underlying theory currently guiding the world economy. It emphasized the importance of policy coordination on a global scale, so that the United States — which had chosen an expansionary policy — would take into account the consequence of that policy on such countries as China, which held more than \$1 trillion in reserves. If United States policies led to inflation, China stood to suffer greatly as the value of the dollar dropped. In turn, China would no longer be able to rely on exports to fuel growth, because the world was in an economic recession.

16. He pointed to the report's suggestion to rethink the use of the United States dollar as a store of value, especially in light of the increase in the United States national debt, which had led to concerns about the currency's stability. The global reserve system was crucial to prevent future crises. Each country should be able to determine what policy to adopt in order to preserve policy space. Much of that space had been lost by fully liberalizing capital flows. Quoting the report, he said now was an ideal time to overcome political resistance to a new global monetary and financial system, in order to reduce instability, deflationary tendencies and inequality.

17. The presentations by the panellists were followed by an interactive discussion among participants, including representatives of Governments, institutional stakeholders, civil society and the business sector. The following points were made:

- The global economic crisis demonstrates that actions in one economy may affect others and that failures in one sector may inflict costs on the global economy. Therefore, there is a need for a global response and the United Nations should have a central role in discussing, designing, implementing and monitoring this response.
- There is a need for economic policy coordination and political accountability at the global level. To be effective and credible, coordination mechanisms should be inclusive and representative, even if they have a relatively small membership.
- In many cases, developing countries need additional assistance since they lack sufficient resources to respond to the crisis and policy space to carry out counter-cyclical policies.
- The problems of fragile States should be given top priority and put at the centre of the international agenda. The slowdown of growth and the sharp reduction of public spending may lead to a reintensification of armed conflict and civil strife.
- The social dimension of the crisis should not be forgotten. There is a risk of reduced funding available for human development (e.g., education and health). The response to the crisis should incorporate social expenditure and counter-cyclical policies.
- To reduce the risk of a new debt crisis, grants rather than loans should become the principal form of assistance for developing countries in response to the crisis. Developed countries and rich emerging economies should support the increase in the resources of the Bretton Woods institutions and regional development banks.

- Economic globalization has outstripped political and institutional globalization. Political and institutional mechanisms should catch up rapidly with the needs of economic recovery and the re-establishment of a global economy conducive to equitable economic development based on solidarity and complementarity.
- Redistributing power within the Bretton Woods institutions by increasing the voice of developing countries should represent a priority for the international community. Rebalancing power, however, will involve winners and losers and may therefore face opposition by some developed countries. In such a context, the role of civil society is crucial to create momentum and persuade Governments.
- The creation of a more stable and equitable global reserve system should be seen as a top priority for the international community. It is necessary to support global trade and provide the financing that developing countries need for their development.
- Regional cooperation can play an important role, both as an instrument to collect and channel funds to the most depressed areas and as a potential arena for building multinational reserve systems. Building common reserves at the regional level may serve to reassemble a global reserve system (a bottom-up approach).
- Bank secrecy provisions have facilitated corruption and official development assistance (ODA) diversion in the last decade. It is necessary to increase bank transparency and to sustain such measures as the Stolen Assets Recovery Initiative of the World Bank.
- One of the factors which contributed to the explosion of the current crisis is the lack of diversity among investors and markets, which lead to massive and synchronic behaviour of global private actors, particularly large systemically important ones. More attention should be given to diversification among financial models, e.g. fostering Islamic banking or pooled funds, such as the Chiang Mai Initiative of the Association of Southeast Asian Nations. There is also a need to introduce an early warning system at the global level to deal with systemic risk.
- The current crisis should be seen as an opportunity to foster the adoption of policies leading to structural change and diversification in developing countries. Trade and investment treaties should not reduce the policy space for developing countries.
- Recovery should not aim at reproducing the global structure that existed before the crisis, which was based on over-consumption in some developed countries and extreme export dependence on the part of developing countries. It is therefore important to work out new institutional and governance arrangements by accepting a diversity of approaches and models.
- The global governance reform process should involve multiple stakeholders, including Governments, international institutions, civil society and the private sector. The energies of all relevant actors must be harnessed in the global effort. The consensus reached at the Conference should be seen as a starting

point for introducing real changes in the international financial system and global governance.

18. In his closing remarks, Mr. Cvetković said the views aired proved that the United Nations had a role in international financial and economic governance, with many speakers advocating a stronger role for the Organization. Every country should be involved in the process leading to a new architecture, with the General Assembly providing a really democratic arena. The Economic and Social Council should be seen as a natural environment for hosting an international committee on macroeconomic policy coordination. The overall reform process should eventually lead to the political and institutional aspects of globalization catching up with the economic and financial markets. Indeed, the mismatch between economic and political integration had been one of the underlying causes of the current distress. The voice of developing countries should be significantly enhanced in the renewed institutional architecture.

Round table 2

Coordinated and collaborative actions and appropriate measures to mitigate the impact of the crisis on development

19. Round table 2 was co-chaired by Tongloun Sisoulit, Deputy Prime Minister and Minister for Foreign Affairs of the Lao People's Democratic Republic, and Jean Asselborn, Deputy Prime Minister and Minister for Foreign Affairs and Immigration of Luxembourg. Presentations were made by the following panellists: Supachai Panitchpakdi, Secretary-General of UNCTAD; Noeleen Heyzer, Under-Secretary-General and Executive Secretary of ESCAP; Martin Khor, Executive Director, South Centre; Robert Johnson, former Chief Economist, United States Senate Banking Committee and former Senior Economist, Senate Budget Committee; and Yaga Venugopal Reddy, former Governor of the Reserve Bank of India.

20. In his opening remarks, Mr. Asselborn said that as the crisis continued to cascade outward from the financial centres that had given it birth, those developing countries that had thought they were too small, too remote or growing too fast to feel the effects were now facing a new reality as their economies contracted and foreign investment dwindled. Equally troubling and pertinent to the theme of the discussion was the prediction that poor countries might continue to feel the pinch for some time after the developed world began to recover, especially since they had limited finances to mitigate the effects of the crisis and little capacity to attract investors who could help with infrastructure rehabilitation, technology enhancements or other development priorities. Stakeholders must therefore consider seriously how broad cooperation could bolster the public good of a renewed international financial system and determine the most appropriate rules with respect to development.

21. Mr. Supachai said that, as the crisis lingered, UNCTAD was following several troubling trends, chiefly the notion that the recent "green shoots" sparked by minimal signs of life in the economy of the United States were harbingers of a real and sustainable recovery. That was not the case. He emphasized that a few faintly positive economic reports could not hide the fact that real estate markets were still severely depressed, creditors were still clinging to their cash, and foreign direct investment was dwindling. So, while the idea of green shoots might be "somewhat

good” for consumer confidence, measures to ensure good fiscal management and decision-making must remain in place for some time to come.

22. He expressed concern about the status of the \$1.1 trillion package agreed by G-20 in London, the bulk of it to be made available through IMF. That initiative had stalled and there was a lack of clarity as to how the IMF would actually distribute the funds. Other trends requiring close attention were the predicted “lag effect” in the global labour markets since job creation was expected to stall through 2010 as nations struggled to “get a handle” on the true impact of the crisis; the rising tide of protectionism; and a real shortage of the resources that had kept countries growing at normal rates of 5 or 6 per cent, and helped them to meet at least some of the Millennium Development Goals.

23. All those trends pointed to the all-important need to address the debt sustainability of developing countries, which would require cooperation on initiatives for beyond mere restructuring, including a temporary moratorium on debt repayments. Such cooperation had been achieved in the aftermath of the devastating Indian Ocean tsunami of 2004 and hurricane Mitch in 1998. Moreover, special arrangements must be made for the least developed countries, landlocked developing countries and small island developing States, many of which held debt beyond 100 per cent of their gross domestic product.

24. Ms. Heyzer, focusing on the situation in Asia and the Pacific, said the economic and financial crisis threatened to roll back human development gains and spark a human tragedy in the region, which was the most trade-dependent in the world. Unless immediate measures were taken, some 23 million people risked losing their jobs in the near future. Avoiding such a calamity required the international community to rally its collective strengths so as to stabilize markets and capital flows, halt the decline and initiate broad-based recovery.

25. Such cooperation was no longer a choice but an imperative, she said, especially since, for the first time, developing countries could not trade their way out of recession because the crisis had started among some of their key trade partners and investors. The crisis therefore provided an opportunity for countries in the Asia-Pacific and other developing regions to coordinate the creation of more home-grown market initiatives, as well as finance and trade mechanisms. Indeed, ESCAP was beginning to witness the seeds of a new paradigm that could better address persistent issues specific to developing regions and, hopefully, identify ways to boost domestic demand.

26. At the same time, she cautioned that lack of social protection was an obstacle for developing regions. Indeed, only 30 per cent of elderly persons in the Asia-Pacific region had pensions, while only 20 per cent of all people had access to health care. There was also a need for fiscal stimulus policies that would address the needs of women and ensure that recovery efforts were implemented in a sustainable manner. In particular, regional groupings and actors should develop plans with an eye towards ecological preservation and ensuring greener economies. The Secretary-General’s global “Green New Deal” and the ESCAP low-carbon Green Growth Initiative provided good starting points.

27. Calling on developing countries to take advantage of the huge potential of strengthened South-South trade, she said broader recovery efforts should be built on strong regional foundations, and should be more coordinated and effective in

managing risk and identifying volatility. The crisis was an opportunity to build societies and communities that were better able to withstand shocks. By taking ownership of their own economic revival, developing regions could make the leap to building a better future for their people and all humanity.

28. Mr. Khor said the developed world had an international obligation to help people and countries suffering through no fault of their own. Their recovery should not be debt-based but grant-based, and new initiatives should be called “compensatory financing”. With the nearly \$2 trillion funding gap the crisis had engendered, external financing could be made available from new special drawing rights (SDRs) that IMF could issue to developing countries.

29. While echoing the UNCTAD call for a temporary moratorium on debt repayments, he said also that developing countries should be allowed the policy space to take appropriate measures to address the impact of the crisis. In the past, such space had been blocked by the loan conditions of the Bretton Woods institutions and other multilateral bodies. Now that it was clear that some of those very bodies were unable to predict or manage financial shocks, the Conference might recognize the right of developing countries to undertake trade measures within the rules of WTO to address that issue.

30. Mr. Khor also stressed that the Conference might consider taking serious action on one of the most important elements of reforming the international financial system — the long-overdue debt arbitration system. Pleased that the draft outcome document called for the establishment of a working group that would be tasked with follow-up, he said it could compile the suggestions and recommendations made over the past three days, and hopefully its work could ensure that the United Nations would again be at the centre of economic and financial policymaking.

31. Mr. Johnson said that, while many might see the financial meltdown as “just rewards” for the pain inflicted on the developing world by certain sectors, the fallout affected all nations and vengeance did not have a healthy place in the discussion. New York and London, two key centres that had triggered the current turmoil, had played, and would continue to play, important roles in driving the world economy. Since the expected financial rebalancing would seriously impact spending, job creation and investment in those two major cities, the effects would certainly be felt elsewhere. At the same time, rebalancing must be carried out because the legitimacy of the financial intuitions must be restored and because such reform would diminish the extent to which the current type of crisis could impact the rest of the world in the future.

32. Mr. Reddy stated that crisis management should be viewed in the broader concept of development and identifying areas of convergence, such as creating policies that would simultaneously mitigate the impact of the crisis, protect the poor and ensure adequate levels of socio-economic growth. To the extent that the financial sector would enable the development sector, some harmony must be maintained between the two, and actions must also be harmonized among the financial and development sectors and relevant institutions. There was also a need for coordination and collaboration among countries and regions to ensure policy space so that the long-term impact of the crisis could be addressed and to stave off such shocks in the future.

33. Presentations by the panellists were followed by a brief interactive discussion among participants from developing and developed countries. The following main points were raised:

- Several speakers agreed that the financial crisis, with the attendant slowdown of growth in advanced economies, would affect low-income countries in many ways, including through falling remittances, reduced capital flows and reduced demand for their exports. At the same time, they saw the crisis as an opportunity to explore ways to strengthen South-South regional cooperation and trade agreements.
- Other speakers highlighted the need for industrialized nations to uphold their official development assistance commitments and other arrangements agreed by G-8 and G-20. They also urged the Conference not to pull back from beginning the discussion on an overhaul of the international financial system.
- The view was expressed that free-market principles provided the foundations for recovery, as promoted by G-20. The international financial institutions were particularly well suited to exercise a positive role in the recovery. Moreover, G-20 leaders had announced a substantial increase of the lending capabilities of these institutions to help developing countries. These views were contested by several other speakers.
- There was a call to recognize the impact of the crisis on middle-income developing countries. The crisis had also unveiled some weaknesses for many African countries, such as the oil-exporters whose economies were not diversified enough. In this sense, the crisis also represented an opportunity to initiate structural economic changes. African countries should be prepared to respond to financial market and exchange-rate volatility. Even the monitoring activities that would be implemented should be framed in the context of a new development paradigm. There was a call for the establishment of an early warning system on economic shocks.
- Several delegates noted that there were a number of actions that could be put in practice, such as providing support for trade integration, financing the investment needs of small and medium-scale enterprises, and creating development banks, which could lead to structural long-term changes. The crisis was a wake-up call on how to proceed in addressing global imbalances. It also offered an opportunity to strengthen the complementarities between traditional ODA and new sources of development finance.
- Diverse positions were expressed regarding the role of international financial institutions in coordination efforts for global response. While some delegates favoured a special role for IMF and the World Bank, others questioned their ability to help since those institutions seemed to be still guided by the ideologies that had underpinned the global crisis in the first place. What was seen even more questionable was that those institutions continued to impose pro-cyclical conditionality on the countries that asked for their financial assistance, despite the fact that the official consensus was that the international financial institutions should refrain from doing so. The need for more policy space for developing countries was emphasized.
- There was a call for the establishment of institutional mechanisms for the mobilization of trade finance. In particular, it was suggested that efforts should

be doubled to ensure that those resources reached the countries that needed them most. In addition, some support should be directed towards regional organizations and regional economic communities. Such support would give those organizations the ability to play a role in relaunching economic activities and minimizing the impact of the crisis on their respective subregions.

- As an example of solidarity-based international assistance in times of crisis, the Petro Caribe project was cited, which was currently helping 14 Caribbean countries to maintain their health care, housing and education services for the poor.
- Many speakers advocated for more grants and SDR allocations for developing countries and expressed interest in the debt moratorium framework suggested by WTO, the South Centre, UNCTAD and others. Meanwhile, it was noted that it would perhaps be too costly to implement that initiative in practice.

Round table 3

Present and future impacts of the crisis on, inter alia, employment, trade, investment and development, including the achievement of the internationally agreed development goals and the Millennium Development Goals

34. Round table 3 was co-chaired by Diego Borja, Minister of Coordination of Economic Policy of Ecuador, and Bert Koenders, Minister for Development Cooperation of the Netherlands. Presentations were made by the following panellists: Navanethem Pillay, United Nations High Commissioner for Human Rights; Sha Zukang, Under-Secretary-General for Economic and Social Affairs; Abdoulie Janneh, Under-Secretary-General and Executive Secretary of ECA; Valentine Rugwabiza, Deputy Director-General of WTO; Stephen Pursey, Director, Policy Integration Department, ILO; and Francois Houtart, Emeritus Professor, Catholic University of Louvain (Belgium), founder of the Tricontinental Center (New Louvain) and member of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System.

35. In his opening remarks, Mr. Borja highlighted trade and development as two channels through which the economic contagion had passed from the developed world to developing countries. Serious repercussions were already visible as declining trade increased unemployment levels and growing financing shortages prevented infrastructure expansion. Average per capita gross domestic product in the developing world was expected to drop precipitously from over 4 per cent to zero. He urged participants to envision the still unseen impacts of the crisis, particularly as they might unfold across income groups and regions. It was also pertinent to ask whether the Millennium Development Goals, which read more than ever like a list of urgent development needs, would still be feasible and affordable. The question of how fiscal stimulus packages would allow for economic growth in the developing world was also critical.

36. Ms. Pillay highlighted the responsibility of all States during the time of crisis with regard to human rights. States could neither waive nor limit their obligations to uphold civil, cultural, economic, political and social rights. The Human Rights Council, at a special session held in February 2009, had identified the fundamental

challenges that the multiple crises presented to human rights and social welfare. As a multifaceted threat, the economic crisis exacerbated the effects of the preceding food and energy crises on the most vulnerable, particularly in the least developed and fragile States. According to current projections, more than half of all developing countries could experience a rise in extreme poverty in 2009.

37. Migrant workers, women and children were among the most at risk in economic crisis. Violence against women could intensify when men experienced displacement as a result of the economic downturn. Job opportunities for women would probably become more marginal, hazardous, exploitative and ill-paid. Women would be forced to forego basic services in order to secure food and shelter for their families, while girls were often the first to be withdrawn from school in times of hardship. Such conditions also made women and girls more vulnerable to human trafficking. Similarly, migrant workers were more likely to lose their jobs because of their status and were often employed in sectors hard hit by the economic crisis.

38. She argued that the human rights approach to policy could help to identify vulnerabilities resulting from multiple forms of marginalization and inequality; to put communities in charge of devising the best measures to ensure that economic recovery was sustainable, evenly spread and long-lasting; and to bring a stronger notion of mutual accountability, transparency and responsibility into modalities for development cooperation. While each State was in charge of designing its own development strategies, all States had a responsibility to create a fair and favourable international environment for development.

39. Mr. Sha underscored the sharp negative effects of the crisis on economic growth and development. In particular, global growth would decline by 2.6 per cent in 2009, a steep plunge from the 2.1 per cent growth estimated for 2008. Having achieved robust per capita income growth of 4 to 5 per cent per year, the per capita income growth in the developing world would stagnate in 2009. Average incomes would fall in at least 60 developing countries, with the worst contractions in sub-Saharan Africa, Western Asia and Latin America. Likewise, levels of unemployment and underemployment were climbing worldwide and would probably remain high initially, even after economic recovery. Owing to the global downturn, between 73 and 103 million more people were expected to fall below the extreme poverty line of \$1.25 per day.

40. The downturn and related shocks were directly affecting financing for development. The fiscal capacity of developing country Governments to provide social protection, deliver social services and invest in infrastructure critical to long-term development had been reduced, reversing progress and causing further setbacks in the achievement of the Millennium Development Goals. Moreover, because of falling gross domestic product (GDP) growth and export earnings, many developing countries would face renewed external debt problems. As a result, some \$3 trillion in sovereign and private debt would need to be rolled over by developing countries in 2009.

41. The interconnection among multiple crises called for an integrated and coherent approach as the only effective response to tackle them. There was a need for more fiscal stimulus and closer international coordination of the stimulus packages. More than 80 per cent of the current stimulus was concentrated in developed countries, while in developing countries an extra \$500 billion in development financing would be needed in 2009 and 2010. Temporary moratoriums

on the external debt obligations of countries in severe financial distress should be allowed. Trade protectionism must be resisted, while developing countries' access to trade financing must be restored, aid-for-trade promises must be fulfilled, and commitments must be met to enable full market access to exports from the least developed countries. Limits on migration and discrimination against migrant workers should be strongly discouraged and a continued flow of remittances should be facilitated.

42. Mr. Janneh, outlining the damage that the global recession had inflicted in Africa, noted that any initial sense that its effects would be limited by the continent's relative isolation had proven utterly false. Broad damage was now visible across multiple sectors and economic growth rates were forecast to fall from 6 to 2 per cent. Access to development finance was severely constrained, as export earnings, credit, investment, ODA and remittances fell. Aid flows might fall because of reductions in the income of donor countries, and it was estimated that remittance inflows to Africa in 2009 might be 5 to 10 per cent lower than in 2008. Export earnings would likely drop drastically in 2009 as a result of falling prices and volumes, particularly those of diamonds, oil and non-oil commodities. There was a risk of resort to protectionism in major economies, especially if the crisis were prolonged, with negative implications for the Doha round of multilateral trade negotiations and their promised effects on development.

43. The achievement of the Millennium Development Goals in Africa thus had been seriously compromised. Even before the current financial and economic crisis, 16 million people in Africa had fallen into poverty and hunger because of the food and fuel crises. Reduced public sector funding and ODA would reduce the ability of African Governments to maintain the progress achieved thus far. The outlook for employment was also grim. The number of unemployed people in sub-Saharan Africa was expected to increase by 3 million in 2009 from 2007 levels, as a result of the contraction of mining and labour-intensive sectors, such as construction and tourism. The impact would be particularly hard felt because there were little or no social protection institutions in Africa that could provide a safety net. Previous improvements in peace and security were also threatened, as economic and political instability tended to go hand in hand.

44. The current crisis had changed the way in which the world thought about aid to developing countries, including the role of the State, markets, fiscal and monetary policies in different national contexts. For their part, African countries had taken steps to mitigate the impact of the crisis, including their commitment to macroeconomic stability, reductions in interest rates, recapitalization of financial institutions and fiscal stimulus, among others. Like all developing countries, however, they would continue to require support and assistance from the international community. To that end, aid commitments made at the London G-20 summit were promising, but the remaining challenge was how to implement those commitments so that they reached their intended beneficiaries. The United Nations had a key role to play in shaping a global response to the current crisis.

45. Ms. Rugwabiza, expanding on the trade dimension, emphasized the severe impact of the current crisis on international trade. Forecasts put the contraction in trade at 10 per cent and suggested that the beginning of a recovery was not yet in sight. It would have severe consequences for developing countries that depended on export revenues to a higher degree than developed nations and that would continue

to do so in terms of financing current expenditures and investment. The main channel of transmission to developing countries was the sharp decline in the global demand for primary commodities, which represented up to 70 per cent of their export income. Those circumstances clearly illustrated the interconnected nature of economies as well as the fact that globalization was much more advanced than previously thought. They also suggested a need for more regulation in the multilateral rules governing trade.

46. As the world community weighed possible ways for trade to reprise its role as a driver of economic growth, national stimulus plans could do some good but they were not enough. Stability and confidence must also be reinjected into the global economy. One way to do that was by establishing relevant global trade rules, particularly by concluding the Doha round of multilateral trade negotiations. That would require leadership, while the urgency was obvious: trade was falling for the first time in more than 65 years. Further financing would also be needed. While the G-20 decision to inject billions into the global economy was a step in the right direction, other obligations must be met. That was especially true since those commitments were, in some cases, the only outlay for infrastructure development in developing countries.

47. Mr. Pursey, noting the acute social implications of the current crisis, highlighted the need to incorporate a decent work framework into recovery schemes. Employment recovery would be slower than economic recovery, raising the critical issue of how to make recovery of labour markets more rapid and protect vulnerable populations. Based on ILO scenarios of output and employment recovery, the world might have to endure from three to six years of employment stagnation. While the possible scale and duration of labour market distress could vary, job losses were certain, making it essential to improve social protection for the unemployed.

48. The Global Jobs Pact adopted by the International Labour Conference in June 2008 provided a decent work response to the crisis, including the following objectives: (a) sustaining enterprises and jobs during the crisis; (b) investing in labour-intensive infrastructure, including green jobs; (c) preparing women, men and young workers for the new skills needed for growth recovery; (d) building a social protection floor for the most vulnerable; and (e) promoting rights at work and strengthening governmental and social partner organizations. The Pact did not offer a “one-size-fits-all” formula, as each country had different social needs and fiscal capacity to achieve them. However, the urgency of addressing the social impact of the crisis required Governments and the United Nations system to consider mainstreaming employment and social protection in their policy decisions.

49. The importance of a social protection floor consisted of basic transfers and services for vulnerable populations, such as pensions for older persons and the disabled, child benefits, unemployment support, and access to health and other social services. The rationale for supporting incomes through either jobs or social protection went beyond social arguments; it would stimulate domestic demand and productivity and therefore should be an essential part of fiscal stimulus plans aimed at growth recovery. To move forward on the Global Jobs Pact, the United Nations should promote system-wide collaboration on key policy issues, such as the social protection floor, green jobs and employment-intensive infrastructure investments.

50. Mr. Houtard noted that the convergence of the food, fuel, climate and financial crises was not coincidental but was due to the uncontrolled expansion of financial

capital and a model of profit accumulation that did not recognize social and environmental externalities. The food and fuel crises had been accentuated by speculative investments in commodities; climate change had been accelerated by the irrational use of natural resources, in particular fossil energy. The post-Second World War growth model had created increasing global imbalances and inequalities, benefiting 20 per cent of the population and leaving more than one billion people to live in inhumane poverty. The increasing pressures to deregulate had led to the so-called Washington Consensus, which had produced the current situation of multiple crises.

51. It had become imperative that the world establish permanent regulations, and not just a set of temporary short-term measures to deal with the current crisis. The issue was not restoration of the pre-crisis situation but transformation to new paradigms. An alternative growth model should be supportive of development and prosperity for all, by putting human beings instead of private profit at the centre of the economy. The model should be based on the responsible management of natural resources and respect for peace, democracy and cultural diversity. Those principles had been systematized by intellectuals, promoted by civil society and applied by several Governments, thus providing hope for the future of mankind. The Conference was only one early step towards establishing them at the global level.

52. Following the panel presentations, an interactive discussion was held among participants, including representatives of Governments and institutional and non-governmental stakeholders. The following points were made:

- Many speakers expressed their concerns with the actual and potential significant impact of the crisis on employment. While the majority of developed countries felt the impact immediately after the eruption of the crisis in 2008, developing countries would also have to face employment losses through significant reductions in trade flows, investment and remittances. Some speakers noted that vulnerable groups, such as women, girls, migrant workers and rural populations, would be affected the most, and the current crisis would aggravate existing social and economic inequality.
- A number of participants indicated that counter-cyclical measures, including higher expenditure on welfare, education and infrastructure to boost growth and employment during economic downturns were constrained because Governments of many developing countries lacked the resources and fiscal space to pursue the necessary policy. In addition, well-balanced and well-targeted allocation of fiscal resources among various groups and sectors was a matter of concern to some speakers. They stressed that the allocation of fiscal resources should be equitable or even pro-poor to avoid further marginalization. Incorporating the human rights perspective was seen as bringing value to policy responses to mitigate the impact of the crisis by identifying the critical needs of the most vulnerable and protecting their rights.
- Some representatives called for more international and regional cooperation to present a collective response to the impact of the crisis on migrant workers, including a sharp decline in remittances. This partnership would include keeping migration open, monitoring the rights of migrants and discrimination against them, and reducing the cost of remittances.

- In the view of some participants, the current crisis was threatening the development of developing countries beyond mere economic growth. Slower economic growth and the large employment loss would make it difficult, if not impossible, for the international community to achieve many of the Millennium Development Goals. The loss of employment based on the principle of decent work led directly to large increases in the number of the poor and could have a long-lasting impact on health of the unemployed and their families and education of their children. The Global Jobs Pact, designed by ILO to guide national and international policies aimed at stimulating recovery and generating jobs, was commended as a timely initiative to address the need for job creation.
- It was pointed out that countries in sub-Saharan Africa faced tremendous challenges to maintaining robust growth they had achieved in recent years, steady advances in poverty reduction and public health, and improvements in agricultural productivity. Some speakers cautioned that the current crisis would slow down the ongoing negotiations on strengthening regional integration, while others emphasized that the difficult global environment made stronger integration of the region a more urgent task. They agreed, however, that strengthening an economic block in Africa, together with stronger bilateral ties, would reduce the impact of economic shocks. The international community needed to commit more resources to the region.
- Some speakers called for a new paradigm or an alternative economic system, where, among other things, human dignity, spirituality, quality of life and relation with nature were respected and fully protected. In addition, the incorporation of ethics in economic decision-making in the new system was deemed to be crucial. It was argued that international financial institutions that had recommended to their member States neo-liberal policies (which victimized people in developing countries) could not logically be in a position to solve the current crisis. The need for a fundamental reform of the existing economic system and addressing its adverse social consequences was emphasized.
- Many participants noted the effects of the contraction of world trade on developing country economies and their prospects of achieving the Millennium Development Goals. They agreed that, in addition to boosting international demand through stimulus packages, improving the availability of trade finance to developing countries was particularly important. Above all, resisting the temptation of protectionism under deteriorating national economic conditions and continuing to work towards free and fair trade, including meeting commitments to free market access for least developing countries, was critical for reviving trade as an engine of growth in developing countries and the world economy as a whole. Aid-for-trade commitments in the Doha round of multilateral trade negotiations were crucial for trade capacity development and meeting the Millennium Development Goals. A number of participants also encouraged accelerated development of regional trade, particularly in Africa, to complement world trade.
- It was noted that the collapse in international trade, combined with volatile commodity prices and reduced external financing, had made it more difficult for developing countries to achieve debt sustainability. The international

environment had also undermined efforts by some developing countries in Africa to initiate access to the international credit markets. There was a need for greater flexibility in and review of the debt sustainability framework of the Bretton Woods institutions and the criteria for debt relief for indebted developing countries in the aftermath of the crisis. There were calls for debt cancellation, including of multilateral debt, as an element of a stimulus package for African countries.

- With regard to the economic stimulus implemented by developed countries, it was suggested that its effect should be balanced, benefiting developing countries as well. In some developed countries, for example, financial institutions or companies had been bailed out by large financial transfers from the public sectors. But the neediest, including marginalized groups and poor countries, had yet to be helped. In the same vein, ODA commitments should be met in spite of economic recession in donor countries.
- A number of participants emphasized the need for reform of the Bretton Woods institutions in order to address the causes of the current crisis. The international financial architecture should be able to better respond to the needs of developing countries, including the allocation of SDRs and financing facilities. The reformed governance of those institutions should be representative of the composition of the world economy and give increased voice to developing countries.
- Several participants noted that the crisis presented an opportunity for the North and South to work together for recovery and reform and noted the efforts under way towards that end. They saw the Conference providing a platform for concerted response and welcomed the agreement on its draft outcome document. Some stressed the need for political commitment to ensure Conference follow-up, with the participation of all relevant stakeholders.

53. Summing up the debate, Mr. Koenders noted that while Wall Street might be rallying, the world was still reeling. For the first time in many years, North and South had the opportunity to work together. While they might differ on certain parts of the draft outcome document of the Conference, the outcome document presented a menu of immediate and critical actions upon which a significant number of countries could agree. In moving forward, employment should be a key focus of the response. Clearly no one was happy with falling trade, and the process of opening markets remained crucial to the ongoing response.

Round table 4

Contributions of the United Nations development system in response to the crisis

54. Round table 4 was co-chaired by Ralph E. Gosalves, Prime Minister of Saint Vincent and the Grenadines, and Dipu Moni, Minister for Foreign Affairs of Bangladesh. Presentations were made by the following panellists: Helen Clark, Administrator of UNDP; Thoraya Obaid, Executive Director of UNFPA; Manuel Aranda da Silva, Deputy Executive Director, a.i. of WFP; Hilde F. Johnson, Deputy Executive Director of UNICEF; and Pedro Páez, former Minister for Economic Coordination of Ecuador and member of the Commission of Experts of the President

of the General Assembly on Reforms of the International Monetary and Financial System.

55. In his opening remarks, Mr. Gosalves recalled that the development function of the United Nations fell mainly under its Economic and Social Council. Over the years, many funds, programmes and agencies had been established by intergovernmental agreements to enhance the capacity of the United Nations to fulfil its Charter mandate “to achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character” and “to be a centre for harmonizing the actions of nations in the attainment of these common ends”. In time, many of those organs had expanded and began operating as independent bodies. However, the Charter had not been changed and recent complexities required an increased focus on coordination and coherence. Since 2006, the General Assembly had resolved to enhance system-wide coherence, an effort which was still in the experimental phase. There was a need to speed up its implementation and extend its coverage. Accordingly, the objective of this round table was to assess how the United Nations system could help to address the adverse impacts of the current financial and economic crisis.

56. Ms. Clark emphasized the global reach of the current crisis, indicating that all countries had suffered its impacts that added new challenges on top of such concerns as food insecurity, volatile energy prices and climate change. However, while developed countries had, in general, stimulus tools to address the impact of the crisis, the turnaround for developing countries might take much longer. In social terms, households were facing shrinking livelihoods and Governments had to cut back on spending, since they were confronted by lower public revenues. The United Nations development system had an important role to play in articulating and supporting a coherent global response to the crisis and in seeing that global strategies were translated into action at the country level. For UNDP, the primary concern was to support those who were already poor and vulnerable, with a longer-term view to reducing poverty and achieving the Millennium Development Goals. To that end, working together with Governments and other development partners, especially the international financial institutions, was critical.

57. A common framework to confront the crisis and build a fairer globalization had already been agreed upon under the auspices of the United Nations Chief Executives Board for Coordination (CEB). It covered nine critical areas, including food security, trade, green economy, a global jobs pact and a social protection floor. UNDP and the World Bank had been asked to take the lead in developing a response mechanism for the United Nations system to address the human dimension of the crisis. This mechanism should be driven by local needs and countries should be helped in developing their own responses. UNDP was therefore committed to the coherent course of action proposed in paragraph 52 of the draft outcome document of the Conference. Efforts had also been made to develop the Global Impact and Vulnerability Alert System (GIVAS), which would help to track the impact of the crisis on the most vulnerable.

58. The crisis had highlighted the fundamental long-term development mandate of UNDP towards poverty eradication and the achievement of the Millennium Development Goals. UNDP would continue to share lessons learned and advise developing countries on effective solutions to mitigate the impact of the current crisis and to create critical capacity for resilience to future shocks. The crisis had

also provided an opportunity for bold thinking and urgent action to foster sustainable development. To that end, UNDP was bringing climate change into the core of its thinking on poverty and development, and was hoping for an outcome in Copenhagen that would place the world on a sustainable path out of poverty. A new climate change financing mechanism could have a very significant impact on development, suggesting that development could be viewed in new and innovative ways.

59. Ms. Obaid stressed that the current crisis had both macro- and micro-level implications, with long-term human cost. The crisis could push a large number of people, mainly women and children, especially girls, into poverty. According to the World Bank, the crisis would increase infant and maternal mortality rates, female dropouts and violence against women. Developing countries would not be able to achieve Millennium Development Goal 5, unless increased investment in reproductive health and advancement of women was ensured. For its part, UNFPA would continue to advocate for increased investment in maternal health, under the leadership of the World Health Organization.

60. Ms. Obaid argued that the voices of civil society, women and girls needed to be heard in order to effectively mitigate the impact of the current crisis. Women and girls should not be seen as victims of the crisis but as economic agents that could help overcome the crisis. Every year, the world was losing \$15 billion in lost productivity by letting women die in childbirth, while it would only cost \$6 billion to provide the health services to save the lives of those women, thus benefiting not only the women themselves but also their families, communities and nations. In times of crisis, there was a tendency to cut public services, with implications for future generations. While economies would rebound, social recovery would take a longer time.

61. Ms. Obaid, in outlining UNFPA strategies to protect hard-won gains in maternal and reproductive health, referred to a number of initiatives aimed at enhancing collaboration with Governments, international institutions and civil society to increase coherence, monitor impact and build national capacity. In particular, she mentioned increasing civil society's involvement in national health planning and budgeting and collaborating with Governments to ensure the flow of reproductive health supplies to vulnerable and excluded youth. People were counting on leaders to put people first, to focus on human development and to support the most vulnerable, including women and girls.

62. Mr. da Silva focused on food security as one of the most critical issues for peace and security in the world. However, the cost of the sample food basket was 20 per cent more expensive in the first quarter of 2009 than the 5-year average in three quarters of the countries where those prices were monitored. A vast majority of people had no food safety net and the number of hungry people in the world was growing and approaching 1 billion. Since the beginning of the financial crisis, vulnerable households had been affected not only through high food prices but also through lower incomes. As a result, vulnerable households were taking children out of school, reducing expenditures on health, and eating less and less well. Even a few months of inadequate food and nutrition could condemn a person and a full generation for life.

63. Therefore, WFP was drawing attention to what could be considered a hunger and nutrition crisis. The international community needed to take urgent and comprehensive action to support national Governments with adequate, timely, predictable and flexible development assistance. The plan of action must be based on the Comprehensive Framework for Action developed by the Secretary-General's High-level Task Force. For its part, WFP had assessed the effects on the food security situation of vulnerable households as a result of the various crises occurring at the same time. In response, WFP had expanded its programmes in 2008 and would do so in 2009, covering a large number of people. The programmes were adjusted to the actual specific context in order to reach also the newly vulnerable households through innovative and targeted programmes, such as school feeding, mother-and-child health and nutrition, cash transfers and food vouchers, and local food purchases.

64. Ms. Johnson focused on the impact of the crisis on the poorest countries, especially those with a high level of commodity exports. In those countries, the human cost of the crisis was very high, particularly with respect to the most vulnerable, including women and children. Specifically, many children, especially girl children, would suffer due to hunger or be taken out of school to work. The United Nations and development partners should work diligently to reverse that trend. The international community needed to do more and to do it better, including through counter-cyclical policies. The United Nations agencies should work with countries to develop national and global approaches to protect gains in health and education. Social protection should be at the forefront and should be child-sensitive. For its part, UNICEF planned to study 44 pilot programmes that delivered social protection services, with the goal of scaling up 18 of those programmes in response to the crisis.

65. Ms. Johnson pointed out that the United Nations system was developing a global vulnerability alert system that would allow the ability to assess the needs of countries in real time and to monitor gains and losses with respect to the Millennium Development Goals. There was an urgent need for action, which should be based on actual real-time data and not on the past trends or on projections. UNICEF was actively working to help implement GIVAS as a joint, collaborative venture of the United Nations system. GIVAS, which would include rapid SMS, satellite imaging, media scanning and reports from personnel on the ground, would also provide a platform for the voices of the poor.

66. Mr. Páez noted that the South had not caused the current crisis but nonetheless was suffering from its consequences to a great extent. The elements to solve this crisis would have to come from a call for fundamental human values: solidarity, knowledge, fraternity, spirituality, transcendence and creativity. There was an urgent need to put the most vulnerable people first and avoid a spiral of conflicts and violence associated with hunger and discontent. The United Nations system was perhaps the best suited institution for that purpose. Despite its shortcomings related to excessive bureaucracy and vested interests, the United Nations had proved to be an efficient coordination body in dealing with fundamental issues, such as climate change and development goals. For example, the experience of the intergovernmental panel on climate change had shown the potential of the United Nations system as an effective forum, a G-192, in which Governments and the scientific community could come together to provide an interdisciplinary response.

67. He recalled that a similar panel of experts had been proposed to deal with the current financial crisis and offer a technical and robust response. The crisis had provided a unique opportunity to build a consensus on development. It would imply involving all relevant stakeholders, including the ministries of finance, in such processes as the Global Green New Deal or the Global Jobs Pact. The paternalistic and vertical idea of support needed to be broken. Parliaments and regional institutions should be active participants in that process. In response to the crisis, it was important to set up GIVAS. Other proposals included a possible and immediate moratorium on the external debt of developing countries as an important and practical solution to provide effective fiscal policy space for counter-cyclical policies; increased SDR allocation to developing countries in solving their liquidity and financial stability problems; regional financial and credit mechanisms; and counter-cyclical policies in defence of employment. The new resources should come in a flexible framework, avoiding the extreme conditionality that had exacerbated recessions in the past through pro-cyclical policies.

68. After the panel presentations, an interactive discussion was held among participants, including representatives of Governments, international institutions, civil society and the business sector. The following points were made:

- Many delegates emphasized that the United Nations development system had been established to reach common economic, social and developmental goals. They argued that subsequently it had become increasingly complex; a focus on coherency was therefore necessary. The United Nations development institutions must communicate and support a consistent, coherent and collaborative response to the current crisis. In going forward, the United Nations system must maintain coherence in all aspects of its work.
- Several delegates pointed out that the United Nations system should play an integral role in developing coordinated national, regional and global responses to the crisis. To be effective in that endeavour, it must be strengthened to increase accountability, transparency, efficiency and coordination within itself and with external parties. Its components must avoid duplication of work and have well-established mandates that would divide responsibility for the various aspects of the coordinated crisis response.
- Participants agreed that during the current time of crisis, the United Nations system needed additional resources to be able to sustain and expand programmes to reach all vulnerable communities. Adequate resources were the key to protecting women, children and the poor. Additional support from the international community and private institutions was necessary to achieve developmental goals. The United Nations system must use the resources available more efficiently. An increased focus on collaboration and coordination was needed to ensure the effective use of all resources.
- Many delegates reiterated that the effects of the crisis were being experienced in all countries; however, the severity of the effects seemed to be inversely proportional to a country's income. Least developed countries and middle-income countries had suffered exceptionally. Progress that had been made in achieving the Millennium Development Goals was threatened by the crisis. Without additional funding and increased measures to promote the Millennium Development Goals, they would not be met by 2015.

- Several speakers stressed that the crisis had irreversible costs for the vulnerable groups. Due to its unprecedented magnitude, the crisis could have catastrophic effects. Therefore, a major collective effort was needed that would engage the public and private sectors through public-private partnerships. For example, the campaign against measles, lead by UNICEF and involving public and private stakeholders, had been able to reduce child mortality rate due to that ailment by 90 per cent in sub-Saharan Africa.
- Declined public spending for social policies, infrastructure development and environment protection had jeopardized long-term growth and sustainable development. Developing countries needed both short-term assistance to mitigate the impact of the crisis and long-term development support. Additional resources, coming from the Bretton Woods institutions, through the IMF flexible credit instruments and the World Bank vulnerability fund, should be disbursed in an impartial and transparent manner. Also, external resources should come without additional conditionality, in order to provide enough policy space to implement counter-cyclical measures. Those measures could ensure a stable and enabling environment for trade, the development of green economy, the deployment of technology and innovation, and the maintenance of adequate levels of employment, including green jobs.
- Participants called upon donor countries to show their commitment to solve the crisis and fulfil their pledges in regard to the Monterrey Consensus. An option could be to use 0.7 per cent of stimulus packages for ODA. Participants encouraged countries to maintain and increase investment in risk prevention and early warning systems. Due to global warming, climate shocks were likely to increase. Studies had shown that 1 dollar spent on disaster reduction would generate savings of 2 to 10 dollars, which should be encouraged as a way to save lives and money. Given that many advanced countries were running fiscal deficits and needed to meet their internal needs for recovery, an additional emission of SDRs could be a way to generate resources for developing countries without deepening the fiscal deficit in donor countries.
- The multidimensional crisis required an interdisciplinary response, which should be immediate and on a massive scale. The United Nations had shown, through the Framework Convention on Climate Change, that it could act as an appropriate forum for discussing and conveying technical support by pooling together highly specialized experts in a collaborative setting. Following that example, an expert panel could be created by bringing together experts from academia and Governments to formulate an interdisciplinary response to the crisis and offer advice to the General Assembly and the Economic and Social Council. The Bretton Woods institutions and other international organizations could be consulted for their expertise on the issues. There was a need to establish a follow-up mechanism within the United Nations system to ensure that commitments were turned into action.
- Special drawing rights could provide an immediate source of financing for developing countries with the greatest need. The Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System had recommended that additional SDRs be allocated to developing countries and emerging market economies, targeting the most urgent needs, such as saving children and reducing poverty.

- The financial and economic crisis had provided an opportunity to make vulnerable women and men a priority. Sustainable responses to the crisis required identifying the factors underlying the crisis and the reasons for its rapid spread around the world. The initiative to establish GIVAS was welcomed. The system would not only track the impact of the crisis on the most vulnerable groups in real time but would also provide evidence to guide policymakers in designing appropriate responses to the crisis. The United Nations must harness technology to gather real-time data so that policymakers can determine how to respond. However, that would require investment in national and local capacity.
- It was acknowledged that the United Nations should be at the core of transforming the efforts of multilateral institutions to global and country-level action. That approach should be based on local needs and national priorities, supporting national initiatives and programmes. The United Nations must live up to the “Deliver as One” motto. Coherence and coordination of policies and actions between the United Nations, the Bretton Woods institutions, WTO and other international agencies should be strengthened. There had been progress in establishing a clearer division of labour among various United Nations entities, but there was still need for a common and consolidated monitoring and reporting system for accountability. Participants urged CEB to ensure the involvement of Member States in their recommendations. There was a gap between United Nations mandates and the actual financial resources available to United Nations entities. The international community should provide adequate and predictable funds to the United Nations system, not only to address the current crisis but also to enhance the role of the United Nations in long-term global governance.
- Some delegates felt that the voices of the poor and of low-income countries had to be heard. The different United Nations agencies, especially those operating in the field, needed to work with national Governments in order to help them in designing their own strategies. United Nations agencies should also involve a large number of Member States while designing their programmes. In addition, local communities should be involved in this process in order to better monitor the impact of the crisis and to better deliver assistance.
- In addition to the key role of the United Nations in reforming the financial architecture, many delegates focused on the need for the United Nations system to expand cooperation with the private sector, including in the areas of counter-cyclical infrastructure projects, risk mitigation, trade finance and climate change. The lack of resources was a central obstacle to fulfil the mandates of the different United Nations agencies. Available resources therefore had to be increased. At the same time, there was a need to improve aid effectiveness. A potential way to strengthen both aspects would be to develop partnerships with the private sector. For example, many targets included in Millennium Development Goal 8, such as making available the benefits of new technologies and providing access to affordable essential drugs, depended on the participation of the private sector. However, there was still a lack of coordination between the public and private sectors.

69. Ms. Moni closed the round-table discussion by thanking the panellists and delegates for their participation.

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