

Statement on the negotiations about the outcome of the UN Conference on the World Financial and Economic Crisis and its Impact on Development

May 15, 2009

1. We are facing a global systemic crisis, which originated in the rich countries of the North, their unsustainable consumption and production patterns and the irresponsible economic behavior of their dominant social actors. The crisis affects billions of people all over the world, pushing many millions of them into unemployment and poverty, and violating their economic, social and cultural rights.
2. The response of the G20 was not sufficient to address the root causes of these multiple crises of food, climate, financial markets and sustainable development.
3. The global crisis needs a global response involving all societies that are affected by crisis. Therefore, the United Nations is the only legitimate forum through which the crisis can be resolved. This is the reason why we highly welcomed the decision of governments in Doha to hold a UN Conference on the world economic and financial crisis and its impact on development.
4. Since the Doha Conference it has taken diplomats in New York more than 16 weeks to agree on the modalities of the “Crisis Conference“. They are responsible for the delay, they are responsible for the lack of time for the substantive negotiations on the outcome of the conference.
5. Civil Society Organizations and Networks produced comprehensive statements listing their recommendations and demands on how to address the current crisis, starting with the “Civil Society Benchmark Paper” in the run-up to the Doha Conference 2008.
6. Many of our demands are reflected in the recommendations presented by the “Stiglitz Commission” in March 2009. **For this reason we regard these recommendations as a good basis on which to build a new global economic and financial system .**
7. Many of our positions are also reflected in the first draft outcome document presented by the President of the General Assembly (PGA) on 8 May 2009. We understand that the recommendations in this document contain short-term measures that have to be implemented immediately as a response to the current crisis, such as the sufficient funding for a global stimulus package, and long-term measures, such as the establishment of a new Global Reserve System or the proposal for a Global Tax Authority. **We agree that the UN conference in June has to come up with immediate responses to the crisis and simultaneously decide on an intergovernmental time-bound process towards the long-term reforms.**
8. In contrast, the draft document by the Co-Facilitators, dated 6 May 2009 neither specifies the necessary short-term actions nor does it contain concrete commitments for longer-term structural reform measures. It mainly reconfirms - by recycling already agreed language - decisions taken at the Doha Conference and the G20 Summits. The policy recommendations in this document lack any sense of urgency. The recommendations on institutional reforms (para. 47) are interesting but, according to the Co-Facilitators, they only “might be considered”. Such a diplomatic phrase makes any recommendation completely useless. If governments agreed on such an outcome document, they would further weaken the UN as the

global forum for economic policy coordination and decision making and would completely fail to find meaningful answers to the current crisis.

9. We understand that under the current time pressure it will be difficult for governments to agree on a comprehensive set of radical reform measures as outlined in the draft of the PGA. But, a consensus on many concrete reform proposals that are on the table can still be reached. Among the decisions that are of high priority and could be taken at the UN Conference without any further delay are the following:

- The initiative to establish a **Global Panel on Systemic Risks in the World Economy**, following the model of the Intergovernmental Panel on Climate Change, bringing together academics, civil society and policy makers.
- The decision to upgrade the Committee of Experts on International Cooperation on Tax Matters to an intergovernmental **Commission on Tax Matters** as a functional commission of ECOSOC by the end of 2009.
- The political commitment to introduce an internationally coordinated **Financial Transaction Tax** in order to mobilize additional resources for a short-term Global Stimulus Fund and the longer-term implementation of the Internationally Agreed Development Goals, including the MDGs.
- The establishment of an Intergovernmental Working Group with a clear and time-bound mandate to define the modalities and terms of reference for a **Global Economic Coordination Council** within the UN system. This working group should act in a transparent manner and should be open to NGO participation.
- The decision to review the **Agreement between the UN and the Bretton-Woods-Institutions (BWIs)** in order to enhance coordination and policy coherence by integrating the BWIs as specialized agencies completely into the UN system.

10. We call upon governments not to take procedural arguments as an excuse to further delaying the substantive negotiations on the urgently needed global policy responses to the current crisis.

Jens Martens and James Paul, Global Policy Forum

Roberto Bissio, Social Watch

Deirdre Mullan Sisters of Mercy

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