



High-level Policy Dialogue

Background

The High-Level Policy Dialogue with the Heads of International Financial and Trade Institutions (World Bank, IMF, UNCTAD and WTO) [6 July 2009], will focus on major developments in the world economy and international economic cooperation, in the broader context of the follow-up to the 2005 World Summit. Executive heads of the international financial and trade institutions will discuss the state of the world economy and its implications for the achievement of the United Nations development agenda.

Participants

The event, which will be moderated by Under-Secretary-General for Economic and Social Affairs Mr. Sha Zukang, will feature Supachai Panitchpakti, Secretary-General of UNCTAD, Pascal Lamy, Director-General of the World Trade Organization, Murilo Portugal, Deputy Managing Director at the IMF and Joy Phumaphi, Vice President for Human Development at the World Bank.

Content

Faced with the worst recession since World War II, the world economy is deeply mired in severe financial and economic crisis. Although its impacts are not uniform, no country has been immune from the current downturn. As its impact increases both in scope and depth worldwide, the crisis poses a significant threat to the world economic and social development, including to the fulfillment of the Millennium Development Goals (MDGs). If it prolongs much further, the crisis will also bear profound consequences for global security and stability.

The global policy response has been unprecedented, including monetary, financial and fiscal measures to stabilize financial markets and revive global growth. Since the intensification of the financial crisis in September 2008, Governments worldwide have made massive public funding available to recapitalize banks, taking partial or full government ownership of ailing financial institutions and providing ample guarantees on bank deposits and other financial assets.

In the long term, broader global economic governance reforms must also be considered to ensure coherence in the global governance of the international financial architecture, the multilateral trading system, the framework for addressing climate change, the development agenda, and peace and security. Such coordination could take place through a new Global Economic Council that is part of the UN system, as proposed by some Member States, or through deep reform of the UN's Economic and Social Council. Whichever the mechanism, it is essential that a body be created which can provide coordination and oversight of responses to the broader range of global challenges and set the world on a new but sustainable development path.