



## **2009 ECOSOC coordination segment- Panel II**

“The impacts of the financial and economic crises on sustainable development, particularly their social implications”

**Monday, 13 July, 3–6 pm**

### **Concept Note**

#### **Background**

The unfolding financial crisis risks to jeopardize current progress and future gains towards the achievement of sustainable development in many countries. With the deepening of the global recession, the world economy is projected to grow only a meager 1%, with a more pessimistic scenario predicting zero growth, or outright global decline by 0.4 per cent. The crisis has already led to the destruction of tens of trillion of dollars of financial wealth and capital assets, and to the loss of millions of jobs and many more are at risk in the coming months. For a majority of people, particularly those in developing countries, the most difficult phase of the global financial crisis has just begun in the form of less job opportunities, greater income insecurity and higher risk of falling into poverty.

The severity of the financial crisis calls for policy actions that are commensurate with the scale of the problem to fend off a substantial rise in global poverty and social unrest. There is international consensus on the need for a new path to address the looming recession and ongoing crises such as the food crisis and climate change in an integrated manner that incorporates the objectives of economic growth, social development and environmental protection. Measures to reinstate high-level of economic growth need to be aligned with long-term goals in favour of sustainable development. This will entail increasing public spending on infrastructure, clean technologies, agricultural

development, education and health as a way to reach food security, addressing climate change and meeting the MDGs. The failure to do so and dramatically reform current approaches might result not only in failing to meet short-term economic recovery objectives but also in the inability to manage the costs of progressively deteriorating human and environmental conditions. The implementation of this approach, however, remains elusive. The United Nations has a central role to play in ensuring that this approach would not only translate into a set of policies that give clear, long-term incentives to build a sustainable future, but also to ensure international, large-scale financing across borders and transfer of key technologies and techniques essential to implement those policies. This task will be particularly challenging in a context of diminishing financial resources where their effective use will be of the essential.

To discuss these issues in details, it is proposed that a panel discussion be organized during the 2009 Coordination Segment of the annual session of the ECOSOC.

### **Objective of the panel**

The proposed panel discussion on this issue will provide an opportunity to:

- Understand short- and long-term impact of the current financial crisis on the economic, social and environmental dimensions of sustainable development;
- Identify ways to address short- and long-term challenges and trade-offs in the context of comprehensive sustainable development strategies;
- Identify ways in which international partnership and the UN could move forward and facilitate an effective and sustainable response to the financial crisis that will restart economy growth while reducing the human and environmental costs of the crisis.

### **Focus of the panel**

There are a number of areas that could be addressed by the panelists in the context of short- and long-term challenges:

- 1) Coherence between short-term policies and long-term interventions aimed at mitigating the negative economic effects of the financial crisis, while ensuring social development and environmental protection;
- 2) Cost-effective policies and strategies to deal with the social impact of the financial crisis and successfully tackle climate change, biodiversity and desertification in the context of sustainable development strategies;
- 3) Key technologies to stimulate economic growth, to curb unemployment and safeguard the environment.

In this regard, panelists could address the following questions/issues:

- What kind of innovations and investments are needed to integrate short-term needs into long-term strategies aiming at defining a sustainable development path?
- How can economic instruments be better aligned with the incentive to deal with social distress and face the high costs of adaptation and mitigation?
- What kind of economic growth policies will be most effective to deal with social inequality aggravated by the financial crisis?
- What should be the role of the international community in promoting a comprehensive approach to deal with the economic, social and environmental implications of the financial crisis?