1. Responding to the financial and economic crisis is putting countries under severe strain, as well as calling into question the adequacy of the existing system of global economic governance. The world faces the worst recession since the 1930s, and no country is being spared. Developing countries are being hit hard through weaker trade, tightening global finances and lower remittances. Poverty, malnutrition and hunger are increasing and major reversals in hard-won gains towards the Millennium Development Goals (MDGs) are likely. Children, women, the working poor, migrants and others who are especially vulnerable face greater risk; and there is a threat of rising environmental degradation, and increased social and political tensions.

2. National governments and international agencies are attempting to combat these effects, while drawing lessons from the past few months and attempting to build resilience for the future. UN-DESA and UNDP are co-moderating an e-discussion on the crisis, and on policy responses to it. The first phase of the e-discussion, which will conclude on 30 May 2009, will look at how effective the response of the global system has been, what its shortcomings are, and how it can be improved. The second phase will examine the constraints under which national systems are functioning, and the trade-offs they are making to remain on the path of accelerated human development.

3. The first phase of the e-discussion commences just prior to the UN “Conference on the World Financial and Economic Crisis and Its Impact on Development”, being held in New York from 1-3 June 2009. This e-discussion will provide participants the e-space to debate some of the issues that will figure in the conference itself. It may even help to inform the positions of member States at the meeting! The e-discussion will be organized around the following three sub-themes:

   a. How is the international system (i.e. the UN and other multilateral institutions) responding to the current financial and economic crisis? What is the impact of these responses, in your country, as well as at regional and global levels? Are these responses sufficient both in addressing the current situation, and in preparing the system itself for the future? What are the critical gaps (if any) that remain?

   b. How can the system of global economic governance be best strengthened for the future? What are some ways in which issues of legitimacy, efficacy and relevance can be addressed? How should a greater voice for the under-represented (State and non-State actors) be enabled? What should be the key underlying principles to guide the changes – (e.g. inclusion, decentralization, regulatory diversity, and others)? What could be the most effective institutional arrangements?

   c. Reflections on the final outcome document from the Conference in relation to the issues raised in the prior weeks. (Approx one week after the conclusion of the Conference)