

Report by the Office of the President of the General Assembly on the Inter Active Panel on the Global Financial Crisis

30 October 2008 United Nations New York

The day-long Interactive Panel on the Global Financial Crisis, convened by the President of the General Assembly, marked the first of what is expected to be a series of intergovernmental consultations on the response to the unfolding financial crisis that is threatening the economic and social fabric of virtually every nation.

The President asked the panel of six eminent experts as well as representatives of Member States to identify steps to secure a more stable and sustainable global economic order.

The exchange, which included presentations of invited panelists and extensive participation by representatives of Member States and Regional Groups, revealed the strong conviction that profound global crisis requires an integral global response. There was also clear support for the position that all Member States - referred to by the President as the "G-192" - have a key role in rebuilding the international rules and institutions that have failed to ensure global financial stability, sustained growth and social progress. The international community must begin by committing itself to develop the institutional instruments for improving the global financial system.

Participants recognized the need for deep changes in the governance of the international financial institutions, particularly in the decision-making process in order to make the system more inclusive and equitable. They also pointed to the importance of introducing new standards and regulatory schemes and effective compliance mechanisms that apply to all.

Participants widely acknowledged that the financial crisis reflects the inadequacies of current financial architecture to prevent crisis and to deal with them in an efficient and equitable way when they occur. Member States repeatedly cited the need for deep structural reforms to better reflect the new conditions and challenges of the 21 century.

Panelists and Member States presented a variety of recommendations for changes in the international financial architecture and views on the role of the United Nations. They insisted that the costs of the crisis be fairly and equitably distributed among nations and that solidarity with developing economies and vulnerable populations guide immediate and longer-term responses by the international community. Resources must be made available to help countries mitigate the social impact of the current crisis. The adverse impacts of financial crisis on the poorest are often hidden from analyses that guide policy choices. It was argued that attention needed to be turned to the crisis' implication on human lives, and in particular the lives of poor women. Coping strategies of poor households in times of financial crisis often lead to less schooling for children and poorer health, which again undermines longer term development for the society as a whole.

Representatives made an urgent call for the United Nations to play a central role in the search for solutions and the implementation of decisions. The United Nations system can credibly ensure that the creation of new mechanisms and policy decisions will reflect input by all 192 Member States which will help credibility and restore legitimacy to the international financial system. It was also pointed out that the UN can provide the technical and operational support for the implementation of reforms due to its close ties with governments and because of the broad ranging mandates of its family of international organizations.

Member States agreed that dealing with the financial crisis requires consideration not only the financial sphere but also must take into account the crises surrounding food, energy and climate change which demand a coordinated response that can be facilitated by the United Nations. It was emphasized that the United Nations ensure that efforts to stem the current crisis do not compromise support for the Millennium Development Goals.

Echoing the position of most Member States, the President underscored the importance of the upcoming conference on Financing for Development in Doha as an important opportunity to reaffirm international solidarity and identify innovative and constructive ways to ensure commitments to official development assistance and to propose systemic transformations of finance for development as a sub-system of the new financial architecture.

The President concluded the meeting with an expression of support for other global initiatives and institutions and the need to work with the United Nations Secretary-General, the Economic and Social Council, the Security Council, Regional Commissions and other members of the UN family to move the process ahead. He welcomed the strong support expressed by the member states for the establishment of the High Level Task Force of Experts to undertake a comprehensive review of the international financial system and forward recommendations to the General Assembly of the United Nations.

#####