

# UN Conference at the Highest Level on the World Financial and Economic Crisis and Its Impact on Development, June 1-3, 2009

## - Organization of the Conference

On April 9, 2009, the General Assembly adopted a resolution<sup>1</sup> which sets the general parameters for the high level conference in June. Member states have agreed on the scope and nature of the outcome document of the conference. They have also outlined the preparatory process and participation in the conference. More detailed rules and arrangements are provided in an organizational note prepared by the Secretariat, together with the Office of the President of the General Assembly.

During the lengthy negotiations to adopt the resolution, the countries and groups most active were: the G77 and China, USA, EU, CANZ (Canada, Australia and New Zealand), Japan, Mexico and Russia. Generally, the industrialized countries have had similar views regarding the purpose and organization of the conference. The G77 and China (developing countries), on the other hand, have argued for a different approach, at times with support from Mexico and Russia. One of the main contentious issues, as detailed below, has been whether to focus the conference narrowly on “development” or to tackle global financial and economic governance. This relates to countries’ differing views on how to respond to the crisis - improve the existing system or fundamentally reform it.

In the few weeks remaining before the conference, the facilitators of the preparatory process, Ambassador Camillo Gonsalves of Saint Vincent and the Grenadines and Ambassador Frank Majoor of the Netherlands, have been gathering inputs for the first draft of the outcome document, to be released at the beginning of May.

### **Scope of the conference (preamble paragraph 2)**

Approximately 30 hours of negotiations were devoted solely to discussing the scope of the conference. The mandate of the conference is to *examine* and *overcome* the crisis and its impact on development, which gives it both a diagnostic and forward-looking scope. The G77 and China argued that the roots and structural causes of the crisis had not yet been properly identified and that it is necessary to *examine* these in order to prescribe measures to solve the crisis. The industrialized countries maintained that international processes have already moved beyond the analytical stage, with implementation underway, and that the aim of the conference is to address the impact of the crisis on development. These dynamics resulted in a compromise, in which both “*examine*” and “*overcome*” were used in the resolution.

The member states debated *which* impacts of the crisis the conference should address. The emerging economies and developing countries pushed for the inclusion of impacts on trade and investment, which was accepted. However, the industrialized countries refused more specific terms such as market access, which they claimed should be addressed by the World Trade Organization.

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<sup>1</sup> Resolution on the Organization of a United Nations Conference at the Highest Level on the World Financial and Economic Crisis and Its Impact on Development, A/RES/63/277.

The key issue was whether the conference should be mandated to reform or strengthen the international financial and economic system, as well as the overall role of the UN in these matters. The G77 and China reasoned that it is the right of UN member states to reform the international financial and economic architecture, or at least put forward their views on the subject. Some industrialized countries implied that the UN does not have the mandate to reform the international financial and economic system. They therefore opposed the mentioning of the role of the UN as well as the words “*reform*” and “*architecture*”. The member states struck a compromise in which the UN and its member states play an important role “in the ongoing international *discussions* on *reforming and strengthening* of the international financial and economic *system and architecture*”.

#### **Activities during the conference (paragraph 1d)**

The conference will consist of an opening session, plenary meetings and roundtables. The Secretariat will detail the themes and speakers of the different sessions in the Note on the Organization of Work of the Conference (see paragraph 4), building on the issues included in the scope of the conference.

#### **Outcome document (paragraph 1e)**

The conference will result in “a concise outcome to be agreed by member states.” Industrialized countries wanted to limit the length of the outcome document, insisting on the word “concise.” They argued that the time left before the conference is too short to allow a lengthy process, such as the Doha Conference. Some of these countries advocated a “political” outcome, but the document was in the end simply called “outcome.” How the text should be endorsed, consulted or agreed upon was also contentious. In essence, the industrialized countries mainly supported a shorter, less detailed document with a faster and less strict process for approval by the member states. Other countries argued for a comprehensive text with a clear commitment through intergovernmental agreement.

#### **Rules for participation (paragraphs 2-3)**

These paragraphs address the participation in the conference and its preparatory process of the Bretton Woods Institutions, all UN bodies, NGOs, civil society and business sector entities. The different entities will participate under the rules of procedure of the General Assembly, and “where appropriate,” rules established for the Monterrey and Doha Conferences will be applied. The Secretariat will further develop the rules for the accreditation procedures for NGOs, civil society and business entities in the Note on the Organization of Work of the Conference (paragraph 4).

#### **Note on the Organization of Work of the Conference (paragraph 4)**

According to the Doha Declaration, the President of the General Assembly is the organizer of the June conference. However, some industrialized countries argued that the UN Secretariat has more resources and experience to draft the organizational note. As a result, the Secretariat will prepare the organizational note in close collaboration with the Office of the President of the General Assembly.

**Noted inputs to the preparatory process (paragraph 5-8)**

The resolution recognizes a number of inputs for the preparatory process to the conference. Several delegations have noted the importance of the special high-level meeting of ECOSOC. The most contentious debate has focused on referring to the report of the Commission of Experts of the President of the UN General Assembly on Reforms of the International Monetary and Financial System, the so called “Stiglitz Commission.” Some industrialized countries opposed any mention of the “Stiglitz Commission,” while the G77 and China tried to incorporate it in various ways. The resolution makes no direct reference to the “Stiglitz Commission,” but notes with appreciation the General Assembly Interactive Thematic Dialogue on the World Financial and Economic Crisis and Its Impact on Development, which in large part dealt with the recommendations and ideas of the “Stiglitz Commission.”

**Process to produce the outcome document (paragraphs 9-10)**

During the modalities negotiations, the President of the General Assembly appointed the facilitators to lead the preparatory process. In addition to the inputs mentioned in paragraphs 5-8, the facilitators have held meetings with member states before drafting the outcome document. Member states can then use the draft as the basis for negotiations.

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