



UN Issues Two Reports on World Economic Crisis; Proposes Coordinated Global Action in Response to Prolonged Downturn

Civil Society Registration for UN Conference

NGLS has launched the registration process for civil society participation in the UN Conference. All civil organizations previously accredited to the Financing for Development process or in consultative status with ECOSOC are allowed to attend.

The registration deadline is 5 June 2009.

The form can be found at:

<http://www.un-ngls.org/juneconference>

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ADVISORY

Please be advised that the Conference on the World Financial and Economic Crisis and its Impact on Development will take place on 24-26 June at the UN Headquarters in New York. Please disregard any messaging that states otherwise.

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For more information, please refer to the NGLS website:

<http://www.un-ngls.org>

Last week the United Nations issued two reports on the global economic crisis, placing a particular emphasis on the impact of the crisis on developing countries. Both reports conclude that the current global downturn will likely last for some time and that developing countries will be the hardest hit by its impacts. In the face of the crisis, the two reports recommend coordinated global fiscal stimulus and reform. Both reports also serve as important inputs to the UN Conference on the World Financial and Economic Crisis and its Impact on Development (24-26 June 2009, New York).

The first, World Economic Situation and Prospects 2009: Update as of mid-2009, which updates the earlier version released in January 2009, predicts a synchronized downturn in global economic trends. The world gross product (WGP) is expected to fall by 2.6 per cent in 2009; and, while a mild recovery is expected in 2010, risks remain on the downside. The report warns of a possible prolonged global recession if concerted global policy actions are not taken soon. The current recession has been the worst faced by the world since World War II and threatens the achievement of the Millennium Development Goals (MDGs) as well as global security and stability.

In response, the report calls for 'Broader global economic governance reforms 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'.

The second report is the advance version of a report by the UN Secretary-General specifically on the 'World Financial and Economic Crisis and its Impact on Development.' This report was requested by the General Assembly earlier this year to



UN Photo

assist in their deliberations in preparation for the upcoming UN Conference on the same topic.

The report notes that although the crisis did not originate there, developing countries have been the hardest hit through weaker trade, tighter global financing conditions and lower remittances. Moreover, most of these countries are not in a position to respond with countercyclical measures.

Indeed, many aspects of development are put at risk by the current crisis. These include the potential risk of a prolonged labour market recession, an increase in the cost and substantial slowdown in the progress towards achieving MDGs. Drawing attention to implications of the financial crisis on gender aspects, the report reminds readers that previous economic and financial crises have shown that economic downturns put a disproportionate burden on women. Reduced investments in environmental protection, energy efficiency, renewable energy and water and land management could also slow efforts towards sustainable development. A prolonged recession could have social repercussions, such as social unrest, rising criminality and weakened governance.

Calling for "a new global social contract to rally broad political support for a renewed multilateralism and reorientation of national policies that supports a fairer and sustainable process of globalization" the Secretary General recommends globally concerted action in three

key areas:

- a) Ensuring adequately coordinated macroeconomic stimulus focused on sustainable development;
- b) Addressing systemic issues and reforming global economic governance mechanisms;
- c) Improving monitoring mechanisms to ensure greater accountability of global public policy action and improve the capacity to detect and respond to global development emergencies.

Both reports are available online.

- World Economic Situation and Prospects 2009: Update as of mid-2009

- Secretary-General's Report

Civil Society Events in Advance of UN Conference

In advance of the UN Conference on the World Financial and Economic Crisis and its Impact on Development, civil society organizations are organizing two important events.

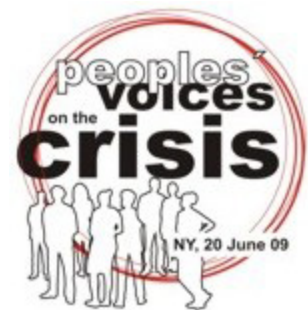
People's Voices on the Crisis

Saturday, 20 June

1pm – 6pm

Church of the Holy Trinity, 316 E. 88th Street

In order to highlight the social and environmental impacts of the current financial, food, energy and climate change crises, People's Voices on the Crisis will bring together activists from civil society organizations, trade unions and grassroots groups on a local, national and



international level who will give testimony on how their lives and communities are being directly affected by this systemic crisis. Peoples' Voices on the Crisis will also be an opportunity to share ideas and experiences on how to construct a global movement to advocate for a new economic system based on human rights and environmental sustainability.

More information: http://www.socialwatch.org/en/noticias/noticia_352.htm

Civil Society Forum

10am – 4pm

Church Center for the United Nations,
2nd Floor

This Civil Society Forum is a preparatory event for the UN Conference. The Forum will provide an opportunity for CSOs to finalize their statement to the Conference and strategize for their input to the Outcome Document. It will also have an opportunity for dialogue with key negotiators to exchange views.

More information: <http://www.ffdngo.org/sites/default/files/CS%20FORUM%20Draft%205.pdf>

Reports and statements from the UN System and Civil Society

Trade-Finance Linkages: *Statement for the UN Conference on the World Financial and Economic Crisis and its Impact on Development*

This statement has been endorsed by over 50 civil society organizations and networks and addresses issues that will be undertaken at the UN Conference. In particular, it focuses on issues relating to the nexus between trade, finance and development.

ILO: *Global Employment Trends, May 2009 Update*

This Global Employment Trends Update estimates that global unemployment could increase by between 29 million (lowest scenario) and 59 million (highest scenario) unemployed people in 2009 versus 2007, with a middle scenario of 39 million. All three scenarios in the report imply severe labour market distress worldwide, whereby the sudden drop in the availability of job opportunities is leading to a build up in unemployment and deterioration in other labour market indicators.

UNECE: *Countries in Figures 2009*

This publication includes a single page profile, presenting the latest social and economic indicators, for each of the 56 member countries in the United Nations Economic Commission for Europe (UNECE) region. The profile includes key facts about each country, demographic data and indicators of gender equality, employment, national accounts, prices, trade and transport.

ECA: *Developing African Agriculture through Regional Value Chains*

The impact of the global financial crisis and economic recession has already resulted in lower demand for Africa's export and a sharp decline in commodity prices. At the same time, a projected decline in capital inflows to Africa, including aid, foreign direct investment and remittances will, accentuate the impact of the global credit crunch. The report calls for special attention to agriculture, since Africa is heavily dependent on this sector for providing employment, generating economic growth, foreign exchange earnings and tax revenue.

IPU: *Parliamentary Conference on the Global Economic Crisis (7-8 May 2009)*

The conference offered members of parliaments an opportunity to be briefed by and interact with leaders of major economic and financial institutions with special responsibilities for addressing the crisis. The event included panels, parliamentary hearings, round tables and debates with the participation of senior representatives of the United Nations, the Bretton Woods Institutions, the G20 and others. This website offers access to many of the statements and documents discussed at the event.

United Nations Non-Governmental Liaison Service (NGLS)

The United Nations' Non-Governmental Liaison Service (NGLS) promotes constructive relations between the United Nations system, governments and a growing range of non-state actors, in particular civil society organizations.

By providing strategic information, analysis and support, NGLS is part of the United Nations' efforts to build coherence around cross-cutting and emerging issues on the UN's agenda; to strengthen multistakeholder policy dialogue and civil society's engagement in UN processes.

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