



119th ASSEMBLY OF THE INTER-PARLIAMENTARY UNION AND RELATED MEETINGS

Geneva, 13-15.10.2008

Assembly
Item 2

A/119/2-P.1
9 October 2008

CONSIDERATION OF POSSIBLE REQUESTS FOR THE INCLUSION OF AN EMERGENCY ITEM IN THE ASSEMBLY AGENDA

Request for the inclusion of an emergency item in the agenda of the 119th Assembly of the Inter-Parliamentary Union submitted by the delegation of the United Arab Emirates

On 7 October 2008, the Secretary General received from the delegation of the Inter-Parliamentary Group of the United Arab Emirates a request for the inclusion in the agenda of the 119th Assembly of an emergency item entitled:

"The role of parliaments in containing the global financial crisis
and its impact on national economies".

Delegates to the 119th Assembly will find attached the text of the communication submitting the request (Annex I), as well as an explanatory memorandum (Annex II) and a draft resolution (Annex III) in support thereof.

The 119th Assembly will be required to take a decision on the request of the delegation of the United Arab Emirates on Monday, 13 October 2008.

Under the terms of Assembly Rule 11.1, any Member of the Union may request the inclusion of an emergency item in the Assembly agenda. Such a request must be accompanied by a brief explanatory memorandum and a draft resolution which clearly define the scope of the subject covered by the request. The Secretariat shall communicate the request and any such documents immediately to all Members.

Furthermore, Assembly Rule 11.2 stipulates that:

- (a) A request for the inclusion of an emergency item must relate to a major event of international concern on which it appears necessary for the IPU to express its opinion. Such a request must receive a two-thirds majority of the votes cast in order to be accepted;
- (b) The Assembly may place only one emergency item on its agenda. Should several requests obtain the requisite majority, the one having received the largest number of positive votes shall be accepted;
- (c) The authors of two or more requests for the inclusion of an emergency item may combine their proposals to present a joint one, provided that each of the original proposals relates to the same subject;
- (d) The subject of a proposal that has been withdrawn by its authors or rejected by the Assembly cannot be included in the draft resolution submitted on the emergency item, unless it is clearly referred to in the request and title of the subject adopted by the Assembly.

**COMMUNICATION ADDRESSED TO THE SECRETARY GENERAL BY THE
GENERAL SECRETARY OF THE INTER-PARLIAMENTARY GROUP
OF THE UNITED ARAB EMIRATES**

Abu Dhabi, 7 October 2008

Dear Mr. Secretary General,

The United Arab Emirates Parliamentary Division wishes to request the inclusion of an emergency item entitled:

"The role of parliaments in containing the global financial crisis
and its impact on national economies"

in the agenda of the 119th IPU Assembly.

Please find attached the text of an explanatory memorandum and a draft resolution for your kind consideration and action.

Yours sincerely,

(signed)

Dr. Mohamed Salem AL-MAZROUI
General Secretary of the Inter-Parliamentary
Group of the United Arab Emirates

THE ROLE OF PARLIAMENTS IN CONTAINING THE GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON NATIONAL ECONOMIES

Explanatory memorandum submitted by the Inter-Parliamentary Group of the United Arab Emirates

1. It is predicted that the current global financial crisis will result in the collapse of stable societies and the undoing of the positive results of economic policies adopted in the developing countries. According to some estimates, the economic crisis could increase poverty in the world by more than 50 per cent and the number of the poor people by more than 100 million. It is predicted that growth rates around the world will slow down by more than 70 per cent and economic indicators will fall to less than 3 per cent this year alone.
2. The bankruptcy of international financial institutions could jeopardize the savings and investments of people throughout the world and affect the economic and social development plans of all countries. Such a situation requires a critical review of free market policies.
3. Hotbeds of tension and international conflict have emerged as the financial crisis has not just economic ramifications, but political ones as well. In this context, it is important to find new ways of supporting economies outside the recognized international borders. Moreover, it should be recalled that the accumulated effects of the Wall Street Crash of 1929 created conditions that were conducive to the outbreak of World War II.
4. Increasing the duration and risk of an international economic recession would have devastating consequences. The multilateral financial institutions will be forced to withdraw many of their investments in developing countries, which, in turn, will lower demand for commodities exported by the developing countries.
5. Unemployment rates are expected to rise in the developed countries by more than 40 per cent and by 60 per cent in the developing countries, which could lead to exacerbated social problems in many of them. The number of unemployment claims recorded since the crisis began already exceeds 445,000.
6. The collapse of global financial markets and of several major companies could further affect the world's stock markets, which have already suffered historic losses, in addition to the loss of consumer confidence.
7. The disruption of international currency exchange markets has resulted from the imbalance in the neutral values of the national currencies vis-à-vis hard currencies, especially the US dollar. This could steer the global economy into disaster as a result of rising commodity prices and price imbalances between exports and imports.
8. Loss of confidence in the national and international financial institutions will be inevitable, leading to a decline in national and international investment as a result of increased borrowing.
9. The negative economic effects of the crisis could deepen, which would seriously affect the developing countries if the international financial crisis persists. This will place increasing economic and social pressures on the developing countries' balance of payments and increase the price of their imports.
10. If the international community does not find solutions to the crisis, the total cost of the international financial crisis will increase. At present, it is estimated to cost about US\$ 1.3 trillion.

**THE ROLE OF PARLIAMENTS IN CONTAINING THE GLOBAL FINANCIAL
CRISIS AND ITS IMPACT ON NATIONAL ECONOMIES**

***Draft resolution submitted by the Inter-Parliamentary Group of the
UNITED ARAB EMIRATES***

The 119th Assembly of the Inter-Parliamentary Union,

- (1) *Considering* the importance of parliament's role in cooperation with national governments to contain the effects of the global financial crisis that threaten the world's stability, security and development,
- (2) *Recognizing* the collective responsibility of the international community in dealing with the international economic crisis in order to meet human development needs, eradicate poverty and achieve the Millennium Development Goals (MDGs),
- (3) *Aware* of the threat that the international economic crisis poses to sustainable development - considered essential for human progress - particularly in the context of the Declaration issued by the World Summit on Sustainable Development held in Johannesburg in September 2002,
- (4) *Considering* the need to allocate the necessary financial resources and ensure that the national and international economic conditions needed to establish a stable, fair and secure global economic system are in place,
- (5) *Mindful* of the interdependence of the national economies and the global economic system, which requires a holistic approach and strong international cooperation to ensure the optimal use of financial resources and the establishment of strong and accountable financial institutions,
- (6) *Recalling* the Report on the outcome of the International Conference on Financing for Development held in Monterrey, Mexico, in 2002, particularly with regard to international financial stability, considered a crucial element of fostering international economic growth,
- (7) *Concerned* that the international financial crisis has undermined social stability in many countries around the world and threatens the gains made in democracy and human rights,
 1. *Calls* for the holding of an international parliamentary conference with international finance experts to examine the effects of the international financial crisis on the global economic system and identify ways of dealing with the consequences of this crisis;

2. *Urges* parliamentary committees dealing with financial, economic and trade-related issues to urgently convene meetings to identify the best ways of protecting the financial institutions and mitigating the effects of the international financial crisis until such time as a global strategy to deal with the crisis is found;
3. *Calls on* governments to include parliamentarians in their official delegations to conferences, forums and meetings organized to discuss the international financial crisis so that parliamentarians can express their opinions and ideas as the representatives of the people;
4. *Calls for* the necessary national and international measures to oversee the financial institutions so as to mitigate the impact of this crisis on unwanted currency and liquidity risks;
5. *Encourages* implementation of internationally agreed laws and standards on the transparency of financial markets and to ensure the accuracy of financial transactions, which would enhance the national and international capacity to assess financial risks;
6. *Calls for* the establishment of investment and national emergency funds to reduce the potential social consequences of the international financial crisis as they relate to employment prospects, job security, rising prices and poverty, all of which are covered by the United Nations Millennium Declaration;
7. *Calls on* the central banks and currency control agencies to implement precautionary policies, procedures and measures in order to ensure the immunity of the financial and banking sectors in the coming months until the repercussions of the current international financial crisis can no longer be felt;
8. *Supports* international efforts to hold a world summit to discuss the international financial crisis with a side event for parliamentarians, and affirms the importance of the UN Global Compact to any international emergency plan to rescue the international financial system;
9. *Calls for* more controls on mortgages and loans between banks as invested assets, for correcting the real estate lending margin and for adjusting the value of real estate on national markets;
10. *Calls for* the necessary legal measures to be put in place so that those who are responsible for the international financial crisis can be brought to justice and the confidence of depositors in financial institutions can be restored;
11. *Encourages* the international community to take the necessary action (especially in the framework of the United Nations) to not reduce agreed aid allocations and financial support so as not to hamper the achievement of the MDGs, particularly those of reducing hunger and halving poverty by 2015.