



SAIMUN 2025

Resolution #452

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Committee: The Economic and Social Council

TQO: Responding to Global Financial Crises

Submitted by: Pakistan

Co-Submitters: Denmark, Italy, Austria, France, Slovenia, Costa Rica, USA, Netherlands, Russia, South Africa, Bangladesh, Finland, Zambia, Côte d'Ivoire

Recognizing the effect financial crises have on safety, sustainability, development, social issues, international relations,

Emphasizing the importance of international cooperation for reacting and preventing future crises,

Recalling past financial crises, such as the 2008 global recession, and the measures taken by international financial institutions, including the International Monetary Fund (IMF) and the World Bank, to mitigate economic downturns,

1. Calls for the immediate creation of a new United Nations sub-committee by the name of The United Nations Committee for the Prevention of Global Economic Failure (or the UNCPGEF) to be overseen by The United Nations Economic Committee, The International Monetary Fund (IMF) and The World Bank with UNIDO and UNCTAD having an advisory role to be based in New York, USA with referral to relevant previous agreements and conventions such as The Basel Accords and The International Monetary Funds articles of agreement with aims of but not exclusively limited to;
 - A. Encouraging member nations to strengthen national policies, frameworks, and regulations to make their economies less susceptible to economic crash, promote worldwide financial cohesion and collaboration and achieve a more interlinked economic society through means of but not limited to;
 - i. Emphasising the role of climate-resilient economic policies in mitigating financial crises by establishing the role of climate resilient economic policies in mitigating financial crises by establishing green financial mechanisms in order to support investments in renewable energy and substance infrastructure, encouraging climate risk assessments in financial institutions to account for environmental vulnerabilities and supporting climate adaptations funds that assist economies facing extreme weather-related disruptions,
 - ii. Preventing financial mismanagement and misuse of public funds by strengthening regulations on offshore banking and tax evasion, ensuring accountability in financial transactions and encouraging whistle-blower protection laws to expose financial misconduct in both public and private sectors,
 - iii. The establishment of economic diversification programs in countries which are heavily relying on a single industry or sector economically, to strengthen their resilience to financial crises, by facilitating partnerships between the United Nations, International Development Agency (IDA), and national governments to invest in sustainable industries and focusing on diversifying the heavily relied-on sectors to increase long term economic

stability and create new employment opportunities across various fields,

- b. Ensuring implementation of this resolution in its entirety begins immediately upon its passing with full implementation before the year 2030 with possible deadline extensions on the advice of the forum mentioned in clause five and the executive action of the UNCPGEF,
- c. Enhancing and increasing the role of international financial institutions in providing emergency financial assistance and preventive measures to countries facing economic decline or downturn with methods such as but by no means limited to, strengthening the Global Financial Safety Net (GFSN), ensuring that countries have access to liquidity during periods of crisis through expanded IMF lending facilities and other financial safety mechanisms,
- d. Overseeing the creation of a United Nations funding initiative in collaboration with The World Bank with the aim of promoting the development and use of advanced data analytics and artificial intelligence in monitoring financial systems to identify early warning signs of economic instability, enabling proactive policy responses. This includes the establishment of global data-sharing platforms to foster transparency and collaboration between financial institutions and governments,

2. **Requests** that the United Nations convene a hybrid, biennial Global Forum to be held in The United Nations Headquarters in New York, with the option of online attendance, bringing together member states, relevant UN bodies, experts in relevant fields and financial institutions, with an emphasis on the need for representation of individuals and communities suffering from the impacts of global financial crises, particularly those in economically vulnerable areas, to discuss the progress made towards achieving a robust, cohesive international financial market that ensures immunity to financial crash, identifies barriers to implementation, propose solutions to overcome those challenges and provide a detailed UN report comprised of member nations' progress implementing this resolution, and everything discussed at the conference, to be made available to all UN bodies overseeing the implementation of this resolution, as well as to all member nations, to be utilized for further research, progress and action;

3. **Urges** member nations, in the event of a financial collapse, to collaborate with their central banks to consider the use of fiscal and monetary policies to stimulate economic activity, boost aggregate demand, alleviate financial pressure on citizens and companies and enhance economic stability and resilience, through means such as but not limited to:

- a. Reducing taxation on salaries, goods, and services fostering higher consumption and investment, ultimately helping to mitigate the negative effects of a financial crisis
- b. Lowering interest rates, boosting consumer demand and business investment, creating a positive knock-on effect that improves employment, productivity, and overall confidence in the economy
- c. Open market operations (OMOs), managing money supply and influencing interest rates through the buying and selling of government bonds, injecting money into the economy
- d. Quantitative easing, only where required, with the aim of making borrowing more affordable, promote spending, and encourage investment across the economy
- e. Central banks to consider, where necessary, examining the potential of a short-term reduction of the reserve ratio, with the hope that this temporary measure would improve banks liquidity to provide additional loan products to consumers and firms, to be overseen by the IMF to ensure proper monitoring, safeguard against inflationary pressures, and maintain financial stability;

4. **Encourages** the expansion of social safety programs and unemployment benefits by providing immediate relief for those most impacted by a crisis, this could include, but is not limited to:

- a. Support for small businesses, such as tax credits, loans and grants, to prevent layoffs during financial downturns
- b. Retraining programs to help workers move into new industries, where necessary
- c. Increase of access to affordable healthcare and mental health services to those dealing with unemployment

and other challenges, due to the collapse;

5. **Advocates** for inclusive international, national and regional economic recovery plans that prioritise marginalised communities, ensuring that they are not left behind in the post-crisis rebuilding phase, these plans if created would be designed to address the unique situations and challenges faced by vulnerable groups including low-income areas, minorities and rural communities, by ensuring equitable access to resources and financial opportunities these plans would aim to reduce disparities and foster growth during the post-crisis rebuilding phase, through initiatives including:

- a. Introducing tax credits or other incentives for companies investing in marginalized regions
- b. Strengthen and expand social safety nets to ensure vulnerable groups are covered during periods of economic instability
- c. Include marginalized community representatives in the decision-making process for recovery plans to ensure their needs and priorities are addressed;

6. **Promotes** the development of a global education initiative, led by UNESCO and UNCPGEF aimed at increasing financial literacy among citizens, particularly in developing nations, to provide citizens with accessible, culturally relevant education about financial management, debt, saving and investment, with the aim of empowering individuals and businesses to better manage potential financial crises through means of but not limited to:

- a. Programs within local and wider communities
- b. Education courses and workshops in schools, universities, and community centers
- c. Social media, TV, and radio campaigns, outlining the importance of financial literacy;

7. **Endorses** the creation of a multilateral debt relief framework that would be formed as a collaborative mechanism designed to provide comprehensive and coordinated debt restructuring and/or forgiveness for less economically developed countries (LEDCs) experiencing financial distress, allowing them to prioritise essential social services and sustainable, long-term economic recovery.

8. Urges member states to implement comprehensive national frameworks, to address immediate financial recovery and foster long-term resilience by integrating economic policies with global health systems, such as,

- a. Fiscal stimulus packages alongside public health spending, with the aim of being able to stabilise economies faster and recognize the interconnectedness of financial and public health crises,
 - b. Approach mitigating the risk of future downturns spiraling into health emergencies, by integrating economic recovery and health safety protocols, helping stabilize national economies, protect vulnerable populations, and foster global cooperation, ultimately creating a more resilient global economic system capable of withstanding future shocks,
9. Further calls for the creation of an AI driven system that works with oversight, guidance and support from human economists through means such as but not limited to monitoring and analysing financial markets and economic indicators, using machine learning and AI to predict risks of potential financial crisis through collaboration with the UNCPGEF, the Financial Stability Board (FSB) and all Member Nations with biannual evaluation of the algorithm by the UNCPGEF to ensure it is working correctly and avoiding bias with the aim of assisting Member Nations and the UNCPGEF with locating potential risks of financial crisis, allowing Member Nations and the United Nations to deal with them accordingly;