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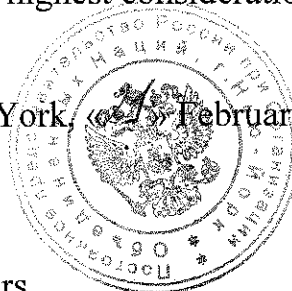
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Attachment

The Permanent Mission of the Russian Federation to the United Nations presents its compliments to the United Nations Department of Economic and Social Affairs, Financing for Development Office and, referring to the note DESA/13-00059 dated 14 January 2013, has the honor to convey an input by the Government of the Russian Federation on the issue of global economic governance and development to be taken into account in preparing a report of the Secretary-General to the 67th session of the UN General Assembly under the agenda item entitled “Strengthening of the United Nations system: Central role of the United Nations system in global governance”.

The Permanent Mission of the Russian Federation avails itself of this opportunity to renew to the Financing for Development Office the assurances of its highest consideration.

New York, ~~06/15~~ February 2013



Department of Economic and Social Affairs
Financing for Development Office
United Nations

New York

**Input by the Delegation of the Russian Federation
on the issue of global economic governance and development
for the report of the Secretary-General to the 67th session of the UN General Assembly
under the agenda item entitled "Strengthening of the United Nations system:
Central role of the United Nations system in global governance".**

1. The new system of the global economic governance should adequately reflect economic and political realities, be inclusive, representative and equitable. It should be equipped to address global economic imbalances, support sustainable, comprehensive and balanced growth as well as the efficient implementation of the multilateral trade agreements, promote energy and food security, enhanced social protection of vulnerable populations, and reduction of inequalities.

2. The United Nations is a unique mechanism for harmonizing the interests of different countries and the most important international forum for adopting coordinated decisions on matters of development and elaborating basic standards for socio-economic, humanitarian and environmental cooperation. In order to ensure a significant role for the United Nations in the system of global economic governance, the Organization needs to make rational adaptations to the new global reality while maintaining its inter-State character and the primacy of the provisions of its Charter.

3. A key priority of reform of the socio-economic sector of the United Nations at this stage is strengthening the Economic and Social Council, which is the major intergovernmental mechanism for systematic and comprehensive monitoring of progress in the implementation of international development goals, including in the context of the follow-up to the United Nations Conference on Sustainable Development ("Rio+20"). At the same time it is important to avoid unjustified forced restructuring of the Economic and Social Council, which could erode its Charter functions. A key challenge is to harness the Economic and Social Council's potential for promoting agreement on the parameters and guidelines for a global partnership for development beyond 2015.

4. Increasing the role of the United Nations and ECOSOC in global economic governance would be further promoted by the strengthening of the intergovernmental financing for development follow-up process.

5. The United Nations specialized agencies as well as the leading financial and trade institutions play an important role in global economic governance. Efforts to reform governing structures, in particular in the International Monetary Fund and the World Bank, must be pursued. At the same time, it remains relevant to further improve interaction between the General Assembly and the Economic and Social Council with the Breton Woods institutions for the timely achievement of the internationally agreed development goals and in order to improve the global monetary, financial and trade systems.

6. Russia attaches particular importance to developing a constructive dialogue between the United Nations and the new leading alliances, especially the Group of 20 (G20).

The Russian Presidency in the G20 proceeds from the premise that the G20, while being the primary forum of international economic cooperation of its members, should be firmly anchored in

- Presence and efficiency of multilateral standards, guidelines and recommendations;
- Issues of global liquidity, capital flows, reserve currencies, exchange rates, etc.

IFA Reform should lay the foundation for a stronger global economy and achieve a well-balanced and efficient IFA to prevent another crisis. To do that the Russian Presidency proposes to work towards further increasing the efficiency and legitimacy of the IMF governance structure. The implementation of the 2010 IMF Quota and Governance Reform will be particularly challenging. It will secure doubling the IMF quota resources and reviewing the IMF quota formula in order to adequately reflect the current weights of its members. Russia will also work on strengthening the IMF surveillance framework and multilateral analysis, including the assessment of spillover effects and developing global liquidity indicators. The G20 will also be encouraged to continue working on further development of the Regional Financial Arrangements and strengthening of their cooperation with the IMF. Continuing the implementation of the G20 Action plan to support development of local currency bond markets will also be an important topic. In this context the Russian Presidency will deepen work on government borrowing and public sustainability issues.

Energy

Energy sector is a crucial growth engine for G20 members and the world economy as a whole and a key to unlocking world sustainable development. The Russian Presidency in the G20 leads the effort to address the following topics:

- Making energy and commodity markets transparent and more predictable;
- Promoting energy efficiency and green growth;
- Sound regulation for energy infrastructure;
- Ensuring global protection of the marine environment.

Inclusive development

Building infrastructure and providing inclusive access to basic amenities are required to spur economic growth. Therefore, the Russian Presidency has positioned development as one of its priorities, planning its work around the following topics:

- Food security with a focus on agricultural production increase and undernutrition;
- Human resource development with a focus on a global skills database;
- Financial inclusion with a focus on financial literacy and access to financial services by women, migrants and the youth;
- Infrastructure with a focus on long-term financing;
- Active participation in creating a post-2015 development agenda;
- Development of an accountability mechanism to assess progress on the previous G20 commitments

Trade

a wider international system. It should integrate and reflect core interests of a vast number of non-participating actors, including states, business and civil society.

7. The G20 has played an important role during the crisis and is looked upon for guidance in turbulent times. In the view of the Russian side, the most valuable contribution from the G20 in this sense would be to demonstrate the political will, intellectual wisdom and practical readiness to find efficient solutions at a time when the global recovery remains extremely fragile with weak, unbalanced growth and large downside risks. To provide an adequate response, concerted international efforts must be directed at addressing these vulnerabilities and ensuring that governments implement the required policies to restore inclusive and sustainable growth. The G20 should take new commitments on policy coordination and on strict compliance with them. This will mean leadership by example.

8. There is a close correlation between issues discussed at the UNGA, ECOSOC and the UN funds and programs and specialized agencies, such as the UNDP and UNIDO, on the one hand, and at the G20 - on the other. Today's agenda of the G20 is planned around three overarching priorities, all focused on igniting a new cycle of economic growth:

- Growth through quality jobs and investment;
- Growth through trust and transparency;
- Growth through effective regulation.

9. These 3 priorities of the Russian Presidency in the G20 serve as a lens to consider and discuss the G20 agenda in 2013, comprising eight areas of the primary focus of attention of the overwhelming majority of the UN members:

- 1) A strong, sustainable and balanced growth;
- 2) Jobs and employment;
- 3) International financial architecture reform;
- 4) Strengthening financial regulation;
- 5) Energy sustainability;
- 6) Development for all;
- 7) Enhancing multilateral trade;
- 8) Fighting corruption.

10. The following comments highlight similarities between the approach of the Russian Presidency in the G20 and of the UN to some key issues of the agenda of global governance.

International Financial Architecture Reform

The recent global financial crisis has revealed gaps and deficiencies in the International Financial Architecture (IFA). Addressing these gaps should be one of the main priorities of the G20. IFA Reform is a topic that includes a wide range of issues:

- Governance and legitimacy of the international financial institutions;

A key priority for the Russian Presidency is to strengthen multilateral cooperation in order to find global solutions to the current economic difficulties and risks, and to avoid situations that create trade tensions among the G20 countries. Progress in the Doha negotiations is also vital to meet these goals. With these considerations in mind, the G20 needs to push forward the strong demand for developing trade and investment as a growth driver, and the strong multilateral trading system as a necessary condition for it. Today we are expected to contribute to finding ways to solve the issues on the Doha round agenda and lead the effort to address the following issues:

- Curbing protectionism;
- Strengthening and developing the multilateral trade system;
- Global value chains.

11. Outreach as a *modus vivendi* of G20

Following G20 Leaders' commitment to «pursue consistent and effective engagement with non-members, regional and international organizations, including the United Nations, and other actors, including civil society», and based on the results of outreach activities undertaken by previous presidencies the Russian Presidency of the G20 is starting an extensive outreach dialogue to enhance legitimacy and efficiency of the G20 process.

In this regard the Russian Presidency will reach out to different partners including non-G20 countries and their regional associations, international organizations, private sector, labour unions, youth, think tanks and academic institutions, non-governmental organizations and other actors of civil society.

The core principle of the Russian Presidency's outreach strategy is to allow that proposals from all the mentioned groups are carefully studied, discussed and transmitted to the G20 decision making level.

Based on this approach the Russian Presidency will strive to organize dialogue with outreach partners and groups in a way that leads to formulating concrete proposals to the G20.

The Russian Presidency's Outreach Strategy is aimed at ensuring that G20 decisions carry the consent of and have the desired impact on all sectors of society.

Non-G20 Countries and International Organizations

Building upon the G20 principles and precedents the Russian Presidency has decided to invite six non-member countries and seven international organizations to take part in the preparatory process and in the G20 St.- Petersburg Summit.

Invited international organizations include the United Nations (UN), World Bank (WB), International Monetary Fund (IMF), Financial Stability Board (FSB), Organization of Economic Development and Cooperation (OECD), World Trade Organization (WTO), and International Labour Organization (ILO).

In addition, the Russian Presidency is committed to engage more countries in the working process including through their participation in selected ministerial meetings, working groups, workshops, conferences and outreach events.

12. Special focus will be put on engaging the United Nations as it represents countries which otherwise cannot be involved in the G20 process. Moreover, G20 can play a supportive role to the work of the UN, and the G20's discussions and decisions could be enhanced by drawing on the UN expertise.

The Russian Presidency greatly appreciates the contribution made to the G20 summits and working process by the Secretary General, his Personal Representative (Sherpa) in the G20, and highly professional experts from specialized agencies. Russia believes that the existing system of interaction between the UN and the G20 has stood the test of time and should be preserved. While recognizing existence of criticism with regard to the G20 from some members of the UN Russia considers this to be a normal expression of pluralism of views in the international community. Having developed a unique network of outreach contacts the G20 is one of the most transparent informal elements of the system of global governance.

To make use of existing processes for feeding in and highlighting the G20 agenda the Russian Presidency will consult with UN agencies, other specialized organizations and regional intergovernmental organizations (altogether almost two dozens).

To manage interaction between the G20, non-members, international organizations and other stakeholders in a more consistent and efficient way the Russian Presidency has appointed special envoys.