

Translated from Spanish

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The Permanent Mission of Costa Rica to the United Nations presents its compliments to the Department of Economic and Social Affairs and has the honour to refer to the Secretary-General's memorandum No. DESA-11/0021 concerning General Assembly resolution 65/94 of 8 December 2010 entitled "The United Nations in global governance".

In that connection, the Permanent Mission of Costa Rica hereby transmits the views of the Costa Rican Government on the issue of global economic governance and development to the Department of Economic and Social Affairs.

The Permanent Mission of Costa Rica to the United Nations takes this opportunity to convey to the Department of Economic and Social Affairs the renewed assurances of its highest consideration.

New York, 9 May 2011

Department of Economic and Social Affairs of the United Nations
2 United Nations Plaza
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New York

In response to the Secretary-General's request in his memorandum No. DESA-11/0021 dated 20 January 2011, Costa Rica wishes to provide the following inputs, which address various issues on multiple levels, for the consideration of the issue of the reform of global governance. We reaffirm our national position that while the United Nations is the most appropriate forum for discussion and decision-making regarding issues of peace, security, human rights and holistic human development, the role played by other multilateral, global and regional entities in terms of international trade, monetary regulation and financing for development should also be recognized.

On this understanding, we propose the following:

Concerning foreign policy and trade issues

1. In an increasingly globalized world, the development of societies cannot be understood without establishing a direct link between global governance processes and domestic or national good governance processes.
2. Governance is a form of management in which the coherence of public actions (defining problems, making decisions and carrying them out) is not an isolated, homogenous and centralized process, but one that involves adopting methods for coordination at multiple levels and includes the participation of diverse stakeholders. The results of such action are dependent on the ability of stakeholders, both public and private, to create a common space for introducing ways to legitimate decisions. The objectives declared by Governments must be accompanied by strategies for international cooperation and the institutional and policy dimensions of development and provide for adequate mechanisms to implement them. In the current economic situation, it is particularly important to review the regulation of financial markets, given the critical role the disorderly deregulation of markets played in generating the recent global economic crisis.
3. States bear a responsibility to ensure inclusive development and improve the well-being of their population. They are also unequivocally committed to deepening respect for individual freedoms and social rights, increasing the exercise of solidarity, seeking greater legal security, ensuring transparency and accountability in public and private administration, contributing to the free and continuous exchange of ideas and confronting the challenges of our time.
4. The success of local governance also depends on a just, effective, open and responsible international system that is capable of addressing the major challenges of our time, and in this sense, the United Nations plays a leading role. Costa Rica is of the view that the United Nations is the most democratic and inclusive global entity, and it is in the United Nations that the views of all countries are best represented. In addition, through its specialized agencies, funds and programmes, the United Nations has made singular and critically important contributions to development from an integral perspective that includes human and social dimensions.
5. The contributions of the United Nations system to achieving global objectives concerning human rights, peace, security, comprehensive and sustainable development, tolerance, solidarity, respect for diversity and international law are many. The effects of those contributions have influenced the course of societal development.

6. Costa Rica promotes the development of national and international political and institutional structures that establish peace as the foundation of good governance.

7. In practice, most countries face the challenge of making their institutions transparent, efficient and equitable while effectively ensuring the well-being of their citizens. In that regard, the concepts of legitimacy and effectiveness are convergent. Costa Rica advocates a multilateral system in line with this vision which will enable the Government to implement processes that ensure transparency, effective achievement of its goals and accountability.

8. Countries face numerous and diverse problems. Poverty and inequality, climate change, insecurity and international organized crime, drug trafficking, trafficking of persons, arms trafficking and energy shortages are some of the most pressing issues today. Costa Rica understands that more of these are global problems requiring global solutions bolstered by national efforts. The United Nations system must contribute to joint reflection, discussion and action. Global governance must therefore be strengthened by mechanisms for dialogue and conflict resolution in multiple areas.

9. In the framework of the Security Council reform process, Costa Rica urges a review of the Council's working methods as a matter of priority. This issue is especially important to achieving accountability and transparency in the Council's decision-making process and providing Member States opportunities for participation, and greater access to information, with a view to making its work more transparent and effective.

10. In the framework of the "Small Five" (S5) group, of which Costa Rica is a member, a number of specific proposals on reforming working methods were put forward; 63 of the measures described in the note by the President of the Security Council (S/2006/507) have already been approved by the Council and its members have committed to implementing them. The discussion should now focus on execution. This would signify progress in the governance of the United Nations itself.

11. Costa Rica advocates the creation of an international climate that stimulates responsible trade and investment, which are both essential to social and economic development and technological innovation.

12. Costa Rica affirms the importance it attaches to the principles and rules regulating international trade, in particular those outlined in the Marrakesh Agreement Establishing the World Trade Organization (WTO), and in the multilateral agreements annexed to the WTO Agreement, and affirms the need to implement them in a transparent and non-discriminatory manner.

13. The WTO multilateral trading system is the basis for international trade relations and the best assurance that trade flows will develop with ease and predictability.

14. Costa Rica understands that WTO is the best instrument to ensure growth and deal with protectionist pressures. The principles on which WTO was founded, such as non-discrimination, freer trade and predictability, are the best guarantee for a country like Costa Rica, which is dependent on international trade and limited in its size and political power.

15. The Doha Round must be successfully concluded as soon as possible. The Round will be successful only if its outcome is ambitious. All WTO members, in particular the largest economies, must contribute to achieving this outcome.

16. The Doha Round must protect and strengthen the multilateral trading system rather than reverse progress in this area.

17. Financial markets must be regulated and overseen in order to protect the financial system from harmful practices by its participants, domestic financial and economic imbalances, and international crises. Costa Rica understands that poor regulation of markets, in particular regulation based on flawed incentives or that lacks instruments to enforce its provisions, is one of the major factors that has historically provoked crises in this sector, both at the national and international level.

18. WTO members have the right to regulate financial markets while respecting the basic WTO principles, particularly those related to non-discrimination and transparency.

Concerning international cooperation matters

1. Inclusive development must be the compass guiding the international system, international cooperation and international governance. This approach aims to promote collaboration between Governments, civil society and international agencies to ensure that programmes and strategies to achieve the Millennium Development Goals are effective.

2. In accordance with the commitments made by the international community at various international conferences, multilateral financing agencies recognize the need to work together with national Governments to advance the principles of inclusion and equality of opportunity in poverty reduction efforts, as well as to promote socio-economic and human development. In that regard, Costa Rica affirms that each of these entities has functions and responsibilities to fulfil, which is precisely what makes it possible to reap the benefits of specialization.

3. The States Members of the United Nations must make tangible progress in reforming global governance, including reforms to the international financial institutions.

4. With regard to Goal 8 of the Millennium Development Goals (MDGs), which deals with, inter alia, official development assistance (ODA), debt, technology transfer and trade, it should be noted that the outcomes have been very disappointing, as may be confirmed in the MDG follow-up reports. The primary issue for developing countries, and now, for developed countries as well, is employment, in addition to poverty reduction and food security. The multilateral system must take a decisive and clear approach that leads to an inclusive model, i.e., a model that can close the huge gaps between the planet's rich and poor.

5. With regard to ODA, Costa Rica agrees that developed countries must meet the goal of allocating 0.7 per cent of their gross domestic product (GDP) to low-income countries. This measure would afford low-income countries the fiscal space required to mitigate the social impact on the poorest and contribute to global aggregate demand.

6. In addition, it is critically important that a mechanism for providing and analysing financing for the development of middle-income countries is developed. The multilateral system must promote and support this type of analysis, including all countries involved in such modalities for development cooperation.

7. With respect to reforming governance of the international financial institutions, it is important that the new and specific needs of developing countries are examined periodically in order to better respond to their needs, and that greater accountability and transparency are achieved.

8. Costa Rica supports strengthening global economic governance through trade and financial relationships that support inclusive, sustainable and responsible development. The financial crisis has opened up an opportunity to strengthen the global governance system by integrating concepts such as full employment and the optimization of national and global production capacity, and thus go beyond financial and monetary issues, which have been the priority thus far.

9. Lastly, Costa Rica reaffirms its commitment to an open, democratic, transparent, inclusive and constructive process in the discussion and analysis of the reform of global governance institutions and mechanisms in their various aspects.
