

Views provided by Member States on global economic governance and development

Informal summary by the Secretariat

1. Pursuant to General Assembly resolution 65/94, the Secretariat circulated a note (DESA-11/0021 of 20 January 2011) to all Member States, seeking their views on global economic governance and development. As at 30 August 2011, replies were received from Australia, Belgium, China, Costa Rica, Egypt, the European Union, France, Gabon, Iraq, Lichtenstein, Mexico, Norway, Panama, Qatar, Saudi Arabia, Senegal, Singapore, Switzerland, and the United States of America. In addition, the Global Governance Group (3G) submitted to the Secretary-General its recommendations on the interaction between the G-20 and the United Nations system.¹ Main substantive features of these inputs are summarized below.

2. Most countries called for stronger global economic governance in support of a stable global economy and sustainable global economic development. There was an emerging consensus that a stronger system of global economic governance must be more transparent, inclusive and efficient. It was further emphasized that global governance would extend beyond global economic governance and should tackle a broader system of challenges, including those related to peace, security and human rights. One country highlighted that global economic governance should evolve towards “a global economic and social governance” to take into account broader questions relating to world poverty and economic development. Another country referred to the importance of good corporate governance in an increasingly globalized economy.

3. Many countries highlighted the importance of enhancing the coherence of the financial and trading systems through greater coordination and cooperation. Countries highlighted the unique role of the United Nations could play to ensure better system-wide coherence of policies. In this connection, some countries called for widening the scope of the “Delivering as One” initiative on UN operational activities. A number of countries suggested that the role of the United Nations in global economic governance could be at the interface of trade, finance, employment, development aid and the environment, to help reconcile competing objectives and define appropriate governance arrangements. Some countries highlighted the potential of the upcoming Rio+20 Conference in June 2012 to contribute to greater coherence and governance in the UN system. In this connection, one country emphasized the need to integrate issues for which a system of governance is yet to be determined (in particular in the areas of environment and water).

4. Some countries highlighted the need to identify the comparative advantage of the UN system and to undertake steps to strengthen this advantage. In this connection, a large number of Member States highlighted its legitimacy, convening power, normative frameworks and value orientation. Several countries stressed the need to explore synergies and complementarities between the United Nations systems and other existing

¹ See A/64/706, A/65/395, A/65/857.

organizations and non –state actors with growing influences on development, including regional and sub-regional development organization, as well as the private sector and civil society. Several Member States highlighted the need to identify and diffuse best practices within the United Nations system, such as the establishment of overarching policy approaches like human development, UN initiatives to catalyse action and deliver development support in the MDG framework, the ILO experience in the area of policy coherence across stakeholders or that of the Global Compact in the interface with the private sector.

5. Some countries emphasized that current arrangements and existing best practices should form the basis for future reform within the United Nations system, particularly those put forward by the Secretary-General in his report on system-wide coherence. Other countries proposed new mechanisms. For example, one country referred to the “Global Coordination Council” at a level equivalent with the General Assembly and the Security Council as a promising proposal to enhance the role of the United Nations in global economic governance. There was another suggestion to upgrade the United Nations System Chief Executives Board for Coordination into the major body responsible for coordinating policy at the level of heads of agencies (including the Bretton Woods institutions). The Secretary-General would be responsible for submitting the Board’s proposals to Member States through the General Assembly or the Economic and Social Council.

6. Several countries called for the strengthening of ECOSOC to fully meet its mandates, including international policy coordination for sustainable development. One concrete proposal in this connection was to move the High-Level Segment of ECOSOC to another time during the year when a high-level attendance was more likely. One country proposed to introduce a Sustainable Development Board within ECOSOC, with a view to establishing more formal ties between the G-20 and the United Nations. It was further suggested that the annual meetings of the Economic and Social Council, the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (UNCTAD) could ultimately result in a negotiated statement that includes the G-20. Moreover, it was noted that the agenda of ECOSOC should be more focused and the representatives attending better matched with the subjects discussed. One country proposed to strengthen the economic competence of the UN through the establishment of a panel of experts on systemic risks whose mandate could be inspired by the IPCC.

7. Some countries stressed that the wider participation of developing countries in global economic governance must be a matter of priority and that all countries should participate on an equal footing in setting the policy making agenda. Several countries welcomed the recent steps taken by the Bretton Woods institutions to increase the voice and participation of developing countries and called for further progress in this connection. One country called for enhanced engagement of ministers in decision-making processes in these organizations. A number of countries called for an open and transparent process for the selection of senior management, which was based on merit and regardless of nationality.

8. Several countries highlighted that retooling the United Nations in global economic governance was not an end in itself but should strengthen the United Nation's capacity to discharge its functions, particularly in the area of development. The Monterrey Consensus and the Millennium Development Goals were referred to as testament to the relevance of the United Nations in setting the global development policy agenda. A number of countries also emphasized that the United Nations and its specialized agencies should continue to play a central role in matters related to international development, including the concerns of small states and least developed countries. Some countries underlined that capacity-building and other operational activities had become increasingly important functions of the United Nations in global economic governance, in addition to its normative and standard-setting functions.

9. Countries highlighted the link between governance and UN system management reform. The UN Secretariat should critically and strategically overhaul its internal processes to trim waste and provide competent and effective aid and assistance to Member States. Calls were also made for improving the financial vulnerability of the United Nations and providing the organization with the necessary resources to perform the tasks assigned by Member States. In this connection, one country stressed that successful governance reform was less a question of design but of the necessary support structures for change such as shared operating systems and shared awareness platforms. Several countries pointed to the proliferation of repetitive resolutions and in this connection proposed to explore more useful ways for consensual policy formulation.

10. Some countries underscored that greater inputs from informal groupings like the G20, as well as initiatives from different external stakeholders could help ensure effective policy implementation and provide important inputs for deliberations on global economic issues, particularly those that relate to development. In this context, a number of countries emphasized that informal grouping like the G20 should give close attention to development issues as well. These countries welcomed the Seoul Development Consensus on shared growth and its multi-year action plan on development of the G20. While one country called on the G20 to focus on South-South and triangular cooperation, another country highlighted infrastructure, food security and growth with resilience as development pillars that would play to the G20's strength.

11. Some countries highlighted the important role the G20 played in addressing the world financial and economic crisis by referring to the G20 as the premier forum for economic policy cooperation. However, several other countries stressed that the G20 lacked the legitimacy to address global policy issues. One country expressed concern that the current G20 membership format deepened the marginalization of African countries in international economic decision-making and norm setting. That same country further highlighted that the United Nations reform decisions should remain within the purview of the United Nations without interference of any other actors than Member States. Another country expressed the view that a constituency system, similar to the one used in the Bretton Woods institutions, would resolve the legitimacy question without diminishing the effectiveness of the G20. This constituency system would enable States to freely

associate with each other, according to the criteria and modalities of their choice. The same country further highlighted that such a system could also be envisaged in the future for a reformed, smaller Economic and Social Council. It further proposed that a recurring item on the report of the Chair of the G-20 should be added to the United Nations General Assembly's agenda. Presentation of the report of the G-20 would then be followed by a substantive debate, resulting in the adoption of a resolution.

12. Several countries emphasized that global economic governance could be improved through better relations between the United Nations and the G20. In this connection, they called on the G-20 to engage with the United Nations and its Member States through predictable and regular channels, including consultations with the wider membership before G-20 Summits. These countries further proposed a “variable geometry” configuration to allow non-G-20 States to participate in Ministerial gatherings and other working groups involving senior officials/experts on issues of specific concern to them. This should be complemented by the regular participation by the Secretary-General and his Sherpa and the systematic presence of the United Nations Secretariat or specialized agencies at G-20 meetings, including at the working-group level. Regional organizations should fully participate in the G-20 and its associated processes.

13. Several Member States put forward concrete recommendations to help ensure that the actions and decisions of the G20 complement the work of the United Nations system. In this connection, it was highlighted that if international organizations were asked to carry out mandates of the G-20, such mandates should be referred to the organizations' formal decision-making processes, after the relevant G-20 summits. Moreover, decisions relating to governance, strategies, management and financing of international organizations should be made in the respective governing bodies of the organizations in question. Governing bodies of international organizations and the broader membership should receive regular briefings by their secretariats on the status of implementation of G-20-related mandates. The same countries further highlighted that studies carried out by international organizations on behalf of the G-20 should be made available to all Member States.

14. Several countries called on the international community to join forces to create a free, open, fair and equitable trading system. There were calls for a speedy conclusion of the Doha Round of multilateral trade negotiations with a balanced outcome that takes the interests of developing countries, particularly the least developed countries, into consideration, including through special and differential treatment. One country highlighted that the WTO trading-system formed the basis for international trade relations and that the multilateral agreements annexed to the WTO Marrakesh Agreement establishing the World Trade Organization needed to be implemented in a transparent and non-discriminatory manner. Some countries called on developed countries to refrain from protectionist and trade distorting measures, including agricultural subsidies and competitive devaluations of currencies.

15. Some countries highlighted the need for global economic governance to assist developing countries in ensuring long-term debt sustainability, promoting less volatile

commodity markets, accessing new technologies and generating decent employment opportunities. There were calls for more effective governance of agricultural development and food security. In this context, one country proposed to create a global agriculture organization headquartered in Africa and a global food security council, modelled on the United Nations Security Council, bringing together States from all five continents. Another country called for reform of the Food and Agriculture Organization (FAO) and the creation of an early crisis response mechanism. Another call was made for a multilateral system that would help tackle the financing for development challenges of middle-income countries.

16. Several countries emphasized the need for a fair, equitable, inclusive international financial system that was built on strengthened financial regulation and enhanced capacity of developing countries to cope with financial risk. There were calls for a more systematic approach to assess medium and long-term risks of the current global economic and financial architecture with a view to reducing the vulnerability of activities of the international community to such risks, in particular in the field of development. One country proposed to curb speculation through a system of taxation on international financial transactions and more suitable international regulation bodies to prevent and manage economic and financial risks.