Global Economic Governance and Development. Comments by Norway

Norway welcomes this opportunity to provide input to the report of the Secretary General on Global Economic Governance and Development. Norway would like to offer some specific comments on the topic of global economic governance and development with regard to the emerging role of the G20, UN-G20 relations and reform of the UN Development System.

The emerging role of the G20 and UN-G20 relations

- Norway commends the G20 for the swift actions it took in 2008 and 2009 to prevent an even deeper financial and economic crisis. The G20's decisions contributed to cushion the impact of the crisis on poverty and employment.
- However, in the long run, formal multilateralism provides the legitimacy and accountability needed to solve global economic challenges. The G20 is a self-appointed group. It is not based on treaty and consent of the wider community of nations. As such, it lacks legitimacy. Nevertheless, its decisions have had a significant impact on the global economy, including on non-members of the group. It has reached consensus among its members on matters that are on the agenda in formal international organizations. While some G20 decisions and their implementation have had positive effects for a large number of countries which are barred from participating at G20 meetings, the exclusive nature of G20 deliberations on matters of global significance constitutes a setback for world cooperation on economic and social issues and undermines existing legitimate international organizations, including the UN.
- Norway has proposed a system of regional representation in the G20, modeled on the representation in the governing bodies and the Executive Boards of the BWI, which would reduce the group's legitimacy deficit.
- Norway welcomes the meetings organized by the President of the General Assembly prior to and after the G20 summit in the Republic of Korea, which gave all member states the opportunity to engage with the G20 presidency. Norway has also appreciated the efforts by South Korea and France, holding the G20 presidency for 2010 and 2011, to broaden the dialogue with the UN. Norway believes, however, that the dialogue between the G20 and the UN must be deepened through further substantive intergovernmental meetings.
- The Seoul Development Consensus for Shared Growth and the G20 Multi Year Action Plan for development provide important impetus to the UN's efforts to reach the Millennium Development Goals. However, as the UN is in the lead in global efforts to reach the MDGs, the actions taken by the G20 must be coordinated with the UN to be fully effective.

Governance, effectiveness and reform of the UN

- The UN/G20 debate is illustrative of the challenges of global governance and adapting institutions to rapidly changing environments and new challenges. It is also testament to the balance between legitimacy/representation and effectiveness. Member States have an obligation to ensure that the UN adapts to changing realities. The Secretariat, agencies, funds and programs focus on their respective comparative advantages. We

must continue to push for greater transparency, stronger results-orientation and efficiency gains.

- However, we also need to provide adequate space for reprioritization in times of crisis and provide the resources necessary to deliver on the tasks assigned by Member States. Improving the UN's financial vulnerability is a key issue also with regard to the UN's regular and peacekeeping budgets. The current financial situation is strained, with little room for new activities or flexibility to deal with unexpected events and demands. There is a need for an equitable burden sharing among Member States. Paying for multilateralism is a collective responsibility.
- While the legitimacy of the UN system overall is indisputable, its development pillar is vulnerable. The Monterrey Consensus and the Millennium Development Goals are testament to the UN's relevance in setting the global development policy agenda. Rio 2012 will be a major milestone towards carving out the post 2015 development agenda. In the year to come we should focus our attention on what we would like to achieve here, including with regard to the theme of Institutional Framework for Sustainable Development.
- In addition to the UN's normative and standard setting functions, capacity development is becoming an increasingly central function of the UN. We need to develop a joint understanding of how to mainstream capacity development in the UN's activities.
- As Member States we must ensure, through the governing bodies, that the UN is able to deliver results on the ground. The UN System is highly fragmented, inter alia because we the Member States have opted to set up new mechanisms for emerging issues rather than reform the ones we have. We must "reform the way we do reform". Norway continues to believe that there is no option but to move forward on the system-wide coherence agenda or face the risk of marginalization of the UN's development pillar.