



PERMANENT MISSION OF THE ARAB REPUBLIC OF EGYPT

TO THE UNITED NATIONS
304 EAST, 44th Street, New York, NY 10017
Tel (212) 503-0300 Fax (212) 949-5999

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The Permanent Mission of The Arab Republic of Egypt to the United Nations
presents its compliments to the Department of Economic and Social Affairs
Financing for Development Office - and with reference to the latter's note no
DESA/11/0021 dated 1001-2011
on the issue of "Global economic governance and development"
taken into consideration while preparing the Secretary General's report on this
issue in accordance with GA resolution 65/04 has the pleasure to attach herewith
the position of the Arab Republic of Egypt on the issue of global economic

The Permanent Mission of the Arab Republic of Egypt to the United Nations
Social Affairs - Financing for Development Office - the assurance of its highest
consideration.

H.T



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The Department of Economic and Social Affairs
Financing for Development Office
Two United Nations Plaza
Room DC2-2170
Fax: 212-963-0443

~~Secretary General's Report on "Global Economic Governance and
development" pursuant to GA resolution 65/94~~

~~Egypt believes that global governance is wider than global economic governance, because economic challenges, although their impact on all countries has been very profound, still represent part of a larger spectrum of challenges, which include among others issues of peace, security and human rights. Therefore, efforts aiming at building a meaningful global system of governance should depart from a comprehensive approach that addresses discrepancies in the current international frameworks of decision making. Furthermore, Egypt does not see global governance as global government, but rather as the building of a global system of governance that can manage and respond to global challenges through collective action.~~

~~Based on Egypt's conviction in the central role of the United Nation in any envisaged system of global governance, Egypt believes that processes such as the reform of the United Nations Security Council, the Revitalization of the General Assembly, the Review of the Human Rights Council should be given due attention in order for their reform to be achieved in a way that contribute to a system of global governance that is more democratic, representative and responsive to the needs of all members of the United Nations.~~

~~However, taking into account that the report of the Secretary General will focus on global economic governance, in accordance with GA resolution 65/94, the following points highlight Egypt's position on the issue of global economic governance and development and how the central role of the United Nations in this regard could be enhanced:~~

- 1- ~~The impact of the world financial and economic crisis has demonstrated the enormous magnitude of today's global challenges, whose impact reaches every corner in the world and affects all countries. The financial crisis as well as other multiple and interlinked crises, such as the food and energy crises coupled with the adverse impact of climate change, pose enormous challenges to the efforts of developing countries to attain the Internationally Agreed Development Goals, including MDGs. These crises were also a reflection of the gaps in global economic governance frameworks, and therefore sent a clear message to all countries on the need to enhance genuine~~

multilateralism that allow for everyone to be heard, through a system of global governance that is more transparent, inclusive and representative, in order to ensure that all countries have a say in shaping global responses to the current challenges, including avoiding the recurrence of those crises.

2- Egypt believes that reforms of the international economic decision making frameworks through inclusive and collective efforts to address the current discrepancies in global economic governance should lead to broadening and strengthening their participation of developing countries in international economic decision making and norm-setting frameworks. These reforms should lead as well to enhancing the coherence, governance and consistency of the international monetary, financial, environmental, trading and food security systems to ensure their openness, fairness and inclusiveness in order to complement national efforts aiming at achieving developmental objectives and sustainable economic growth.

3- Ensuring transparency and inclusiveness in the processes aiming at achieving these objectives is important in this regard. The reforms in the field of food security should build on the existing initiatives aiming at strengthening the governance of agricultural development and food security.

4- Reforms in the field of the multilateral trading system should contribute to promoting a more open, equitable and transparent multilateral trading system, including through the conclusion of the Doha Round of multilateral trade negotiations through an open, transparent, inclusive and democratic process to reach an outcome that fully respect the development mandate of the round and takes into account the needs and priorities of developing countries. Furthermore, resisting protectionist tendencies including competitive devaluation of currencies and rectifying trade distorting measures are of significant importance in this regard.

5- On the reform of the BWIs, Egypt recognizes the recent steps that have been taken by the World Bank and IMF, which led to strengthening the representation and voting power of some emerging economies. However, Egypt believes that the process of reform is comprehensive one that needs to tackle all aspects related to governance and mandate of BWIs and to be conducted in a time bound manner, with the aim of fully

engaging developing countries in the international economic decision making and norm setting.

- 6- In the mean time, While we understand that international economic policy issues such as trade, monetary and finance are part of the mandate of specialized institutions established by intergovernmental agreements like WTO and IMF, it is imperative that the United Nations plays a central role in global economic governance to ensure coherence in the international system. As the only global body with universal membership and unquestioned legitimacy, the UN therefore is well positioned to play that central role.

7- Furthermore, Egypt looks to the issue of global economic governance more as a political one and expects the United Nations to fulfill its purposes of strengthening international co-operation to solve international problems, including those of economic character. In this context, Egypt underlines that real and genuine international co-operation is essential for addressing the political will to work within the framework of the United Nations.

- 8- The role of the UN, particularly in the field of development has expanded through its wide representation on the ground and the wide experience that the UN and its staff have accumulated in that field over decades. This role can be further enhanced through strengthening the economic bodies of the United Nations, particularly the Economic and Social Council, in order to allow for the United Nations to play a real role in supporting developing countries reduce their vulnerability to external shocks and build economic stability in commodity markets.

- 9- In the same vein, the proposals contained in the report of the Commission of Experts of the President of the General Assembly on reforms of the international monetary and financial system, chaired by Professor Joseph Stiglitz, could contribute to enhancing the role of the UN in global economic governance, particularly the proposal of the establishment of "a global economic coordination council" at a level equivalent with

the General Assembly and the Security Council. That coordination council is seen by the report as a democratically representative alternative to exclusive groupings.

The G-20 and informal exclusive groupings, such as G-20 has become one of the most controversial issues in the debate on global economic governance. The proponents of these exclusive groupings argue that for decision-making frameworks to be effective and able to rapidly respond to challenges, they should only include a relatively small number of leaders in order to be able to reach consensus or decisions taken by these frameworks. Egypt does not subscribe to such

has been always a difficult task. The United Nations is no exception. That fact has proven even valid in the case of G-20 which encountered limits and constraints in forging consensus among its members regarding several issues such as exchange rates

11. Though acknowledging that important role of the G-20 in addressing the financial

crisis, Egypt believes that the G-20 actions lacked the required legitimacy as result of democratic and representative deficit. Among the main causes of this deficit is the fact that the G-20 summit marcephic format decreased the marginalization of the African continent in international economic decision-making instead of addressing that marginalization. Egypt considers inviting the chairs of AU and NEPAD to G-20 summits as no substitute to expanding the group's membership to include other African countries.

12. As there are indications that G-20 is not limiting itself to implementing the decisions it

has taken in the framework of responding to the crisis, there is a need to ensure that the role of the G-20 will not represent an encroachment on the role of the United Nations. This requires clarifying the relation between the United Nations with its universal membership, representing G-192 and the G-20. In this regard, Egypt believes that decisions regarding processes that are underway in the United Nations, particularly those related to its reform, should remain restricted to the purview of the United Nations without interference of any other actors because of the importance of these processes to

~~all member states and the fact that the pace and outcome of these process as member
states should be decided by the member states themselves.~~

13. In this regard, G-20 members have every right to bring to the IIN any ideas or proposals to be considered by the IIN membership, equally with other proposals from other member states who are not members of the G-20, with a view to reaching international consensus on the important issues of concern to the larger membership of the organization.

14. In conclusion, the objective of the reforms of the global economic governance structures should be ensuring full participation of developing countries in the international economic decision making and norm setting, which will make global economic governance structures more responsive to the needs and priorities of all countries, in particular developing countries as well as more able to support developing countries efforts to achieve sustainable development. The IIN due to its universality and legitimacy can play the central role in the international efforts to achieve this goal.