

General Assembly
Ad Hoc Open-ended Working Group to follow up on the issues contained in the Outcome
of the Conference on the World Financial and Economic Crisis and Its Impact on
Development

Seventh meeting on
“Strengthening the role of the United Nations in global economic governance”
(New York, 2 & 4 June 2010)

Informal summary by the Secretariat

Overview. The meeting was co-chaired by H.E. Mr. Lazarous Kapambwe (Zambia) and H.E. Mr. Morten Wetland (Norway). The main issues addressed at the meeting were based in particular on paragraphs 1-2, 5-6, 11, 16, 32, 43 and 52 of the Outcome document. The Co-Chairs had offered the following questions for discussion: (1) the meaning of global economic governance; (2) which international economic challenges needed a regional response and which economic problems needed global solutions; (3) what had the economic crisis revealed about the role of the UN in global economic governance, its relation to emerging informal international structures and the fulfilment of its development mandate. Three panellists gave presentations on the topic of the meeting: Ms. Helen Clark, Administrator, United Nations Development Programme; Mr. Antonio de Lecea, Minister for Economic and Financial Affairs and Principal Advisor to the Head of the Delegation of the European Commission in Washington, D.C.; and Ms. Chrystia Freeland, Global Editor-at-large at Thomson Reuters. The presentations were

out reforms such as reform of ECOSOC as a priority. Indeed, the Council had not developed in the way that its founders would have envisaged.

Ms. Clark also referred to the contribution of the UN system in responding to the current crisis. She pointed out that one of the greatest strengths of the UN system rested with its country programmes which, where coordinated, would enhance the crisis response of the UN. In particular, she highlighted the contribution of UNDP to the nine joint crisis initiatives through, for example, the support to ILO's Global Jobs Pact as well as through measures to encourage sustainable development by promoting small and medium enterprises. According to Ms. Clark, the economic crisis had highlighted the value of UNDP's ongoing long-term development work.

Mr. Antonio de Lecea, Minister for Economic and Financial Affairs and Principal

should continue to increase and improve its cooperation with the IFIs. Moreover, he pointed out, proper organization of work within the UN was essential and duplications and overlaps between follow-up activities by the General Assembly and ECOSOC should be avoided. Finally, Mr. de Lecea stressed that the systemic reforms decided at the 2005 World Summit should be fully implemented, including those related to the transparency, representativeness and effectiveness of the principal UN bodies.

Ms. Chrystia Freeland, Global Editor-at-large at Thomson Reuters, pointed out the preoccupation with issues related to the activities of big financial institutions that sparked the crisis. However, in reality the issue was more complicated. Many financial institutions could see problems looming but were powerless to act due to internal pressures. To counter these, Chuck

The speaker concluded by pointing out that, fo

with due regard to their respective mandates, and EU's commitment to their reform, in cooperation with all partners. He also reaffirmed EU's commitment to playing a continued constructive role in responses to the crisis.

The speaker saw the G20 as the premier forum for international economic cooperation, having coordinated global policy responses to the crisis with a view to achieving strong, sustainable and balanced growth. It had also adopted important initiatives to support developing countries, particularly low-income countries, during the crisis. These included: reinforcing financial resources and reforming lending facilities of the BWIs; providing full relief of Haiti's IFI debt; adding a development perspective to the Framework for Growth aimed at reducing the income gap between developed and developing countries; assessing the scope for strengthening Global Financial Safety Nets to help respond to financial volatility; identifying lessons learned in innovative approaches to providing financial services to the poor and small and medium enterprises; keeping markets open and fighting protections, successfully concluding the Doha Round in 2010 and providing financing to make available trade finance. The EU expressed strong interest in discussions of strengthening the development agenda of the G20 by reinforcing implementation of current initiatives and exploring taking on additional ones.

The representative noted that the UN's inclusiveness and legitimacy gave incomparable value to its discussions and therefore it had an important role to play in global economic and financial governance. He also acknowledged its central role, through its development system and specialized agencies, in the international response to the impact of the crisis on development. An effective response depended on cooperation within the UN development system and among UN bodies. The speaker stressed that the EU welcomed an active role for the UN in the G20, including the attendance of the Secretary-General at the summits and UN participation in the Sherpa process. He welcomed continuing outreach efforts by G20 hosts. He also welcomed ongoing UN work on GIVAS.

He supported continued increase and improvement in cooperation between the UN and the IFIs, as called for in the Outcome document, because of their complementary functions. The EU was encouraged by the very positive experi

agencies. The challenge for the UN was to deliver timely and relevant contributions. The UN must offer meaningful, workable, cost-effective and market-friendly solutions while avoiding duplication by working within its expertise and mandate. The UN should have a leading role in promoting economic and social development. The speaker also underlined the importance of successful conclusion of the Doha Round and stressed that protectionist measures, especially in agriculture, should be avoided.

The representative of **Guatemala** pointed out that one role that the UN performed well was monitoring development as it evolved, such as in the annual publication of the *World Economic Situation and Prospects*. This was important as the international community should be vigilant regarding global economic performance. He highlighted the considerable evolution of the BWIs in the last 18 months in terms of governance, policies and massive increase in resources. However, the General Assembly and ECOSOC still had difficulty working together with the BWIs in the field and in policy because of the divide between the ministries of finance and foreign affairs at the national level. With regard to the G20, the speaker urged the UN to start engaging with informal or ad hoc international country groupings. He called for reviving and considering the recommendation of the report of the Commission of Experts of the President of the General Assembly on the Reform of the International Monetary and Financial System regarding the creation of a Global Economic Coordination Council.

The representative of **San Marino** underscored that the UN must be at the centre of any discussions of issues that affected Member States. He noted that the UN was the first and last line of defence in inclusiveness of global governance.

The representative of **Kazakhstan** noted that economic globalization had outpaced the growth of global governance resulting in the need for representative international organizations, with the UN as the most representative. As the UN was created through its charter to deal with international cooperation in the broadest sense, it should be the basis of any future governance format. Within the UN, ECOSOC should be strengthened as part of global governance reform. He was favourable towards the participation of the Secretary-General and his Sherpa in the G20 Summit in Canada.

The representative of **Canada** emphasized that the UN had a unique perspective on the impact of the financial crisis on countries and the challenge of the recovery. Its most effective contribution in this respect was based on the collective voice of the Member States. He stressed that Canada wanted to ensure the inclusion of the UN in the upcoming G20 Summit. He also noted that many outreach meetings had been convened with five rotating invitations to heads of regional groups. The number of international organizations invited to the summit included WTO, IMF, World Bank, Financial Stability Board, ILO and OECD. He reiterated that the work of the G20 and that of the UN were complementary in building stability in the international economy for all.

The representative of **Botswana** reaffirmed the paramount role of the UN in the global governance structure, including in developing international standards, regulations and norms and promoting their implementation, while the BWIs' responsibility was the regulation of behaviour of actors in the international financial system. She stressed that all international organizations

should be based on representation and inclusion. She expressed the view that the financial crisis presented a challenge that had not been dealt with effectively by existing international institutions and that national, regional and international institutions needed more political interaction. In this regard, the UN system and its agencies had the legitimacy to tackle multi-faceted problems of the crisis and development.

The representative of **Argentina** recalled that the international financial shock from the crisis led to the coordination of economic policy under the G20, which was commensurate with the need. He believed that the UN, through ECOSOC, must fulfil its key role in global governance. Therefore, the G20 and UN should cooperate so as to benefit from the UN's expertise in development, especially from its work in the field and from G20 policies in response to the crisis. The speaker was pleased that the UN would be participating in the upcoming G20 Summit in Canada. He noted the advantage of transparency at the UN but at the same time quick action was constrained by the need to take into consideration views of all Member States. He asked whether there could be some changes in the decision-making process to allow for prompt action, especially in response to crises.

The representative of **Venezuela** asked for a meeting as soon as possible to further explore the issue raised by the representative of Argentina. In this connection, he noted the UN's capability to contribute solutions to conflict situations. He expressed the view that the UN had the imperative to overcome the problems of timely action, which was the result of the democratic nature of its decision-making process. He also underscored the need for a balance in international debates by including proposals from both developed and developing countries. He stressed that the G20 must have respect for the UN as G20 member countries were embraced and included by the UN Charter; therefore, there was a need for another conference to debate these issues. The speaker also noted that international economic recovery from the crisis had started but countries of the South could not impl butE15 TD.000t counter-compqq./9.445 -1s(tionaolitiG20 policlikebatosesult of Noo

and social issues, since international governance in multilateral trade and financial issues remained unbalanced. He favoured a more inclusive approach to international cooperation, by including developing countries, especially African countries, in decision-making to address international crises. The speaker posed a question to Mr. de Lecea on the recent decline in ODA to Africa and the outlook for EU's ODA commitments.

The representative of **Nepal**

employment, etc.). There should be the political will to commit to the UN process. He echoed some other speakers in underscoring that decision-making at the UN should be more efficient.

The representative of **Mexico** noted that, as expressed in the Rio Group statement, it was important to emphasize the central role the United Nations should play in the reform process of the global financial and economic system because of its universal nature. Nevertheless, to overcome the present crisis, it was needed to find effective and efficient schemes and, in that context, the G20 and similar regional or sub-regional organizations were helpful, without questioning the commitment of its members to multilateral diplomacy. He acknowledged the work of the G20 host countries in their efforts to propagate information and transparency of its meetings and deliberations and suggested that those efforts should be maintained. He said that his delegation supported the participation of the UN Secretary-General and his Sherpa in those meetings. He also mentioned that that the discussion of these issues in an open, frank, transparent and positive manner would help the UN in its own deliberations. He expressed support for the