



THE PRESIDENT
OF THE
GENERAL ASSEMBLY

12 February, 2013

Excellency,

I have the pleasure to inform you that I will convene a thematic debate entitled “**The UN and Global Economic Governance.**” This event will be held at UN Headquarters in New York on Monday, April 15th, 2013.

Since the outbreak of the international economic, financial and debt crisis, the ongoing discussions about how to improve global economic governance are growing in significance.

Together with Member States, international financial institutions have made valuable contributions to these deliberations, as have informal groupings such as the G20. Over the past few years, the latter has risen in prominence, serving as a forum in which its members make economic decisions that have world-wide implications. These in one way or another affect every UN Member State’s political, economic and social development.

The goal of this thematic debate is to help enhance communication between international financial institutions, the G20 and the rest of the world by providing a platform to reflect on common concerns, exchange views, and share information. Building on the G20’s outreach efforts and those of the 3G as well as other informal groups, the thematic debate will also examine various forms of interaction between the G20 and the rest of the world.

The thematic debate is timed to take place just ahead of the spring meetings of finance ministers and central bank governors that will take place in Washington, DC. The outcome document of the debate will be sent to Member States.

This one-day debate will start with an opening session, keynote addresses, a briefing by a representative of the current G20 presidency, two interactive panel discussions, and closing remarks. I am pleased to share with you the attached concept paper. A draft program will be sent to you in due course.

I extend an invitation to Member States to be represented at the highest possible level.

Updated information will be available on the website of the President of the General Assembly.

Please accept, Excellency, the assurances of my highest consideration.


Vuk Jeremic

All Permanent Representatives and
Permanent Observers to the United Nations
New York

THEMATIC DEBATE
67TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

“The UN and Global Economic Governance”

New York, 15 April 2013

Concept Note

Background

Since the outbreak of the international economic, financial and debt crisis, the ongoing discussions about how to improve global economic governance are growing in significance.

Together with Member States, international financial institutions have made valuable contributions to these deliberations, as have informal groupings such as the G20. Over the past few years, the latter has risen in prominence, serving as a forum in which economic decisions are made by its members. Invariably, those decisions have world-wide implications, and, in one way or another, affect every UN Member State’s political, economic and social development.

For some, the G20 represents a new, more inclusive mechanism for informal dialogue between the world’s most significant economies, which was able to act quickly and decisively to forestall a global economic breakdown.

For others, the G20 is an exclusive club that takes decisions affecting the entire world in a non-transparent, unaccountable way. Its structure and membership criteria leaves out the Least Developed Countries, all but one African, Middle Eastern and Southeast Asian nation, and no Small Island States, landlocked countries, or nations from Central Asia, Eastern Europe, the Caribbean Basin, Central America, and the Andean region.

It is natural for all UN Member States to want to make their views known when issues related to global economic governance are discussed. Some of these matters are discussed in the Bretton Woods institutions (e.g. the IMF and the World Bank). However, it is only the General Assembly that operates on the basis of the sovereign equality principle, in which the voice of each of its 193 Member States is given equal measure. It thus provides a unique forum for multilateral discussions of the full spectrum of international issues covered by the UN Charter, including economic issues.

The General Assembly can become the venue for non-intrusive interaction between the G20 and the rest of the world. This thematic debate can help enhance communication between international financial institutions, the G20 and non-G20 Member States, by providing a platform to reflect on common concerns, as well as exchange views and share information.

The General Assembly can thus play an important and singular role in addressing the concerns of nations that consider themselves in effect disenfranchised from global economic governance discourse. This thematic debate thus complements existing international efforts without infringing on established prerogatives.

Previous activities

The G20 itself has engaged increasingly in outreach activities with the UN and international organizations, non-G20 countries, as well as other stakeholders, such as leading business leaders, youth organizations, and think tanks.

At the behest of the French presidency of the G20, Prime Minister David Cameron of the United Kingdom wrote a 'governance report' that recommended "strengthen[ing] engagement with the UN" and "work[ing] closely with each other to maximize the value of such cooperation for both sides". With regard to the General Assembly, his proposal was to "regularize the practice of briefings and consultations, to coordinate with the UN to make use of existing processes for feeding in and highlighting issues, such as through the UN General Assembly's practice of holding informal thematic debates, to allow matters of mutual UN and G20 interest to be debated by the UN membership."

In its inputs to the G20 sent via the General Assembly, the 3G informal grouping of countries has consistently argued for a "regularization of the practice of G20 briefings and consultations with the membership of the UN, concluding that a "real and lasting reform of global governance can be achieved only in close collaboration with the United Nations."

Previous Presidents of the General Assembly have in the past convened informal plenary meetings where the respective G20 Presidency sherpas briefed the full membership prior and after the G20 summits. Such events provided Member States with opportunities to exchange views on topics related to global economic governance, including the G20's activities, as well as the agenda and outcomes of the G20 Summits with a view to enhancing cooperation and coordination between the United Nations and the G20.

Aims and purposes

- (1) To discuss the changes in the global economic governance system since 2009;
- (2) To examine existing best practices in the area of outreach on economic issues of concern to the Member States;
- (3) To consider ways in which communication between G20 and non-G20 could be regularized;

(4) To receive a briefing on the current G20 Presidency's priorities.

Organization and draft program

Conceived as a one day thematic debate, it is timed to take place just ahead of the spring meetings of finance ministers and central bank governors that will take place in Washington, DC.

The morning session will consist of an opening segment, high-level keynote addresses, and a briefing by a representative of the current G20 presidency.

The afternoon session will feature two interactive panel discussions and closing remarks.

The first interactive panel will consider the lessons learned in the global economic crisis-management.

The second interactive panel will look to the future of global economic governance, with a particular focus on ways to further a more integrated, coordinated, inclusive and efficient approach to the economic and financial challenges that ultimately affect all Member States.

Panelists will include former heads of state or government, ministers, and central bankers, and will draw on the expertise of institutes and think tanks, as well as university professors.

Follow-up

The PGA will solicit views from Member States and regional and other groups on the issues raised, in the light of the debate. In May, the PGA will distribute a summary of the debate and the inputs received; these will be sent not only to Member States, but also to various international financial institutions and the G20 presidency. This summary could also serve as a reference point for drafting the coming annual resolution on global governance in the General Assembly, building on previous resolutions such as 66/256 "The United Nations in Global Governance."

Thematic Debate “The UN and Global Economic Governance”

New York, United Nations, 15 April 2013

(NLB, Conference Room 4)

This event will be broadcast live. Link available at: <http://webtv.un.org>

Programme

9:30 – 11:00	<p>Opening</p> <ol style="list-style-type: none">1. H.E. Vuk Jeremic, President of the UN General Assembly2. H.E. Jan Eliasson, Deputy Secretary-General of the UN <p>High-level remarks</p> <ol style="list-style-type: none">3. H.E. J.M. Barroso, President of the European Commission4. H.E. Mrs. Kamla Persad-Bissessar, Prime Minister of Trinidad and Tobago5. H.E. Ali Babacan, Deputy Prime Minister of Turkey6. H.E. Alfredo Moreno, Foreign Minister of Chile7. H.E. Abul Maal A Muhith, Minister of Finance of Bangladesh8. H.E. Heikki Holmas, Minister of International Development of Norway9. H.E. Valentin Rybakov, Deputy Foreign Minister of Belarus10. President of the ECOSOC, H.E. Nestor Osorio, PR of Colombia11. Mr. Siddharth Tiwari, Director, Strategy, Policy, and Review Department, International Monetary Fund12. Mr. Harsha V. Singh, Deputy Director General, World Trade Organization13. Mr. Zia Qureshi, Director, Strategy and Operations, Office of the Senior Vice President and Chief Economist- Development Economics, The World Bank
11:00 – 12:30	<p>Interactive Debate between Member States</p> <p>Introduced by a Statement from H.E. Albert Chua, PR of Singapore, on behalf of the 3G and H.E. Serik Nugerbekov, Senator of the Parliament of the Republic of Kazakhstan.</p>

13:00 – 15:00	<i>break</i>
15:00 (sharp) – 16:00	Briefing by Ms. Ksenia Yudaeva, G20 sherpa of Russia followed by interactive debate with Member States
16:00 – 18:00	<p><i>Interactive Panel Debate</i></p> <ul style="list-style-type: none"> - <i>Taking stock of the changes in the global economic governance system (lessons learned from the economic, financial and debt crises and best practices of G20 outreach)</i> - <i>Ways in which communication between G20 and non-G20 could be regularized</i> - <i>The future of global economic governance and the General Assembly</i> <p>Moderator: ASG Shamshad Akhtar, United Nations</p> <p>Panelists:</p> <ol style="list-style-type: none"> 1. Shaukat Aziz, former Prime Minister of Pakistan 2. Ian Bremmer, President of Eurasia Group 3. Dr. Gordon de Brouwer, Sherpa of the incoming Australian G20 Presidency 4. Jeffrey Sachs, Columbia University
18:00	<p><i>Concluding remarks</i></p> <ul style="list-style-type: none"> • H.E. Mr. Vuk Jeremic, President of the General Assembly

Thematic Debate on “The United Nations and Global Economic Governance”
(New York, 15 April 2013)

Summary

Provided to the PGA by DESA

Overview

1. Pursuant to General Assembly resolution 66/256, H.E. Mr. Vuk Jeremić, the President of the General Assembly, convened the thematic debate entitled “The United Nations and Global Economic Governance” on 15 April 2013 at UN Headquarters.
2. The thematic debate was opened by the President of the General Assembly, followed by the statement of the Deputy Secretary-General and high-level key-note addresses by the President of the European Commission, the Prime Minister of Trinidad and Tobago, the Deputy Prime Minister of Turkey, the Foreign Minister of Chile, the Minister of Finance of Bangladesh, the Minister of International Development of Norway, the Deputy Foreign Minister of Belarus, the President of the ECOSOC and representatives from the IMF, World Bank and WTO.
3. The afternoon session included a briefing by Ms. Ksenia Yudaeva, Sherpa of the current G20 Presidency of the Russian Federation. It was followed by an interactive panel discussion of academics and high-level policy makers, moderated by Ms. Shamshad Akhtar, Assistant Secretary-General for Economic Development. During both the morning and afternoon sessions, the presentations by the panellists were followed by an interactive debate among delegations.
4. Overall, there was a broad support for the thematic debate in the General Assembly on the role of the United Nations in global economic governance. In his concluding remarks, the President of the General Assembly expressed hope that some proposals made during the thematic debate might be incorporated into the upcoming resolution on “The United Nations in global governance”, to be presented by Chile in the coming weeks, as a first step of regularizing relations between the United Nations and the G20.

Key Messages

- Strengthening global economic governance is more important than ever, given the still fragile recovery from the crises and the global nature of emerging challenges (e.g. climate change, financial stability, food security, energy supply, water management).
- The global landscape continues to evolve, with emerging market countries playing an increasing role in the global economy. The G20 continuously faced accrual of its importance in regard to global governance. On the positive side, the G20 helped avoid economic collapse

during the crisis. The G20 was also seen by many Member States as an improvement over earlier groupings, such as the G7, in terms of inclusiveness. Yet, while the G20 represents much of the world's population and economy, it excludes many countries, particularly small states.

- The General Assembly remains the most universal and legitimate body and stands out as the appropriate political forum for major discussions on global economic governance. The challenge is to find the right balance between inclusiveness and effectiveness. There appears to be a convergence of views that the G20 must complement the work of the UN.
- Participants supported strengthening the relationship between the G20 and the UN. This entails building a more systemic relationship. The G20 should formalize and institutionalize existing practices, such as inviting the Secretary-General to attend G20 Summits, inviting the UN Sherpa to participate in G20 preparatory meetings, holding briefings in the General Assembly by the Sherpa of the G20 presidency and having open consultations by the Secretary-General and the UN Sherpa with Member States, pre- and post- G20 Summits. In addition, the G20 should consider appointing a senior official to oversee its engagement with the wider UN membership.
- It was also stressed that the G20 should continue to strengthen its outreach toward other stakeholders, as well as increase coordination with regional groups. The Russian Presidency has been emphasizing outreach activities, and the incoming G20 Presidencies, Australia and Turkey, stressed their commitment to continue to prioritize outreach.
- Some found it also important for the G20 to engage with regional groups such as ASEAN, African Union, etc.
- A stronger UN should be viewed as a central component of a reformed system of global economic governance. In this context, a number of delegations suggested strengthening the role of ECOSOC as a day-to-day link between the UN system, the G20 and the international institutions in global economic governance. It is essential that the G20, the UN system and other relevant stakeholders, including civil society and the private sector, work together in complementary roles to reach effective and inclusive sustainable development in the context of the post-2015 development agenda.
- An effective and inclusive system of global economic governance will be essential for framing and implementing a post-2015 development agenda. The UN provides an appropriate intergovernmental forum to address, in an integrated and holistic manner, the three dimensions of sustainable development (economic, social and environmental).
- It is important to enhance the effectiveness and coherence of the UN system. According to several speakers, the UN needs to reform its own working methods in order to provide useful input to global economic governance. It is also important to put in place a more robust accountability mechanism to monitor progress in the implementation of commitments made by Member States in UN conferences.
- Many countries stressed that the international financial architecture should be reformed. The Bretton Woods institutions have taken important steps to move towards a more representative, responsive and accountable governance structure, but this needs to continue. This includes i.a. broadening and strengthening the voice and participation of developing

countries in multilateral frameworks. Furthermore, a need for greater transparency in the appointment of executive heads of the Bretton Woods institutions was mentioned.

- Several Member States stressed the need for further efforts to increase international tax cooperation and combat tax evasion, including strengthening institutional arrangements for such cooperation at the UN. Consideration should be given to upgrading the Committee of Experts on International Cooperation in Tax Matters into an intergovernmental body.
- The report of the Secretary-General on “Global economic governance and development” (A/67/769) was mentioned positively by several Member States.

Opening Remarks

H.E. Mr. Vuk Jeremić, President of the General Assembly, noted that since the outbreak of the world financial, economic and debt crises the discussions about how to improve global economic governance have gained in significance. The G20 has played an important role and has initiated most of the changes in global economic governance in the past years. However, this raised also questions of legitimacy. The GA should become a venue for enhanced interaction between the G20 and non-G20 Member States as well as international financial and trade institutions, by providing a platform to reflect on common concerns, as well as exchange views and share information. With regards to the post-2015 development agenda, the PGA pointed out that sustained efforts will be required to ensure the activities of key international economic players are mutually reinforcing and complementary, with discussions necessarily taking place at the UN. Concluding, the PGA proposed to formalize existing best practices of G20 outreach, i.a.: inviting the Secretary-General to attend G20 Summits; inviting the UN Sherpa to participate in G20 preparatory meetings; briefings in the General Assembly by the Sherpa of the G20 presidency before and after Summits, with the participation of IFIs as appropriate; thematic debates in the plenary focusing on the priorities of the current G20 presidency; and open consultations by the Secretary-General and the UN Sherpa with Member States in the General Assembly pre- and post-G20 Summits.

Mr. Jan Eliasson, Deputy Secretary-General pointed out that the process of globalization and economic integration required a corresponding evolution in international economic governance, including improved coherence across the UN system. He outlined that the global economic landscape had changed dramatically with the increased importance of emerging market economies. Mr. Eliasson asserted that strengthening global economic governance was more important now than ever in the light of still fragile recovery and the emergence of new challenges relating to climate change, financial instability, food security, energy supply, and water management. While the G20 was an improvement in terms of inclusiveness, over earlier groupings such as the G7, many non-member countries, including small and underrepresented states, have felt marginalized. Mr. Eliasson stressed that international cooperation must be based on common vision, shared values and commensurate responsibility and that the UN remained the most universal and legitimate world body. He also stressed that the world needs to build on the achievements of the Millennium Development Goals (MDGs), which have been the most successful international campaign for poverty reduction. He emphasized that much remains to be done, especially in the areas of water, sanitation and maternal health. Mr. Eliasson underscored that the post-2015 development agenda is an opportunity for a renewed global partnership for development and that sustainable development goals could serve as the right monitoring framework.

High-level Remarks

H.E. J.M. Barroso, President of the European Commission, stressed the growing international interdependence and the importance of the UN against this backdrop. For global well-being, all countries must prosper. He outlined the steps that the countries of the European Union have taken from national independence to European interdependence, and how the countries of the Eurozone continue to grow closer after the economic crisis. Barroso reminded that international trade is a significant factor in global economic recovery. The EU is reinforcing its bilateral trade partnerships and supporting the Doha Agenda. He also stressed particularly the growing importance of the fight against tax evasion. On the G20, he pointed out its significance in the response to the global financial and economic crisis where it has proven a very effective forum for coordinating a global response. In the light of global interdependence, the global debate needs to be opened at public level and in this sense he congratulated the PGA to the thematic debate, and the SG to supporting it.

H.E. Ms. Kamla Persad-Bissessar, Prime Minister of Trinidad and Tobago, stated that present-day economic conditions are having a particularly strong adverse impact on small states that are highly susceptible to external shocks, such as the CARICOM countries. She pointed out that these countries' need for concessional financing remains high, despite the recent improvements in the IMF lending facilities. She argued that the much higher levels of vulnerability of small states to natural and economic shocks should be adequately considered when making lending decisions, alongside the per capita GDP criteria. She argued that the international community should focus on four areas to promote development in small states and LDCs: (i) concessional financing for infrastructure, (ii) access to markets and tourism, (iii) debt relief for highly indebted countries, and (iv) technology transfer. She stressed that the current international economic governance structure denies effective voice for small countries, as the rules that are developed by the OECD and clubs of large countries affect smaller states. For example, the OECD black and grey lists on tax evasion have affected small countries that are not part of the OECD. Often, rules (such as financial regulation and risk management) do not support a level playing field between large and small states. The speaker stressed that Trinidad and Tobago is using its position as the only CARICOM member of the G24 to advocate greater dialogue with the G20 and more meaningful engagement with small states, and that the GA must play an important role. Ultimately, according to the speaker, global economic governance reforms should reflect the growing role of emerging market developing countries in the global economy, while also enhancing the voice and representation of small low- and middle-income countries.

H.E. Mr. Ali Babacan, Deputy Prime Minister of Turkey, stated that the sharp increase, during the last decade, in the share of emerging and developing countries in the world GDP, needed to be commensurately reflected in the structures of global economic governance. In his view, the emergence of the G20 was a positive development, reflecting an underlying shift in economic power and had allowed the international community to act quickly and decisively in the wake of the global crisis. While the UN has greater legitimacy and universality, it is less effective. He said that the G20 efforts at outreach and its relationships with formal institutions, non-members and other relevant stakeholders needed to be further enhanced. Mr. Babacan mentioned that it was particularly important that the G20 formalize and systematize its engagement with the UN and that the current thematic debate should make a concrete step in this direction. According to the speaker, international trade is the basis of sustainable development and it is of particular importance to complete the Doha negotiations in order to counter protectionist tendencies. He acknowledged that the Bretton

Woods institutions had taken important steps towards a more representative, responsive and accountable governance structure and emphasized that broadening and strengthening the voice and participation of developing countries in multilateral norm-setting remains a priority on the global policy agenda. According to the speaker, there is also a need for greater transparency in the merit-based selection of leaders of the international institutions. Mr. Babacan pointed out that Turkey would assume the G20 presidency in 2015 and attaches high priority to outreach and strengthening the group's dialogue with non-members.

H.E. Mr. Alfredo Moreno, Foreign Minister of Chile, stressed that, as a truly universal and inclusive multilateral forum, the United Nations should serve as the foundation for the reformed system of global economic governance. In his opinion, the UN was unparalleled as the political forum for discussions on economic issues, combining all three dimensions of sustainable development, as well as for understanding the linkages between economic issues, peace, security and human rights. However, today many key decisions are made by restricted groups of countries, such as the G20. According to Mr. Moreno, the tendency towards replacing rules-based multilateral systems by ad hoc groupings of countries, such as the G20, is worrying from the viewpoint of legitimacy and they threaten the inclusive multilateralism of the UN. Therefore, the G20 should open itself to non-members and enhance its cooperation and consultation with the UN. Mr. Moreno stated that UN primacy in matters concerning general approaches and rules of universal validity should be fully respected and that UN coordination with the BWIs and the WTO should be further strengthened. Mr. Moreno said that Chile will co-facilitate this year's resolution on global economic governance.

H.E. Mr. Abul Maal A Muhith, Minister of Finance of Bangladesh, also emphasized the primacy of the UN and called for enhancing the effectiveness and coherence of the UN development system. In particular, he pointed out that strengthening ECOSOC would contribute to a more coherent architecture of global economic governance. He drew attention to the lack of effective strategies to assist the Least Developed Countries (LDCs), Small Island Developing States (SIDs), and Landlocked Developing Countries (LLDCs) that need not just financial transfers or technical assistance, but also more focused sectoral investments and access to markets and technology. Therefore, according to the speaker, the sustainable development agenda should be reformulated as a socio-climatic economic development agenda to end poverty and inequality. Moreover, developing countries should be reclassified based on their needs, rather than as upper, middle and low-income countries.

H.E. Mr. Heikki Holmas, Minister of International Development of Norway, paid special attention to the worldwide issue of poverty, tax fraud and corruption, enabled by a general lack of transparency, widespread financial secrecy, and increasing inequality in many countries. He said that 70 per cent of the poor now reside in middle-income countries, and that some countries witnessed over 50 per cent youth unemployment following the crisis. While domestic taxation is the key resource for poverty reduction, multinationals successfully avoid their legitimate tax liabilities, while illicit flows from developing countries using tax havens now exceed ODA flows to these same countries. Therefore, the global financial system needs new strengthened rules for money laundering and tax evasion. Mr. Holmas stated that Norway was in favour of stronger international tax cooperation and consideration should be given to upgrading the Committee of Experts on International Cooperation on Tax Matters into an intergovernmental body.

H.E. Mr. Valentin Rybakov, Deputy Foreign Minister of Belarus, raised the issue of balancing legitimacy versus effectiveness in reforming global economic governance and emphasized the need for inclusive international consultations based on the primacy of the UN system. He emphasized that an effective and inclusive system of global economic governance would be particularly necessary for framing and implementing a post-2015 development agenda. He stated that the 2010 Seoul development consensus for shared growth and the expanding interaction of the G20 with the UN system agencies offered hope in this direction. As a measure aimed at improving the synergy between the UN and the G20 activities, he mentioned that Belarus would like to propose regular adoption by ECOSOC of a declaration addressed to G20 members on the eve of its summits to express UN members' expectations.

President of the ECOSOC, **H.E. Mr. Nestor Osorio** (Colombia), stated that ECOSOC was striving for a renewed global partnership for development in the context of the post-2015 development agenda in order to achieve inclusive growth with job creation, while guaranteeing environmental sustainability. That requires enhancing the accountability, effectiveness and coherence of the UN development system at the intergovernmental, institutional and operational levels, as well improving its interaction with informal groupings such as the G20. He mentioned that it was also important to put in place more robust accountability mechanisms to monitor progress in the implementation and fulfilment of commitments made by Member States at UN conferences. Pursuant to the outcome of the Rio+20 conference, Ambassador Osorio pointed out that the UN is engaged in consultations for the creation of a high-level political forum that will support the implementation and monitoring of the concept of sustainable development in its three dimensions.

H.E. Mr. Paul Oquist, Minister-Private Secretary of National Policy, Presidency of the Republic of Nicaragua, reminded delegates that the 2009 UN Conference on the World Financial and Economic Crisis and its Impact on Development adopted actionable recommendations on strengthening the UN role in economic governance. According to him, global governance reforms have so far been inadequate. He stated that the improvisations of the past six years did not constitute adequate progress in strengthening global economic governance and emphasized the importance of reinventing the UN role in global economic governance. Mr. Oquist stated that the G20 had no legal basis and therefore cannot make binding decisions for all countries. He recalled that the origins of the crisis included a weakening of economic governance, such as the dismantling of Glass-Steagall in the United States. In addition, he pointed to weak international coordination on quantitative easing as posing risks to the international economy, particularly for development and emerging countries, and referred to examples of efforts over time by groups of countries to address the vacuum in global economic governance, including the establishment of the BRICS Development Bank, Chiang Mai plus three, ALBA, Bank of Alba, the SUCRE virtual trade currency, Bank of the South.

Mr. Siddharth Tiwari, Director, Strategy, Policy, and Review Department, International Monetary Fund, stressed that good economic governance was more important than ever in today's highly integrated world economy, with widening spill-overs and transmission channels, including from small to big economies. According to him, the current three-speed recovery from the crisis made careful calibration and coordination of policies doubly necessary and more challenging. He briefed the delegates about the recent progress the IMF made in supporting good policies. He mentioned, in particular, actions taken in relation to the IMF for ensuring adequate financing and effective governance, including the doubling of resources, the integration of bilateral and multilateral surveillance, the introduction of more

flexible and quicker disbursing or precautionary lending facilities and quota and governance reforms.

Mr. Harsha V. Singh, Deputy Director-General, World Trade Organization, stated that leadership, efficiency, legitimacy and coherence are the four key elements of effective global economic governance. According to him, there is a triangle on global economic governance emerging between the UN, the G20 and the WTO. He mentioned that the WTO has a unique role in promoting rules-based international trade, which has become increasingly dominated by intermediate goods exchange, thereby making countries even more inter-dependant. According to Mr. Singh, international trade expansion slowed to 3.3 per cent in 2012 compared to the average of 5 per cent of the last 20 years. Therefore, keeping markets open and resisting protectionist pressures is a critical part of the international strategy for overcoming the aftermath of the crisis. He pointed out that agreeing on a series of deliverables in the Doha negotiations by the time of the WTO Ministerial meeting in Bali is equally important. Of special significance is progress on trade facilitation, agricultural trade and agreeing to a pro-development package for LDCs. According to Mr. Singh, G20 and UN efforts have been instrumental in preventing protectionism, bolstering trade financing, providing aid for trade and protecting food security. The speaker asserted that continued UN and G20 cooperation was essential for supporting the new development agenda and that ECOSOC should be the platform for day-to-day interaction.

Mr. Zia Qureshi, Director, Strategy and Operations, Office of the Senior Vice President and Chief Economist, Development Economics, the World Bank, noted the growing role of the emerging and developing economies in global economic governance, as reflected in the governing bodies of the BWIs and the G20, albeit with a lag. He pointed out that the voting share of these countries at the World Bank rose, following the 2010 reform, and that a new Executive Director seat was given to Africa. According to Mr. Qureshi, the World Bank's involvement in the G20 working groups on economic development, infrastructure and food security helped bring in the perspective of developing countries into discussions on these important topics. He mentioned that the World Bank was playing a lead role in the G20 work on long-term investment financing, which was of vital importance for sustainable development, and relevant to the UN post-2015 development agenda. He mentioned that the World Bank would continue to actively pursue its efforts towards establishing more inclusive and effective global economic governance and its new strategy aimed at ending poverty through partnership-building for shared prosperity, promoting knowledge and sharing development solutions.

Interactive Debate

A number of salient points were made during the subsequent interactive discussion, including the following (in addition to the points mentioned at the beginning of this summary):

The Global Governance Group (3G) stressed that the UN, as the only global body of unquestioned legitimacy, should lead the effort in shaping the global governance framework, while other international institutions and informal groupings should serve as meaningful complements to it. The G20 should institutionalize its interactions with the United Nations and, as stated in the report by the United Kingdom Prime Minister, Mr. David Cameron, the G20 should appoint a senior official to oversee its engagement with the wider UN membership. He argued that the G20 should continue and deepen the application of the principle of 'variable geometry' to allow for the participation of non-G20 members on issues

of concern to them. Ambassador Chua underscored that the UN should, in turn, reform its own internal processes and working methods to stay relevant and action-oriented.

- Participants emphasized that a stronger UN should be viewed as a central component of a reformed system of global economic governance. In this regard, strengthening ECOSOC would contribute to a more coherent architecture of global economic governance. It was also mentioned that the UN needs to coordinate international cooperation, build global development partnerships, and strengthen its ties with other groupings, such as the G20 and regional organizations, such as the ASEAN.
- Speakers stressed the important need for the G20 to continue to strengthen and systematize its engagement with the UN and also to further enhance its relationships with formal institutions, non-members and other relevant stakeholders. The efforts made by the G20 in this respect were acknowledged. However, it was pointed out that more could be done in a number of areas, including greater engagement with small and under-represented small states.
- It was stated that the post-2015 development agenda should make concrete proposals on the reform of international economic and financial architecture from a broad development perspective. This would be important to ensure the synergy between the work of the UN agencies, the BWIs, the WTO and other international bodies dealing with development issues.
- It was pointed out that global economic governance remains fragmented, with unequal country representations by different groups, while the world needs a coordinated single policy framework. A new format for international cooperation is therefore needed. In this context, reference was made to a conference due to take place in Kazakhstan, during the Astana Economic Forum on 23-24 May 2013, which would be discussing relevant issues in this area.
- Participants stressed the need to broaden and strengthen the voice and participation of developing countries in multilateral frameworks and norm-setting, which was deemed a priority on the global policy agenda.

Some Member States sent their statements in written – they can be seen under the following link: <http://www.un.org/en/ga/president/67/issues/governance/governance.shtml>

Briefing by Ms. Ksenia Yudaeva, G20 Sherpa of Russia

Ms. Yudaeva outlined the priority areas of the Russian G20 Presidency, which include growth through quality jobs and investment; growth through trust and transparency; and growth through effective regulation. These three priorities of the Russian Presidency have served as a lens through which the G20 had considered and discussed the G20 agenda in 2013. There are 8 areas of work: financing for investment; jobs and employment (including a joint meeting between G20 labour and finance ministers); financial architecture reform (main issue is the IMF quota reform); strengthening financial regulation; trade; development; energy sustainability; and the fight against corruption. One of the focuses of the agenda is addressing the challenges of developing a framework for strong, sustained and balanced growth and generating jobs and employment. The Group had also worked on international financial architecture reform, particularly reforming IMF quotas and governance, as well as

issues pertaining to government borrowing and public debt sustainability. Ms. Yudaeva also outlined that strengthening financial regulation and energy sustainability, including issues of energy infrastructure and regulation, predictable energy markets, and green growth are crucial themes.

Ms. Yudaeva stated that the G20, under the Russian Presidency, has emphasized promoting an inclusive development agenda through increasing investments in food security, infrastructure, human capital and promoting financial inclusion. In that context, due attention was also paid to developing a post-2015 development agenda. Finally, the Group is devoting its discussion to enhancing multilateral trade and fighting corruption.

Russia is also emphasizing outreach to stakeholders and representatives of country groups that are not members of the G20, to increase transparency and effectiveness. In that context, Ms. Yudaeva emphasized the importance of intensifying collaboration between the G20 and international organizations, in particular those of the UN system.

The United States said it appreciated the opportunity for the exchange of views between the General Assembly and the Sherpa of the respective G20 Presidency and asked about lessons learned from outreach efforts. Morocco expressed support for the General Assembly discussion and brought up the question of continuity in the G20 since the Presidency changes each year, especially with regard to development issues, as well as the lack of informal mechanisms for accountability.

Interactive Panel Debate

The purpose of the interactive panel debate was threefold. The objectives were: (1) to take stock of the changes in global economic governance system (including lessons learned from the economic, financial and debt crises, as well as best practices for G20 outreach); (2) to assess ways in which communication between the G20 and non-G20 countries could be regularized; and (3) to consider the future of global economic governance and the General Assembly.

The panel was moderated by Ms. Shamshad Akhtar, Assistant Secretary-General for Economic Development, UN-DESA. The panelists were: Mr. Shaukat Aziz, former Prime Minister of Pakistan; Mr. Ian Bremmer, President of Eurasia Group; Mr. Gordon de Brouwer, Sherpa of the incoming Australian G20 Presidency; and Professor Jeffrey Sachs, Director of the Earth Institute, Columbia University. The panellists presented a range of sometimes opposing views on the state of the current system of global economic governance, and the potential to strengthen the system.

Ms. Shamshad Akhtar called on the panellists to focus their interventions on the pertinent issues raised by high-level representatives of Member States in the morning. Ms. Akhtar highlighted several overarching questions. First, how does global economic governance need to be reshaped in the light of new challenges and emerging issues? Second, given the need to balance legitimacy and effectiveness how can the relationship between the UN and the G20 be fostered in a mutually reinforcing and complementary manner, to best address current development challenges in the context of the post-2015 development agenda? Third, how can the UN system become more agile, responsive and decisive in the light of global challenges?

Mr. Shaukat Aziz pointed out that the crisis revealed inadequacies in the ability of the current system of global economic governance to address current economic challenges and realities. Growing interdependence has made it difficult for countries to implement national policies to address economic crises in isolation. Multiple global crises have increased the financing needs of developing countries dramatically and regionalism, especially in the area of trade, has grown. At the same time, with the rise of emerging economies, new actors have emerged in the development arena and South-South cooperation has become more relevant. Finally, the rising prominence of informal groupings, and particularly of the G20, has been a key factor in a paradigm shift of global governance. However, while the G20 was effective in responding to the crisis, its limited membership raises questions of its legitimacy. The UN remains the only universal body, with unrivalled convening power and a broad mandate. Yet, it needs to continue to take measures to strengthen its effectiveness in the economic, social and environmental areas.

The fundamental question, according to Mr. Aziz, is how to strengthen the UN role in global economic governance. He argued that there are three options, including strengthening the existing structure of the organization, exploring the creation of new mechanisms, and more effectively harnessing the complementarities between formal organizations and informal groups. In this context, he emphasized the need to improve linkages between the G20 and UN. He stressed that a system of global economic governance should promote growth and equity without harming the natural resource base, be based on common visions, shared values, common responsibilities and collective action, and that involvement, ownership and leadership are all crucial for such a system to make the world a better place for all.

Mr. Bremmer argued that the current system of global economic governance is fragmented, disorganized and, at times, contentious. He stated that strengthening the system of global economic governance faces immense challenges due to the different natures of its members. According to him, the G20 has difficulties being effective, since its members face constraints in making decisions given different electoral cycles and domestic priorities. In particular, he argued that the stage of political and economic development in emerging market countries undermines the countries' capacity to effectively engage on global governance issues. For instance, China, which is on track to becoming the world's largest economy, has traditionally focused more on bilateral rather than on plurilateral, multilateral, or global partnerships. According to Mr. Bremmer, countries are preoccupied with their own political and economic challenges, which creates a further impediment to strengthening global economic governance. For example, Mr. Bremmer argued that Europeans are dealing with a fundamental crisis as to the nature of the euro zone, which he believes will likely be a major focus of policymakers for years to come. He also stated that the United States had recently shown a trend to disengage globally, which poses further challenges to the existing system of global economic governance. Mr. Bremmer also argued that many countries have found it impossible to implement commonly agreed policies. This was due to the lack of will for collective action, as evidenced, for example, through the lack of fiscal coordination within the G20 during 2009. Moreover, 2010 had shown little to no progress on climate change negotiations. He argued that specific countries generally take the lead in economic governance issues. For example, the response to the crisis in 2008 depended mostly on the US and a few EU States, while the response to the Euro crisis has also depended on a few countries, as well as the ECB. Looking ahead, Mr. Bremmer predicted that global economic governance will become increasingly ad hoc, fragmented and contentious. This trend will likely impact everything from trade to the transpacific partnership. Future success in terms of more regulatory convergence will depend on the effectiveness of existing multilaterals, including the IMF and

World Bank. Moreover, it will also depend on the extent to which new emerging multilateral banks, including the China Development Bank (which deployed more capital than most other multilateral financial intermediaries) and the much discussed BRICS bank, are willing to cooperate.

Mr. Sachs argued that the international economic system is not working effectively and needs to be reformed. According to him, there are at least five flaws in the current system. First, the current international financial system had failed to ensure stability. Moreover, the response to the world financial and economic crisis has led to massive expansion of liquidity around the world, which poses risks of another round of bubbles and financial disturbances. Second, development finance is clearly in crisis. While there continue to be significant global development needs, the appetite for raising official development assistance (ODA) clearly waned after 2008 due to fiscal deficits. Third, the speaker emphasized that the current international financial system caters to illegality and inequity. Recently, the International Consortium of Investigative Journalists released detailed information on off-shore tax havens. Nonetheless, tax havens continue to be used. Fourth, the international financial system had not yet found a way to address the loss of biodiversity, climate change, desertification and other environmental threats. The major multilateral environmental agreements have failed to reach their goal. In the United States, Congress had little intention implementing legislation to address climate change because of the political power of oil companies. Finally, societies have become more unequal in the current system of global economic governance. While the United States still has most of the billionaires of the world, China has been catching up. The trend of increasing inequity in most countries in the world is not in line with the goal of more stable societies. Mr. Sachs further stated that the process of expansion from the G7 and G8 to the G20 in response to economic realities has been a step in the right direction. He acknowledged that the G20 has its pluses: it represents about 72 per cent of global population and probably about 90 per cent of the world economy. However, it does not represent the world's most vulnerable and marginalized. Consequently, there is a need for strengthening standards and rules to create a global economic system that is responsive to the most vulnerable and to the needs of future generations. In this context, Mr. Sachs pointed out that it is important to set truly global sustainable development goals, as agreed to in the outcome document of the United Nations Conference on Sustainable Development. The speaker further emphasized that sustainable development is the appropriate framework to gauge development since it balances economic, social and environmental considerations. He further noted that an additional way to simplify the existing unwieldy global system is through stronger regionalism, which would lower the number of key players to a manageable number.

Mr. de Brouwer argued that it is important to be clear of what the G20 is and what it is not. The G20 is not a formal institution or a rule-setting body; it has no Secretariat; it is chaired by a selected presidency from the Group; and to arrive at agreements, there needs to be consensus among its members. He argued that the G20 is only one instrument amidst a variety of tools. For an effective global response to international economic challenges, the world needs to employ a variety of mechanisms. In this sense, the G20 should be complementary and supportive of genuinely global bodies like the United Nations. Mr. de Brouwer stated that under the Australian Presidency in 2014, the G20 will continue to work on strengthening their internal coordination mechanism, the Troika, while ensuring continuity in the agenda. He believes it is imperative that development remains a priority item on the agenda. He stated that the G20 has been engaged in a discussion on a framework for economic growth and development, which recognizes the core mutual dependence of countries, and the mutual responsibility of major economies not just to each other but

globally. The framework had supplemented by action plans, country-led peer-reviews and transparency. He noted that other achievements of the G20 have been to help mobilize financial resources for the IMF in order to buttress the international monetary system, and an important behind-the-scenes role in preventing a large-scale breakout of protectionism and insularity in domestic policies in the wake of the crisis. Looking ahead, Mr. de Brouwer noted that the G20 could contribute to economic growth, job creation, as well as the promotion of trade and development. An important challenge will be to look for new sources of growth, given that macro instruments have largely been exhausted. He argued that the focus has to be on private-sector-led sources of growth, with particular attention to investment into infrastructure and trade. He also emphasized the importance of implementing a development agenda that focuses on inclusive growth. Mr. de Brouwer also mentioned that the G20 could help manage the current economic transformation embodied in the rising importance of the new emerging economies. These economies need to be included in global arrangements in a manner that is commensurate with their size and the significance. He suggested that the G20 will play a supportive and catalytic role in reforms of existing formal arrangements to cope with these new economic realities. Mr. de Brouwer stated that the G20 would like to continue to be engaged in further discussions on reforms of global economic governance with the United Nations, as it values the input of all United Nations Member States, as well as civil society, labour unions and the private sector.

Interactive Discussion

During the discussion, the following points were raised:

- Participants emphasized the importance of strengthening the voice and participation of developing countries in multilateral and norm-setting institutions. While the important steps undertaken by the Bretton Woods institutions in this regard were acknowledged, speakers asserted the need for global economic governance structures to continue to better reflect the increasing importance of developing countries in the world economy.
- Some argued that the G20, and other G configurations, do not have a mandate to engage in policies that affect non-member countries. It is therefore important that the G20 interact with non-member States through the United Nations.
- It was underscored that, in order to be effective, the G20 will need to engage in partnerships with other relevant entities and stakeholders. In this regard, some delegations expressed the hope that the G20, the UN system and other relevant stakeholders, including civil society and the private sector, will work together in complementary roles to reach effective and inclusive sustainable development in the context of the post-2015 development agenda.
- Speakers also pointed out the need for the established multilateral organizations (including the UN, World Bank, IMF and WTO) to work together effectively. In this respect, it was also stated that the main multilateral organizations should not compete with each other. Rather, their roles should be complementary.
- It was emphasized that the UN should play a central role in finding common solutions to international problems. In this context, it was underscored that the UN provides legitimacy to international actions, and is unique in facilitating multi-level, universal

and all-inclusive dialogue and cooperation. It was argued that the UN should embrace much wider responsibilities in the area of global economic cooperation.

- At the same time, speakers pointed out that the UN should also go through necessary adaptation and reforms. The importance of enhancing coherence across the UN system and the need to continue efforts to strengthen the effectiveness and coordinating role of principal UN organs, such as ECOSOC and its subsidiary bodies was mentioned.
- A speaker pointed out that global governance should not be mistaken for global government but instead should refer to the need for improved, inclusive international cooperation. According to some speakers, an enabling framework of global economic governance should balance effectiveness with inclusiveness and representativeness, should promote an enhanced role of regional and sub-regional cooperation and should address pressing issues, including those relating to trade, debt and poverty eradication.
- Another participant stated that the path to more effective governance does not necessarily require the creation of new institutions and processes. Rather, it requires the effective policy coordination to enable existing institutions to work more effectively within their current mandates. The speaker also emphasized the need to adjust the philosophy, structure and mandate of existing institutions and bodies to the size and scope of present-day challenges and to provide the necessary financial resources.

Concluding Remarks by the President of the General Assembly

H.E. Mr. Vuk Jeremic, President of the General Assembly concluded the thematic debate by highlighting a number of points raised during the meeting. At the outset, he pointed out that the growing importance of the G20 in global economic governance was perceived as a positive development compared with the pre-existing mechanisms such as G7, reflecting the underlying shift in economic power toward emerging and developing economies. However, he underscored that the G20 is still widely seen as an exclusive club whose conclusions are reached in a non-transparent, unaccountable way, and which excludes a majority of UN Member States. While the G20 has made important efforts at outreach, these should be continued and enhanced. In particular, the President emphasized the need for the G20 to continue to strengthen and systematize its engagement with the UN, as well as non-members and other relevant stakeholders.

He expressed the general agreement that as a truly universal and inclusive multilateral forum, the UN has a central role in global economic governance. At the same time, he stated that efforts should be made to enhance the accountability, effectiveness and coherence of the UN development system. In particular, strengthening ECOSOC would contribute to a more coherent architecture of global economic governance. He also highlighted the importance of putting in place a more robust monitoring and accountability mechanism to monitor progress in the implementation and fulfilment of commitments made by Member States in UN conferences.

The President of the General Assembly acknowledged the important steps that the Bretton Woods institutions have taken to move towards a more representative, responsive and accountable governance structure. He nevertheless emphasized the need for continuing efforts to broaden and strengthen the voice and participation of developing countries in

multilateral frameworks and norm-setting bodies. In particular, he noted the calls made for further efforts to increase international tax cooperation and to combat tax evasion. In this regard, he pointed out that consideration should be given to upgrading the Committee of Experts on International Cooperation in Tax Matters into an intergovernmental body. Finally, he asserted that an effective and inclusive system of global economic governance will be essential for framing and implementing a post-2015 development agenda. In this regard, the active participation of all relevant global actors in discussing key development issues is essential. There is moreover a need to continue to encourage the participation of non-state stakeholders in dialogue and activities pertaining to development.

The President concluded that the thematic debate had made a contribution towards advancing the discussion on the role of the United Nations in global governance and expressed his thanks to all the speakers, panellists and participants.



Statement by H.E Mr. Alfredo Moreno
Minister of Foreign of Affairs of Chile

Thematic Debate
“The United Nations and Global Economic Governance”
April 15, 2013
United Nations General Assembly
New York

Thematic debate
The United Nations and global economic governance
(New York, 15 April 2013)

Statement by Mr. Alfredo Moreno, Minister for Foreign Affairs of Chile

I thank the President of the General Assembly, Mr. Vuk Jeremic, for his invitation to participate in this important debate on the United Nations and global economic governance.

Governance and global economic cooperation for development

In a world transformed by globalization, the agenda of all our countries includes challenges of a global nature particularly in the area of international economic relations, which cannot be properly addressed without actions agreed and implemented by the entire international community.

Yet we are still tackling these challenges with uncoordinated individual measures or with mechanisms of international collective action that are not keeping pace with events and the urgency of the challenges of today's world.

It is a fact that the world is still not succeeding in overcoming the economic and financial crisis that began in 2008 and the response of the international community raises questions about the efficiency, effectiveness and coordination of the existing mechanisms of global economic governance.

The United Nations and global economic governance

The world has an architecture of global economic governance with universal institutions and mechanisms, including those of the United Nations system. It is a highly decentralized system of global organizations, institutions and mechanisms, with diverse membership, decision-making structures and specific purposes, with varying linkages to the United Nations.

The leading global players for discussion, definition of agendas and policy decisions in the global economy are the Bretton Woods institutions (the International Monetary Fund and the World Bank), the World Trade Organization (WTO), the Financial Stability Forum and the Bank for International Settlements, together with funds, programmes (such as the United Nations Development Programme and UNICEF) and specialized agencies of the United Nations system (the International Labour Organization, the World Health Organization, etc.).

Within this group of players, the United Nations – and particularly this General Assembly – stands out as the political forum for the major topics on the global economic

agenda and as the player for combining the three dimensions of sustainable development, the economic, social and environmental; in addition to its capacity to understand the linkages between global economic issues to peace and security and international and human rights.

The multiplicity of universal and regional players for economic governance is nothing new and does not appear to have aroused concerns to the inclusive multilateralism represented by the United Nations.

The situation changed when informal and ad hoc groups of systemically important countries decided to coordinate their economic policies in order to intervene in the global economy. I refer, of course, to the principal world economies, which are therefore able to influence the world's economic performance with effects that, for better or for worse, the remaining countries cannot avoid.

Challenges to multilateralism in global economic governance

At the international level, multilateralism should be an instrument for dealing with global challenges in an inclusive manner, with the participation of all. However, today it has not been possible to address the major topics of the global economy at the multilateral level in the inclusive mechanisms and forums and most key decisions are being taken in restricted –club likes- multilateral arenas. We have seen several collective and multilateral responses, but they have come from other players.

As a result, some people consider that classic multilateralism – universal, inclusive and democratic – based on rules and institutions is now in danger of being sidelined.

This marginalization concerns not only the United Nations but also the Bretton Woods institutions and in general the universal institutions, mechanisms, forums and agencies of the international system.

Rules-based systems, mechanisms and institutions ^{defacto being} are being replaced by ad hoc groupings of countries, such as the G-20, comprising the major economies.

This is restricted club multilateralism and it is worrying from the viewpoint of its legitimacy and because of the danger that it can pose to the inclusive multilateralism of the United Nations.

What challenges do informal groups, such as the G-20, pose to the United Nations and global economic governance?

The emergence of these informal groupings of countries to address issues of global economic governance, and particularly the G-20, risks ^W excluding many countries that are affected by their decisions but unable to participate and defend their interests. As

such, these groupings are undoubtedly a step backwards compared with the inclusive and democratic mechanisms and this raises questions of legitimacy that must be addressed.

This question of legitimacy must be addressed, in the first place, by opening the G-20 to non-members and by enhanced mechanisms for cooperation and consultation with the United Nations. 7

In a broader sense we need a clarification of roles regarding economic governance, with the aim of preserving the central role of the United Nations at the normative level, and in the promotion of a fully inclusive and equitable global economic system.

We should be willing to value the G20 coordination if it is focused on filling a gap in the management of the global economy, in situation where no suitable arrangement or mechanism for cooperation exists in the institutions and mechanisms of the United Nations system, as was the case when a rapid response was needed to the first shocks of the financial crisis in 2008 and 2009. But the fact is that, in other cases, what happens with these informal groups of the largest developed and emerging economies is that there is a desire to bypass the formal multilateral institutions, in order to avoid the perceived slowness and difficulty of reaching substantive agreements in the formal global institutions with universal membership.

What is to be done? How can we deal constructively with this situation?

As a general rule, at the United Nations we must acknowledge the complexity and diversity of the existing architecture for global economic governance and deal with this phenomenon of complex multilateralism, with various levels, players and capacities, by seeking to preserve the primacy and centrality of the inclusive multilateralism of the United Nations *in all matters concerning general approaches and definition of rules and regimes of universal validity.*

As has often been repeated by the countries in the Global Governance Group (3G), including Chile, we believe that informal groups such as the G-20 should respect the mandates of the institutions and mechanisms of the United Nations system and other universal forums.

In this connection, we believe that, if the "Gs" or multilateral mechanisms with limited membership – such as the G-20 – are prepared to respect instead of opposing the guidelines and substantive approaches of the global institutions, we have the basis for a complementarity that can benefit us all.

If they remain on track, these informal groupings of countries "which are willing and able" could further enhance the effectiveness of economic governance by involving the really important players in the solution of global problems in each case or specific situation.

Actually this is already happening in many areas including regional partnerships for economic cooperation and integration, such as APEC, EU, ASEAN, CELAC, UNASUR, the Pacific Alliance, etc.; issue based groupings of producers and consumers of commodities such as coffee or of countries that are important for banking regulation, or of key players for the definition and preservation of endangered species, etc. Here I am referring to groups based on a *principle of variable geometry* depending on the issues to be addressed: associations of players important for the solution of specific problems.

One aspect that should not be forgotten is that this informal groups or mechanisms of governance are composed of countries which are Members of the United Nations and which value the democratic and inclusive role played by this Organization. Each of our countries must assume responsibility for ensuring that the work, analysis and/or commitments achieved in those groups or mechanisms are in line with the UN system and acquire universal validity in the United Nations.

Contributions for the General Assembly resolution

In two consecutive years, the General Assembly decided to address this issue and to accord it the priority of a plenary discussion. My country was asked to “facilitate” and submit these resolutions on behalf of Chile, Kenya, Singapore and Switzerland and with the support not only of the 3G countries but also of a large number of co-sponsors, including members and non-members of the G-20, demonstrating the interest and priority accorded to this item and the inclusive character of the responses sought.

We are confident, Mr. President that from this debate important indications will emerge that will create substantive consensus on the inclusion in this year’s General Assembly resolution of:

- General approaches to facilitate coordination and complementarity between the various players and mechanisms for global economic governance including regional and sub-regional mechanisms.
- Suggestions for improving United Nations coordination with the Bretton Woods institutions and the World Trade Organization, among other important players for the global economy, including those in the private sector.
- Formalization of mechanisms to institutionalize existing improvements in relations between the United Nations and the informal groupings of countries which adopt decisions of global scope and implications including the G-20, and
- Identification of actions needed to fill gaps and correct shortcomings in global economic governance.

In conclusion, I reiterate my country’s commitment to multilateralism, the United Nations and its central role in global economic governance.



EUROPEAN COMMISSION

José Manuel Durão Barroso
President of the European Commission

**Speech by President Barroso: "Economic Governance in
the age of Interdependence"**

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

67th Session of the United Nations General Assembly/New York
15 April 2013

Mr President of the General Assembly,
Deputy Secretary-General,
Prime Minister,
Excellencies,
Distinguished guests,
Ladies and gentlemen,

One of the purposes of this great institution as set out in Article 1 of the UN Charter is: "To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character,"

These last years have proven that this is more valid than ever. Today no nation or group of nations can prosper on the wreckage of another. In a globalised, interconnected world we are all neighbours and no country is big enough to be immune to what happens next door.

Greater co-operation and co-ordination between nations is no longer just the responsible choice. Today it is essential for managing our shared global challenges and optimising the opportunities that interdependence offers. And the United Nations has an ever more crucial role to play in this.

This is why I congratulate the President of the General Assembly for this initiative and the Secretary General for lending its support to it.

President,

The European Union is no stranger to interdependence: our Member States' economies are the closest linked in the world with the world's largest Single integrated market. So we have had to face the vital question of how best a group of States can work together and by pooling sovereignty better address current challenges and be effective in our policy responses.

We have learnt through experience – good and bad - as we have sought to turn the challenge of interdependence into the reality of common governance. I would like to share some of what we have learned here today.

The genius of European integration was precisely to replace step by step, by concrete achievements and progress, the logic of international power politics by a law-based order; to turn the strict national independence into a European interdependence. This dynamic was present at every phase of the European integration process: from the Coal and Steel Community to the European Economic Community; from the Single Market to the Economic and Monetary Union; from the Banking Union that we are now developing to the further integration efforts in the years to come.

Time and again practical cooperation has led to political integration; shared problems have led to shared solutions; small steps for Member States have been giant leaps for Europe as a whole.

This is also the logic that has presided over our response to the financial and economic crisis. A differentiated action that takes into account 27 Member States, very soon 28 Member States, each with their own specificities, but also the fact that all of them are united by a single market, common institutions and for 17 of them a common currency, the Euro.

In an interdependent economic system there are inevitably spill-overs that need to be addressed through greater co-ordination of policies. For this reason we have had to reinforce the system of economic governance in the European Union.

We have introduced tighter surveillance systems for budgetary and economic policies. The new rules ensure that there is better monitoring and coordination of national policies throughout the year, along with swifter sanctions if needed. This new system helps Member States deliver on their budgetary and reform commitments while making the Economic and Monetary Union as a whole more robust.

Second, we are undertaking a profound reform of the financial sector. A system based on domestic supervision and domestic regulation is not enough when your market is European or even global. So our work to strengthen the system continues. We have agreed laws to implement Basel 3 and ensure that the 8000 banks in the EU are more resilient banks. We are putting in place a single rule book for the financial sector and have created new European supervisory authorities. We are working towards a true banking union in the Euro Area and beyond, with a single supervisor and soon a single resolution mechanism.

Thirdly, part of the answer to the problems is not retrenchment but engagement. This is also what we are doing in the EU. Open economies and a free and unimpeded international trade is crucial for the global recovery. Trade is indeed a vital external driver of growth. The European Union has been a supporter of free trade and of the multilateral system and we are seeking to deepen our trade and economic relationships with many countries and regions across the world.

But let me be very clear on one point, our bilateral trade agenda does not affect or replace our commitment to the WTO and to the Doha development Agenda. On the contrary, it is a complement to it. We will continue to try and move forward where possible at the WTO, for instance on trade facilitation which would have a huge positive impact for developing countries, and also make sure our FTAs prepare the ground for the next level of multilateral liberalisation and rulemaking.

Ladies and gentlemen,

Each of these points is of particular importance for Europe, but the problems we are seeking to address are ones that many global partners also share. Each has an impact on the broader global economy and the efficacy of each measure is itself determined in part by global developments.

Let me turn to the EU's interaction with the G20 to illustrate this point and demonstrate the added value which broader international co-ordination may bring.

The global financial crisis was a watershed in global economic governance. The European Union was one of the first key actors to recognise that the financial crisis required a globally coordinated response and proposed to have meetings of the G20 at the levels of Leaders. A new forum was needed to bring together advanced economies and emerging markets.

The importance of the G20 in the response to the global financial and economic crisis of 2008 is clear. The G20 has proven a very effective forum for coordinating a global response and thus avoid the mistakes that were made in the economic crisis in the 1930's.

Let us remember some of the key points of this G20 crisis response:

- It allowed, in a first phase, for coordination of the concerted fiscal stimulus programmes;
- It committed to ensure "that all financial markets, products and participants are regulated". Real progress has been made on financial regulatory reform, for example through Basel 3, but further work is needed, for example, to address non-bank actors (shadow banking);
- It agreed to increase global financial firewalls by trebling the IMF's resources;
- It agreed on the important commitment to refrain from trade protectionism and the temptation to retreat inwards;
- After the extraordinary stimulus of 2008 the G20 has addressed the high levels of public debt, so as to put the global economy on a firmer, sustainable footing for the future.
- The G20 decided to reform global economic governance by agreeing on a shift of power in the IMF and the World Bank to better reflect global economic realities.

And let me say in all these matters the European Union, and I was participating in all those summits, was very active accepting precisely the idea of the G20 working with the global community.

Last but not least, the G20 has placed development high on its agenda. In fact, the fight against poverty and against unequal distribution of wealth could not be out of an international forum that has an objective to restore strong, sustainable, balanced growth.

The EU has actively shaped this G20 agenda. And it is delivering on all of these items. Our own experiences with strengthening economic governance, reforming financial services, promoting development helped us to build consensus for improving the situation at the global level.

We believe that the G20 has achieved a lot, but also that more needs to be done on many fronts. The G20 will be judged by how its members stick to agreed commitments. Past commitments need to be respected, unfulfilled commitments need to be addressed, and new commitments on new challenges need to be agreed. The EU will do its part to move the G20 agenda forward including its outreach with developing countries and stronger interaction with the UN. Indeed, on these and other matters we are already working very constructively with the current Russian G20 Presidency.

President,

Ladies and gentlemen,

One principle which has underpinned the EU action at a global level, and to which I attach great importance to, is fairness. As I said earlier, it is not acceptable that one nation or group of nations prospers to the detriment of others. The same goes within our societies. The European Union is working to ensure greater fairness within the European economy but also globally.

Let's take one example: tax evasion. It costs the EU €1 trillion every year. The global bill is much higher. That is money that should be available to spend on education, skills, healthcare, and infrastructure investment in both developed and developing countries.

Within the EU we are taking common action on exchange of information, on tax havens and on aggressive tax planning. But as we know, tax avoiders are adept at taking advantage of gaps and loopholes in the different tax regimes around the world. So we are convinced that there is a need for a global approach to improve tax governance

everywhere. Tax havens are indeed heavens for tax evaders and fraudsters, but they are hell for the law abiding citizen and responsible tax-payer.

The EU is very supportive of the OECD work (backed by the G20) and we will be working on developing synergies with the European Union's own initiatives on tax fraud. Work should focus on the compatibility of standards for automatic exchange of information on a global basis, taking into account the particular features and legal requirements of all countries involved. The EU would strongly support a joint effort towards a new multilateral standard in the context of the OECD.

Ladies and gentlemen,

There is now a new momentum concerning the need to fight tax evasion and tax fraud. It is important that at global level, from the G20 to the UN, there is a unity of purpose for tax justice and fairness.

Fairness is also the driver behind work to combat corruption. The EU has been a strong advocate of greater transparency in payments made to host governments by extractive and similar industries. As an additional step our member States last week agreed on the Transparency Directive that will hold governments and companies involved in extraction and forestry more to account.

Ladies and gentlemen,

Let me end my intervention with some basic principles, the same principles which underpin the functioning of the European Union and the Union's relations with the world.

The first is subsidiarity; the idea that a task should be carried out at the level where it can most effectively be realised. Inside the EU if a task can best be completed locally or nationally it should be carried out at that level. However, there is the understanding that in an interdependent Europe even if implementation is best carried out at one level there may be need for better co-ordination and concerted policy making at a higher level. We believe this also applies to a large extent to the global community.

Second, where competences are set, they should be respected. Within Europe we have clear treaty based division of competences; globally we have organisations such as the UN or WTO with a very clear mandate. We respect these and will continue to do so.

Thirdly, we need to have fairness as a guiding principle in our policy choices. Even in times of crisis the EU does not forget its responsibilities towards those most in need and remains the world's largest donor of development assistance with more than half of the global share. We need to give an additional impetus on the implementation of the MDGs and prepare post 2015 framework that links eradication of poverty with sustainability considerations. Development without sustainability is just an inflated bubble that can bust at any time.

Finally and most importantly, we need multilateral structures that can manage our interdependence and today's multi-polarity. It is essential that our citizens feel they are part of this debate.

This includes opening the public debate not only in our respective societies, but also at the global level. This is what we are doing here precisely today. Today's discussion is one element in this and for this reason also it has been a privilege to speak here today in this house where the entire international community is represented.

I thank you for your attention.

Extempore Remarks by Ambassador Manjeev S. Puri, Deputy Permanent Representative at the UNGA thematic debate on "The UN and Global Economic Governance", 15 April 2013

Madam moderator,

Thank you for giving me the floor. Given the paucity of time, I shall be brief.

Your panel has followed the briefing by the G-20 Sherpa. First of all let me say that all the statements that I have heard here have found that the G-20 did something good; that the G-20 was of help; that the G-20 has a role; and that the UN and the G-20 are learning how to work together. I find this very heartening to hear. And I, as a member of both the G-20 and the G-77, believe collaboration and trying to do things together is certainly the order of the day.

Madam Moderator,

Our topic today for discussion, you know, is the United Nations and Global Economic Governance. Many have spoken about several of the issues which bedevil global economic governance. Let me turn to something which, at least I have not heard anyone else here speak about, which is about the structures of global economic governance and the need to reform them.

Everybody has spoken of the need to adjust global governance to contemporary realities. People have pointed out to shifting GDP balance and new economic realities. We need to adjust to these.

I want to draw the attention of all my distinguished colleagues who are assembled here to some very basic issues. The United Nations and its entire system came about as a result of three United Nations conferences in 1944-45: one in San Francisco as a result of which was born the UNO, the second one in Bretton Woods - the UN Monetary and Financial Conference from which the BWIs came into being, and there was a third one, which people have forgotten about, that is the conference at Havana that ended up with a kind of broken leg, so we could only have the General Agreement on Tariffs and Trade. We did not go any further. It took many many years, indeed decades, before my dear colleague here Mr. Harsha Singh could become the Deputy Director General of the WTO.

And what else did we do? In 1954, ECOSOC had 27 members. In 1963 when the membership of the United Nations doubled to about a hundred odd, we doubled ECOSOC membership to 54. But where are we today? At 54. Well, even that may have been all right. But who are these 54? The membership is heavily skewed in favour of those who were around in 1963 and continues to be skewed in favour of the

developed countries. This continues to be the most bedeviling factor in global governance as such, not just in global economic governance.

At the International Financial Institutions we have started making some kind of movement, courtesy the G-20. Some quota movements have taken place. But here at the United Nations, we really need to have some movement on this. We need to start reflecting contemporary realities.

And to all those who are sitting there, let me point out, following the big financial meltdown of 2008, the Doha Financing for Development conference tried to make a beginning on this. We did have some language which would allow for some kind of action at the UN. But when it came to June 2009 conference (UN Conference on the World Financial and Economic Crisis and its impact on Development), I do not know what happened. Perhaps the green shoots of recovery were becoming visible that all of us decided to let a dampener be put on it, and that process I do not know where it is going at the moment, whether at all there are any facilitators or anything is happening.

Madam Moderator,

I do not want to take up more of your time. But somebody mentioned governance deficit. This is the absolute key issue. This is what we need to address. We need to address structural reform

issues and once we start getting them right , I am sure, we shall have the necessary tools and the necessary stakeholders with this particular system to ensure that we will be in a position to address the challenges, which will keep coming up. The United Nations certainly has the most important role in ensuring that there is equitable handling of global issues as such, including global economic governance.

I thank you very much Madam Moderator.

**“Thematic Debate on the UN and Global Economic Governance”
Interactive Dialogue: Talking Points**

My delegation welcomes the expansion of the interface between the UN and the G20. The recent practice of holding briefings on a regular basis has proven to be successful in terms of better coordination between these two important economic governance bodies. It would be nice to continue this practice in some form regardless of its formalities.

We believe that the United Nations ought to play a key role in global economic governance considering its universality and legitimacy. However, there are gaps between this ideal and reality. My delegation would like to make several suggestions that may fill in some of these gaps.

First, the UN needs to redouble its efforts to enhance coherence, coordination and cooperation in the field of development across the entire UN system. It is extremely important for us to further promote and implement Delivering as One (DaO) on the ground toward the achievement of the MDGs and the realization of a post-2015 development agenda to achieve sustainable development, including poverty eradication. Delivering as One has four main principles: one leader, one budget, one program, and one office.

Second, while there are broad governance challenges in moving toward a green economy and strengthening institutional frameworks for sustainable development, the UN should avoid duplication of work with existing institutions and ensure an effective and coherent linkage among organizations within the UN system, particularly between the High-level Political Forum and ECOSOC. In terms of substance, it is important for all Member States to try to ensure as much coherence and consistency as possible in our negotiations in various processes such as the post-2015 development agenda, the SDGs-OWG, the Financing Committee, the Financing for Development, and the QCPR.

Third, the fact that the UN has extremely broad mandates does not mean that it is solely responsible to do everything. The appropriate ‘selection and concentration’ of its work is much needed. In this regard, the UN needs to consider what would constitute the most effective and efficient division of labor, as well as coordination and complementarity, with other international organizations such as the WTO and the World Bank, by considering their respective mandates and expertise. The UN also needs to prioritize those issues that it is supposed to address within its limited resources.

Fourth, the active participation of all stakeholders is of key importance. The UN should continue to enhance its engagement and partnership with non-state actors, including civil society, the private sector and philanthropic organizations and foundations. Furthermore, reflecting the changing landscape of development, public and private development financing sources other than ODA, such as domestic resources, trade, foreign direct investment, and remittances have increased in importance both in terms of quality and quantity.

With regard to one of the recommendations mentioned in paragraph 62 of SG report entitled “Global Economic Governance and Development”, and which says the “G77 could serve as platform for interface with [the] G20”, I think that careful consideration of this recommendation is needed in relation to those Member States which are included in neither the G77 nor the G20.

Thank you,



KAZAKHSTAN

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Statement
by
Mr. Murat Karimsakov
President
of the “Eurasian Economic Club of Scientists” Association
at the thematic debate of the General Assembly
“UN and Global Economic Governance”

New York, 15 April 2013

Statement
by Murat Karimsakov
President of EECSA

at the thematic debate of the General Assembly
"The UN and global economic governance"
New York, 15 April 2013

Mr. Chairman,
Ladies and gentlemen,

Let me express sincere gratitude to organizers of the today's event, in particular to His Excellency Vuk Jeremic, President of the General Assembly, for the opportunity of having the floor on behalf of the Republic of Kazakhstan and the Eurasian Economic Club of Scientists.

The effects of the global financial and economic crisis, as well as the actions of the international community to overcome them, allow us to conclude that the world needs a single policy of global governance. Today's debate is a clear sign of timeliness and rightness of such an approach.

The international economy remains under considerable distress amid continued uncertainty about sovereign debt sustainability and financial system fragilities.

The umbrella **term** "world crisis" hides a great deal of heterogeneity. **The crisis** did not occur everywhere: some countries were its sources; others felt its spillover effects. But, wherever you stand on the origin of the crisis, the model of debt-driven growth **is a matter of the past**.

The most challenging task we face is: how to achieve sustainable growth, **both** now in the times of financial distress, and **later** when our financial systems become safer.

It is obvious that, in view of the deteriorating economic performance in many countries and regions of the world, it must be acknowledged that the perspectives for the world economy have deteriorated significantly.

Today, the world consists of different groups of international governance. **In an interconnected and interdependent world**, each of these groups, in varying degrees affects the financial and socio-economic processes in all States.

The countries are represented unequally in these groups and play different roles in global issues, and that is the **paradox** of the equal-righted and democratic principles of the **world**.

It is important to realize that Global challenges require not separate actions but **global** participation.

That is why with the rapidly changing world where growth poles shift to developing countries, **the revisal of principles** and today's global governance rules is essential.

Global governance groups and the world communities should have **strong and mutual interaction**.

In this conditions **Kazakhstan**, as an active member of a number of major international organizations, is initiating the **G-Global project** which represents a new international collaboration format.

G-Global project initiated by the President of the Republic of Kazakhstan Mr. Nazarbayev calls for radical expansion of the number of participants to confront the global challenges.

The key objective of G-Global is to unite the world community under the World Anti-Crisis Conference supported by the UN General Assembly resolution on December 21, 2012. **This Conference** may be the logical follow up of International Conferences on world financial and economic crisis.

The World Anti-Crisis Conference is going to be held at the dates of the annual Astana Economic Forum on May 23 and 24, 2013. **The main agenda of the Conference** includes participation of more than 50 Ministers, Heads of State and Government and leading international experts.

Among the key events **are the Outreach roundtable of the Russian G-20 Presidency** and the session of the **UN conference on trade and development** (UNCTAD) dedicated to 50 years of development.

The main result of the World Anti-Crisis Conference will be the adoption of the final declaration and main directions and priorities of the draft World Anti-Crisis Plan, which will then be sent to **the Heads of Government of the UN Member-States and presented at the UN General Assembly and G-20 Summit in September 2013**.

All of this once again stresses the concept and timeliness of the G-Global idea that brings together the global governance groups in finding solutions to address the most pressing challenges of our time.

The draft of the World Anti-Crisis Plan will be elaborated during 2013 and 2014 and adopted at the next High-Level Meeting.

G-Global communicative internet platform is suggested to be the intellectual and academic base for such a Global project. During the 2013-2014 years the online virtual roundtables and thematic debates are going to be held with the aim of development of the draft World Anti-Crisis Plan.

FOR THE FIRST TIME, the modern technology will enable the international community in the search for solutions to the crisis around the world.

TODAY, the G-Global communication platform is a powerful **data bank**, in which participants from 150 states generate real proposals on development of both national and global economies.

This global group will expand, enhance and supplement the G-20 role in developing world economic policies. The principles of G-Global – evolution and reforms; justice, equality and consensus among countries; global tolerance and trust in interstate relations; global transparency and absence of double standards; constructive multipolarity – can guarantee the constructive development of civilization in the XXI-st century and a serve as fundamental principles of a new world order.

The virtual World Anti-Crisis Conference and virtual Astana Economic Forum will be launched on the basis of G-Global communicative platform from April 19 till May 19, 2013. The **Virtual Anti-Crisis Conference and Astana Economic Forum** will give an opportunity for the participants from all the over the **world**, including the moderators, speakers and invited experts, who cannot attend the forum in Astana, to participate **in this global event** and make their **own input into discussions**.

The program of the virtual conferences of World Anti-Crisis Conference and virtual Astana Economic Forum is already **arranged**, and will include 20 events on social and economic issues of the global development.

Your Excellencies,

All the necessary resources to host the World Anti-Crisis Conference are in place. Being a reliable **partner** of the international community, **Kazakhstan** heads nuclear-free world movement and is widely represented in the UN and has a great experience in hosting international events and meetings.

The VI-th Astana Economic Forum is going to serve as a basis for the World Anti-Crisis Conference. The **Forum** is a permanent, interactive and respected international discussion platform; one of the **biggest** economic events in the world with participation of more than 8 thousand delegates, gathering experts, politicians, businessmen, Nobel Prize winners, academicians and Mass Media from more than 100 countries, searching for the effective solutions on global contemporary challenges.

60 various events of different formats under the joint work of 50 co-organizers and partners are going to be held within the work of the VI-th Astana Economic Forum and the World Anti-Crisis Conference.

The United Nations, UNCTAD, WIPO, UN ESCAP, UNECE, UNIDO, EBRD, Asian Development bank, European Investment Bank, International Trade Center, Reinventing Bretton Woods Committee, Club de Madrid, PricewaterhouseCoopers, KPMG and others are among **partners and co-organizers** of Astana events.

Recommendations of **the Astana Economic Forum** are jointly developed with the support of international and think tank organizations and annually presented to **G-20** to take account of the views of the majority of UN Member-States in making important decisions, and are reflected in the results of final summit communiqués, and in 2012 were presented at the UN General Assembly.

The main organizer of the Astana Economic Forum, the World Anti-Crisis conference and G-Global project is **the Eurasian Economic Club of Scientists**, which unites academicians, politicians and public figures from more than 111 countries.

On behalf of the member of the Eurasian Economic Club of Scientists let me express the sincere respect to **His Excellency Ban Ki-moon** and gratitude for the active support of the annual Astana Economic Forum and its recommendations, and **His Excellency Vuk Jeremic**, for support and attention paid to the World Anti-Crisis Conference.

I thank you for your attention and let me **encourage** you to take an active part in the World Anti-Crisis Conference on May 23-24, 2013. We are confident that the Conference, using the potential of **G-Global**, will be an essential link and will contribute to the partnership between G-20 and the other countries.

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**STATEMENT BY
H.E. AMBASSADOR HUSSEIN HANIFF,
PERMANENT REPRESENTATIVE OF MALAYSIA TO THE UNITED NATIONS
AT THE HIGH LEVEL THEMATIC DEBATE
“THE UN AND GLOBAL ECONOMIC GOVERNANCE”
NEW YORK, 15 APRIL 2013

Mr. President,

I wish to congratulate you on the convening of this important and timely High Level Thematic Debate on “The UN and Global Economic Governance”. I also wish to thank Ms. Ksenia Yudaeva, G20 Sherpa of the Russian Federation for her briefing today.

Malaysia wishes to align itself with the statement made by Fiji, on behalf of G77 and China, and statement delivered by Singapore on behalf of the Global Governance Group (3G).

Mr. President,

2. The current financial crisis has clearly shown that small and open economies are highly susceptible to global shocks. Hence, there should be a more inclusive and substantive participation involving all relevant stakeholders, especially from developing countries, in decision-making processes of the international financial systems. Countries should work collectively in order to reform the global financial system and architecture, as well as, economic governance with a view to improving the functioning of the international financial system and mitigating the impacts of the crisis.

3. Malaysia welcomes the progress in tightening international rules for regulating financial sectors worldwide. But more efforts have to be undertaken at the institutional level to enhance closer scrutiny and supervision of financial firms, as well as, economic risk of central banks. While engagement between the ECOSOC and the Bretton Woods Institutions has shown some progress in the reform of the international financial architecture, it is still far from adequate to prepare the world for another wave of economic and financial crisis. At the same time, the voice and representation of developing countries have to be strengthened to reflect the increasing role and significance of developing countries in global economic architecture.

4. We acknowledge that measures taken by international stakeholders such as the G-20 and other international financial institutions had helped in softening the blows of the economic crises. Malaysia however, fully subscribed to the views that the universality of the United Nations, is the key element that cannot be found in others. Therefore, the centrality of the role of the United Nations in global economic governance should not be undermined.

Mr. President,

5. Malaysia shares the view of many other countries that the international community should continue to strengthen coordination and cooperation, as well as implement effective economic and financial measures in a comprehensive way to restore market confidence, stabilise global financial markets and promote global economic growth. These are important to regain investors' confidence. In order to secure recovery in the current economic situation, decisive policy actions are urgently required. These policies should include provisions to ensure sustained but gradual adjustment; ensure ample liquidity and easy monetary policy; and restore confidence in policymakers' ability to act. In particular, advanced economies should address medium-term imbalances and to reform

financial systems while sustaining economic recovery. While, developing countries should focus in responding to moderating domestic growth and slowing external demand, especially when dealing with volatile capital flows and countering the build-up of financial distortions.

Mr. President,

6. It is timely to address the source of the problems and to conduct the necessary reforms on the international financial system. Relating to the global financial crisis, Malaysia has repeatedly called for a reform of the international financial architecture as there is clearly an urgent need to redesign regulatory structures in an increasingly complex financial system, as well as, to increase transparency in the operation of specific markets and financial institutions. Additionally, Malaysia firmly believes in the ability of the Islamic financial tools and approach as an alternative to the conventional financial system. The major elements of the Islamic financial system are stability, financial partnerships, prevention of excessive risk and speculation, as well as, ethical principle. As most of the financial institutions under the Islamic financial system have remained stable against the backdrop of the financial crisis, Malaysia believes that countries stand to gain from the experience of Islamic financial system.

Mr. President,

7. The UN system remains central to the global economic governance structure for achieving sustainable, equitable and inclusive growth. In this context, it is imperative for informal groups such as the G-20 to complement the work of the UN system. This would ensure that the G-20's work could be better articulated and coordinated. Malaysia believes that for a democratic and effective global governance to sustain, the policies of informal bodies including the G-20 and other international organisations, must be formulated on the basis of promoting legitimate needs and expectations of peoples across the globe.

8. In closing, let me assure you of my delegation's continued support in preserving the central role of the United Nations in the global economic governance.

I thank you, Mr. President.



**General Assembly
Thematic Debate on "The United Nations and Global Economic Governance"
Statement by Mr. Tarik IZIRAREN
New York, 15 April 2015**

Mr. President,

First of all, I would like to express the appreciation of my delegation to the President of the General Assembly for organizing this important meeting to exchange views on the economic and development dimensions of global governance.

I also wish to thank the Secretary General for his report on "Global Economic Governance and Development", which served to enrich our discussions of today.

Mr. President,

The financial and economic crisis of 2008 and its devastating effects on the global economy, as well as its interconnection with other crises, food and fuel, highlighted the urgent need for a more determined move towards strengthening and adaptation of global economic governance to the realities of our world, especially the deepening of economic interdependence between states and the multiplication of development challenges, which require a collective and coordinated action by the international community to solve global economic problems.

Ensuring better regulation and effective supervision of the international financial system to prevent financial and economic crises and to facilitate the conclusion of multilateral negotiation processes such as the Doha trade negotiations at the WTO and to reach a sustainable climate change regime should be among the main objectives of the process of strengthening global economic governance.

Furthermore, coordinated and effective international actions for development and their follow up are fundamental aspects of an effective global economic governance. The challenge of development and the achievement of the Internationally Agreed Development Goals should remain a constant priority for the international community.

A global economic governance based on formal and inclusive institutions allows ownership of the decision making process by the Members of the International Community and enhanced accountability for the implementation of commitments.

An effective global economic governance must ensure that poor and small countries are involved in the processes of decision making and that their concerns are duly taken into account, particularly in the international financial and trade institutions.

Mr. President,

The United Nations has the necessary attributes to bring the desired coherence to multilateral action, given its legitimacy due to its universality, the holistic nature of its mandate, its convening power and its operational capabilities.

The specialized agencies, funds and programs of the United Nations have made significant efforts to mitigate the effects of the 2008 crisis and to boost international cooperation to fight extreme poverty, when resources devoted to development started to decrease. If it remains clear that the role of the UN in global economic governance must be improved and strengthened, to succeed in this endeavor, it is also necessary to achieve convergence of views and political consensus among the Members of the Organization on the content and scope of the renewal of the role of the UN.

In this regard, strengthening the role of the General Assembly and ECOSOC in stimulating international cooperation and the integrated and coordinated follow up of the outcomes of the major Conferences, Summits and Meetings of the United Nations dedicated to economic, social and environmental issues, as well as the follow up of the financing for development is an important aspect of the process of consolidation of the functions of the United Nations in global economic governance.

Furthermore, the strengthening of global partnership for development with time-bound and measurable objectives in the framework of the post-2015 development agenda could be an important step to consolidate international cooperation to achieve inclusive growth conducive to job creation and poverty eradication.

Mr. President,

The G.20 has played an important role in putting the world economy on the path of recovery during the economic and financial crisis of 2008, thanks to a better coordination of economic policies of its members.

Delivering tangible results through the establishment of an international economic environment conducive to inclusive growth and avoiding the negative spillovers on small economies, is a necessary prerequisite for the relevance of any informal forum dealing with issues of global economic governance.

Dialogue between the UN and informal forums such as the G.20 should be based on their complementarity, and in respect of the mandate and responsibilities of the UN and its organs.

Regional, sub-regional and inter-regional cooperation plays, nowadays, a key and increased role in global economic governance.

Any initiative for enhancing or redesigning global economic governance should integrate cooperation at the regional level in the sense to consolidate and strengthen its contribution and potential for stability and shared prosperity between countries.

NIGERIA'S STATEMENT DELIVERED BY MR. EMMANUEL OGUNTUYI,
(SENIOR COUNSELLOR) AT THE THEMATIC DEBATE ON THE
UNITED NATIONS AND GLOBAL ECONOMIC GOVERNANCE,
MONDAY, 14 APRIL 2013, NEW YORK

Mr. President,

At the outset, I would like to express the appreciation of my delegation to you for convening this important debate. My delegation associates itself with the statement delivered by the distinguished representative of Fiji on behalf of the G77 and China. We however would be making this intervention in our national capacity.

Madam President,

Since the creation of the UN about seven decades ago, the global architecture has no doubt experienced a lot of changes. These changes have provided opportunities and challenges. For instance, globalization and interdependence have created new opportunities through ICT, Trade and Investment. Similarly, emerging issues such as climate change, desertification, drought and floods have also acquired heightened prominence in the international debate.

Nigeria notes with concern that the global economic policy issues are often addressed by **specialized multilateral agencies in a fragmented, incoherent and inconsistent manner and often with failures in relation to certain areas of global policy - particularly in trade and finance - that have broader implications for the multilateral system as a whole.** We are of the view that this systemic flaw should be addressed through the re-positioning of the United Nations as the appropriate fora for discussing issues and coordinating coherent global actions related to the international economic and financial system and architecture.

Also, we would like to reiterate that there is a need to **strengthen the effectiveness and coordinating role** of the principal organs of the UN, such as the General Assembly and the Economic and Social Council, and their subsidiary machinery. We stress that **coherence** should be ensured across various United Nations intergovernmental processes, including those relating to sustainable development, the post-2015 development agenda and financing for development.

MadamPresident,

Nigeria believes that the **UN regional commissions** represent valuable intergovernmental forums for policy dialogue and cooperation. Their incorporation into the framework for global economic governance would bring to bear the lessons learned from their presence on the ground and in reflecting regional and local sensibilities in global decision making.

Also, we are of the opinion that an **early conclusion of the Doha round of multilateral trade negotiations** would provide necessary space for a free, fair, open and equitable trading system that takes into account the interest of developing countries. We believe that the global economic governance should incorporate mechanisms for anticipating and reacting to economic and social risks, including those associated with natural disasters.

While we acknowledge the recent reforms in the IMF and World Bank, we urge that **more efforts should be geared towards redressing imbalances in voice and representation of developing countries** in order to strengthen the relevance, effectiveness and legitimacy of the two institutions. We wish to reaffirm that a more participatory system of global

economic governance requires **further broadening and strengthening of the involvement of developing countries in international economic decision-making and norm-setting.**

Given the enormous economic strength of the G20 and its ability to rapidly respond to global economic development, we would like to stress that in order to accord legitimacy to the Group's decisions; it should undertake **regular dialogue with the UN.** In addition, Nigeria would like to propose that the **Group should engage in extensive outreach** to non-G20 countries through regional and multilateral processes.

Madam President,

Our collective efforts at asserting the key role of the UN in global economic discourse is a fulfillment of Article 1(3) of the United Nations Charter which underscored that global economic governance is one of the crucial elements for achieving the purposes of the Institution. As an institution with universal membership, Nigeria believes that the antidote to the UN slow response to global economic challenges is not the proliferation of Ad-hoc informal organizations but commitment by all relevant stakeholders including the G20 and issue based institutions. Redressing global economic challenges is a shared responsibility.

I thank you

The UN and Global Economic Governance
Global economic governance and development

UN HQ April, 15th 2013
(NLB Conference room 4)

Statement of the Permanent Representative of the Slovak Republic
H.E.Amb. Frantisek Ruzicka

Mr. Chairman, excellencies

Ladies and gentlemen

- Slovakia highly **appreciates the initiative and effort** to put together this important debate. It is really a high time to concentrate our efforts to improve cooperation and introduce innovative methods of governance to global challenges that we face today
- As **Deputy Secretary General Jan Eliasson** said: “We should have solutions. We may have plan “A” or plan “B”. *But we definitely do not have “planet “B”*. Recently a man of great spirit and geniality Stephen Hawking said: “There is only one way for humanity to survive the next millennium: colonize space”. And he's probably right. But first, we have to take care of the Planet A.
- **Global governance is not a global government** – but without improved, inclusive international cooperation we would not be able to address and effectively solve increased urgency of “non-security” global threats
- The **addition of 80 million people each year** to an already overcrowded globe is **exacerbating the problems** of pollution, waste-disposal, epidemics, water-shortages, famine, over-fishing of oceans, deforestation, desertification, and depletion of non-renewable resources.
- **The nation-state, as a bedrock economic-political institution**, is steadily *losing control* over international flows of people, goods, services, funds, and technology.
- UN, as well as all other global and regional organizations, including global investors and companies, must **adopt new philosophy, reflecting these processes**. Especially UN should embrace much wider responsibilities in the area of global economic cooperation
- All ongoing processes – ECOSOC reform, work of HLPF, HLP of eminent persons, discussion about MDGs and especially SDGs, should create a pillar for global economic, social and environment security

- Slovakia may fully subscribe for one of the conclusions outlined in the **report introduced by the PM of the UK David Cameron in 2011 “Governance for growth: building consensus for the future,”** saying the following: “the path to more effective governance did **not necessarily require the creation of new institutions and processes**, it is necessary to increase political will to act together for *building political consensus necessary for coordinating policy and enabling existing institutions* to work more effectively within their current mandates.”
- While in general agreeing with this statement, we should, with the same breath add, that **philosophy, structure and mandate of existing institutions and bodies should be adjusted to the size and scope of challenges we face and of goals we have to agree upon.** At the end we have to *locate, define and provide a necessary financial resources to reach them*
- **Financial crisis** exposed at least two important factors:
 - **Global interdependence is deeper than we thought**, and it is not possible to strive for results and to achieve these results, if any country, any region, any nation is eliminated from the processes and responsibility. Global economic, social, environmental processes are becoming much more independent a self-perpetrating if not handled globally
 - **States and intergovernmental international organizations are not anymore the only ones to bear the full responsibility for global economic processes**
- These developments bring us to the following conclusions:
 1. In spite of the strong argument of all **G-something configurations** (G8, G20, BRICS...) these are not able, and at the end of the day they do **not have a global mandate either, to provide for universal solutions.** This so called “elite multilateralism” must touch ground with “universal cooperation”. So, there should be much closer interaction via communication and other means between those two stakeholders
 2. The value of assets managed by the private equity industry globally hit a record \$3tn in 2011 despite financial market turmoil and sluggish economic conditions. While not wanting to touch issue of private property, it seems to be unbalanced if at the financing of global challenges we expect the delivery only from public/state sector, multilateral and regional organizations, international financial institutions, without adequate participation of private – especially financial sector and global businesses.
 3. UN is the only global organization that provides room for multilevel, **universal and all-inclusive dialogue and cooperation.** Yet it should as

well go through necessary adaptation and reforms. As after two devastating wars in 20th century it was of utmost importance to build a global security structure and adopt universal rules of inter-national cooperation which are enshrined in the UN Charter, **21st century requires the necessity to built universal, global economic governance architecture.** We have building blocks, now we have to build a system that is effective, inclusive, user-friendly and running.

- Thank you Mr. Chairman

Mission of Tunisia to the United Nations



Statement by Mr. Elyes LAKHAL
Counsellor

Before The Plenary
At the thematic debate on “the UN
and the Global economic
governance”

New York, April 15th 2013

Statement Mr. Chairman,

Let me first thank the President of the General Assembly for organizing this timely thematic debate on “the UN and Global economic governance”.

My delegation fully aligns itself with the statement made by the representative of Fiji, on behalf of the G77 and China, and would like to make the following additional remarks in its national capacity.

Mr. Chairman,

Since the last international economic and financial crisis, discussions became more frequent on how the global economic governance should be reformed and what the United Nations, as the most representative body, can do in this regard.

It is obvious that the economic decisions taken by G 20 have worldwide implications and in one way or another affect every UN member state development. Although these decisions are taken by economies that account for more than 80 percent of the [gross world product](#) (GWP), 80 percent of [world trade](#) , and two-thirds of the [world population](#), these decisions lack however transparency, inclusivity , legitimacy and effectiveness.. This is also obvious when the structure and membership of the Group of 20 leaves out the majority of developing nations and other important developed countries.

In a more positive note, we welcome recent proposals from G20 members to regularize the practice of briefings and consultations with the UN. This demarche is a good step in the right direction but it’s not enough in order to achieve a real and lasting reform of the global economic governance.

Therefore we emphasize the urgent need for the United Nations, on the basis of its universal membership and legitimacy, to assume a central and proactive role in the global economic governance.

Moving towards a more legitimate and effective global economic governance requires, as well, redoubling efforts towards a comprehensive reform of the Bretton Woods institutions.

Efforts to reform the international financial architecture should lead to the full and effective participation of developing countries in international financial and economic decision-making and norm-setting.

In this regard, we appreciate the recent decisions on the reform of the governance structures, quotas and voting rights of the Bretton Woods institutions. We call however for a much more ambitious and inclusive reform process of the governance structure of those institutions and of an accelerated road map for further reforms on voice, participation and enhanced voting power of developing countries.

Mr. Chairman,

In conclusion, Tunisia believes that it is crucial to strengthen the leadership role of the UN in promoting development and strengthening the effective functioning of the international financial system and to accelerate the reform of the international monetary and financial system towards a more inclusive, responsive and accountable global governance that ensures benefits to all countries, particularly to the poor.

Thank you.

Remarks by Ms. Ksenia YUDAEVA

RUSSIAN SHERPA IN THE G20

at the briefing on the G20 priorities in 2013, held during the High-level Thematic
debate of the UN General Assembly

“The United Nations and Global Economic Governance”

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PRIORITY AREAS AND GENERAL APPROACHES

The **core objective** of the Russian Presidency is to **concentrate the efforts** of G20 on developing a set of measures aimed **at boosting sustainable, inclusive and balanced growth and jobs creation** around the world.

Addressing major challenges to global economy is a traditional focus of the G20 agenda. Russia will **ensure continuity of dialogue** on all its items and **attach extra impetus to the G20** discussion, facilitating further **implementation of commitments** and building on the results achieved by G20.

Russia believes that discussion on all the interconnected issues of the G20 agenda is organized around **three overarching priorities**, aimed at **starting the new cycle of economic growth**:

- ✓ Growth through quality jobs and investment;
- ✓ Growth through trust and transparency;
- ✓ Growth through effective regulation.

These **3 priorities** of the Russian Presidency will **serve as a lens** through which we propose to consider and discuss the G20 agenda in 2013, comprised of the **8 areas**: (1) **Framework** for Strong, Sustainable and Balanced Growth and **Financing for Investment**; (2) Jobs And Employment; (3) International Financial Architecture Reform; (4) Strengthening Financial Regulation; (5) Energy Sustainability; (6) Development for All; (7) Enhancing Multilateral Trade; (8) Fighting Corruption.

To support the Presidency's focus on boosting economic growth and job creation two new topics were proposed, including **Financing for investment** and **Government borrowing and public debt sustainability**.

In terms of the working process, Russia employs a **result-oriented approach**, which implies **streamlining the working formats and meetings**. The Presidency's **innovation will be a joint meeting of Finance and Labour Ministers**.

To ensure **legitimacy, transparency** and **efficiency** of the G20 the Russian Presidency plans to hold **extensive outreach consultations** with all interested parties, including **non-G20 countries, international organizations, business, trade unions, civil society, youth, think tanks and academia**. Active interaction among all these groups – another innovation of the Russian Presidency – will **generate a cross-sectoral synergy** to enhance the **public benefit** of the G20.

Russia works in close cooperation with its partners in Troika – Mexico and Australia. We view the legacy of Mexico, our predecessor, as highly relevant to Russia's objectives in 2013, and we proactively share our experience with Australian successors.

FINANCE AGENDA

Framework for Strong, Sustainable and Balanced Growth is the core of G20. In 2013 the task is to (1) Revise of country-specific medium- and long-term public debt targets and develop fiscal strategies to achieve them; (2) Enhance the Accountability Assessment Process to enable more comprehensive and precise macroeconomic analysis; (3) Analyse the persistent imbalances among G20 members in fiscal, monetary, exchange rate and structural policy domains, and re-set the G20 structural reform agenda.

Financing for Investment is a key precondition for economic growth and a principal factor for job creation. The main task of the G20 is to foster such an environment that would be more conducive to financing for investment and identify new sources for long-term investment. **Study group on Financing for Investment** was established at the G20 Finance Ministers Meeting in Moscow in February – to analyze public policy in this sphere, the role of private-public partnerships, sources of long-term financing, debt and equity markets.

The Study Group will deliver a forward work plan by September, considering issues including country-specific factors, the role of the private sector and official sources of long-term financing. The G20 will assess impacts of the financial regulatory reforms on financing for investment. In addition, the G20 Study Group will discuss strengthening public policy

and improving PPPs; supporting investments in small-and-medium enterprises and startup businesses; how the resources of global banks are channeled to productive purposes; and how to maximize the catalytic role of MDBs' in supporting investment.

International Financial Architecture Reform includes a wide range of issues, however the main issue is the IMF quota reform. In 2013 G20 will address the issues of governance and legitimacy of the international financial institutions; presence and efficiency of multilateral standards, guidelines and recommendations that support the international financial system; and issues around global liquidity. In 2013 G20 aspires to complete IMF 2010 quota and governance reform and reach some agreement on the new formula, securing the success of the 15-th general review of quotas.

G20 also works to achieve progress in developing global liquidity indicators; support the development of local currency markets; promote development of RFA and strengthen their cooperation with the IMF; and review "Guidelines for Public Debt Management", which were introduced by the IMF and World Bank in 2001.

On **Strengthening Financial Regulation** the G20's main tasks is to support the Financial Stability Board's work in carrying out the agreed reform agenda. In 2013 the G20 expects to have made significant progress on the institutionalization process for FSB; further develop and monitor of the "too-big-to-fail" regulatory framework; peer review of the FSB's recovery plans and cooperation agreements for all global SIFIs and the implementation of prudential measures relating to domestic systemically important banks; policy recommendations to strengthen regulation of the shadow banking sector, the effective implementation of OTC derivative regulation, and first results of the launch of the global Legal Entity Identifier system.

EMPLOYMENT

On Employment G20 will focus its work on 3 major pillars: (1) Job creation through sound monetary and fiscal policies, structural policies to foster innovation and promotion of smaller enterprises; (2) Labour activation for the vulnerable groups, including Youth, Women, Disabled, Low-skilled and Long-term unemployed; (3) Monitoring of labour market development and implementation of previous commitments.

The challenge of this year is the joint meeting of Labor and Finance Ministers. The proposal to have this joint meeting was based on the understanding of the urgent need to start implementing the integrated approach to labor market policy. We need to add another dimension to the labor market policy, which is usually focused more on workforce and

labor supply. We need to add the dimension of labor demand, job creation and investments for quality jobs. The Joint Labor and Finance ministers' meeting gives the opportunity to demonstrate more explicitly how structural reforms support employment growth and to emphasize the importance of incentives to create quality jobs for a better-prepared workforce.

G20 will discuss how to stimulate quality job creation, addressing different measures including wage and non-wage costs of job creation (including the costs of pension systems, and other demographic related costs). Job creation should be balanced with active and passive labor market policies and social protection. The social protection role should be balanced with labor demand and labor supply.

The education and skills systems must be improved through the promotion of early childhood education and through high quality education systems that ensure proper knowledge in core competences. **Employability** has to be a key component of education and training systems in order to avoid skills mismatches in the labor market.

Labor Activation requires a comprehensive policy approach tailored to local circumstances. All G20 countries have vulnerable groups that could benefit from activation programs, and in 2013 we plan to make an inventory of labor activation policies, designed and implemented in the countries starting from 2010.

There can't be "the one-size fits all" labor market policy, but it is important to develop a set of recommendations out of which each country could pick up those most relevant to its situation and objectives.

TRADE

Mutually beneficial trade policies are crucial for fast global recovery. G20 needs to push forward the strong demand for developing multilateral trade and investment as a growth driver, and the strong multilateral trading system as a necessary condition for it. Progress in the Doha Round negotiations is also vital to meet these goals.

Three major issues are on the Russian presidency's trade agenda: (a) Curbing protectionism and fulfilling the standstill commitment on protectionist measures; (b) Strengthening the multilateral trade system; (c) Analyzing the role of Global Value Chains. G20 will do the utmost to achieve substantial results, especially on trade facilitation at Ministerial conference in Bali.

ENERGY SUSTAINABILITY

Affordable and reliable energy is a precondition for growth. At the same time the energy industry itself is an important potential growth engine for G20 economies, a key to unlocking world sustainable development, and a tool for the creation of jobs.

The G20 Energy Sustainability agenda in 2013 focuses on 4 major pillars: (1) making energy and commodity markets transparent and more predictable; (2) promoting energy efficiency and green growth, including eradicating inefficient fossil fuel subsidies; (3) promoting investment in energy infrastructure including through launching the dialogue on energy regulation; (4) Global Marine Environment Protection (GMEP) initiative aimed at sharing best practices on preventing and dealing with consequences of accidents related to offshore oil and gas exploration and development and marine transportation.

FIGHTING CORRUPTION

In 2013 the G20 will focus its work on the implementation of the G20 Anti-Corruption Action Plan 2013-2014, which focuses on 5 major areas: (1) implementation of the UN Convention Against Corruption; (2) Combating foreign and domestic bribery; (3) International cooperation, including on the issues of money laundering; (4) Cooperation with private sector and civil society; (5) Enhancing transparency and accountability. For the first time Civil-20 representatives were invited to work with G20.

In addition to the G20 action plan Russian Presidency proposed to: (1) develop a comprehensive, long-term G20 Anti-Corruption Strategy; (2) study the impact of corruption on economic growth; (3) develop a database and principles on Mutual Legal Assistance in Corruption Cases; (4) analyse corruption risks in awarding and organizing sporting and other major international events; (5) review the best practices in anti-corruption education and training in G20 countries, including for public officials.

DEVELOPMENT

The Russian Presidency has positioned development as a top priority. Expiration of Seoul Multi-Year Action Plan on Development (MYAP) enables G20 countries to reassert its commitments and reprioritize its development agenda. This process is aligned with UN creating of a new Post-2015 framework.

UN as a legitimate and representative body conducts the process of advancing and adjusting new targets. Significant support from G20 side in implementing development

agenda involves its compliance with obligations and reaching intended objectives. G20 core macroeconomic and financial policies should contribute to development process and be assessed in this regard.

The G20 shared vision is that development agenda in 2013 should focus on the capacity building dimension. The Russian Presidency proposed to optimize existing pillars of the Seoul Multi-Year Action Plan and structure the G20 work on development around the following tasks:

- Food security with a focus on agricultural production increase and malnutrition;
- Financial inclusion with a focus on financial literacy and access to financial services by women, migrants and the youth;
- Human resource development;
- Infrastructure with a focus on long-term financing.
- Supporting the UN efforts in creating a post-2015 development agenda;
- Development of an accountability mechanism to assess progress on the previous G20 commitments.

Objectives of further work on Food Security include: (1) comprehensive development of rural areas, including increasing agricultural production and productivity, especially for smallholder farmers; (2) social safety nets programs with the nutrition dimension as a key component, in particular for school feeding programs; (3) transparency of agricultural markets; (4) increasing the efficiency and predictability of food assistance.

Russia reiterated the G20 commitment to financial inclusion as one of the key issues of the development agenda and put emphasis on the need to address the challenges which the most vulnerable social groups such as women, youth and migrants face. Consumer protection and financial literacy has been supported as an integral part of financial inclusion agenda. We welcome the Global Partnership for Financial Inclusion (GPFI) plans to expand the Basic Set of Financial Inclusion Indicators to cover financial literacy and consumer protection, especially for underserved and vulnerable groups.

As to the Human Resource Development issue, the skills indicators report will be finalized by the end of 2014. The national skills for employment strategies were prepared in pilot countries (Benin, Bangladesh, Malawi, Haiti). G20 will explore the linkages between interconnected issues such as skills development, social protection and job creation into a new broad area.

Infrastructure was always at the top of the development agenda. MDB Working Group on Infrastructure will prepare an assessment of the bottlenecks emerged while implementing eleven catalytic regional projects as a future step of work.

In Los Cabos the G20 Leaders' requested to establish the process for ensuring assessment and accountability of the G20 work in the development area. In 2013 G20 will analyze collective commitments and provide in-depth assessments of implementation of a number of commitments in each area with attempt to analyze impact of the G20 efforts.

By the G20 Summit the DWG aspires to prepare the Saint Petersburg Development Action Plan and the Accountability Report.

Post-MDGs issues were introduced to the G20 agenda this year with a view to support the UN efforts in elaborating the post-2015 development agenda and bring more public attention to the UN work, especially taking into account the work of the SG's High-Level Panel. G20 fully recognizes the leading role of the UN in the area of MDGs. G20 plans to explore how to support the UN-led process of advancing the development agenda beyond 2015 and to elaborate proposals in this area.

The Outreach process is very important in order to ensure extensive and robust consultations between G20 members and Low-income countries (LICs) whose views on the value added of the G20 work should be reflected in the Accountability report. The Outreach process will be as well oriented on active involvement of the Commonwealth and La Francophonie, sub-regional organizations (NEPAD, AU, ECOWAS and etc.) and the civil society.

The same as UN, G20 should carry out regular and extensive consultations with civil society in order to formulate a flexible development framework. It is essential that Post-2015 agenda should address perceptions and insights of civil society at large, of vulnerable groups and different social circles, formerly having no chance to contribute to the discussion of development priorities.

Civil Society Organizations play a major role in pursuing MDGs and are fully engaged in drawing up of Post-2015 development agenda as well as in reconsideration of G20 development agenda.

The Russian Presidency has received the Civil-20 preliminary recommendations to discuss it with Sherpas and incorporate in the final documents. For instance, we would like to support the following Civil-20 recommendations on development:

- Deliver and measure the reduction in inequality;

- Ensure food security including by addressing the root causes of food insecurity and the consequences of food price volatility;
- Take action to address tax havens and improve tax transparency so that poor countries do not lose the revenue they need to invest in ending poverty and inequality;
- Agree on innovative financing mechanisms to narrow the development gap and accelerate progress to meet and exceed the MDGs;
- Support the implementation of a rights-based social protection floor that is supportive of poor men and women's economic role throughout their lifecycle and which seeks to integrate crisis responses and long-term social protection systems.