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Official Records

President: Mr. Al-Nasser. (Qatar)

In the absence of the President, Mr. Loulichki (Morocco), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

Agenda item 123

Strengthening of the United Nations system

(b) Central role of the United Nations system in global governance

Report of the Secretary-General (A/66/506)

The Acting President: Members will recall that the Assembly considered agenda item 123, and in particular its sub-item (a), at its 72nd plenary meeting, on 2 December.

The President of the General Assembly has asked me to make the following statement on his behalf:

“I wish to welcome participants to the general debate on agenda item 123 (b), ‘Central role of the United Nations system in global governance’.

“We meet at a time when the world economy is more interconnected and interdependent than ever. International economic integration has increased markedly. Recent years have witnessed a rising trend towards the rebalancing of global economic power with the increased economic importance of emerging market economies. Yet, the existing structures of global economic governance have not adequately evolved to reflect those developments. Most of the current institutions of global economic

governance were shaped more than 60 years ago and are now out of date. For example, the growing economic importance of a number of developing economies has not been sufficiently reflected in the governance structures of key decision-making bodies.

“Furthermore, modern economic life has unleashed vast flows of goods and services, people, ideas and information, money and resources that no one in the late 1940s could have anticipated. The range, scope and complexity of issues that must be effectively addressed go far beyond the limited expectations of 1945.

“In response, the Bretton Woods institutions have already taken important steps to redress those imbalances and insufficiencies. The recent global financial and economic crisis has provided a strong impetus for reforming existing mechanisms of global economic governance. However, much more remains to be done.

“Global economic governance still suffers from serious shortcomings in legitimacy, efficiency and coherence. In particular, international policy coordination on economic and financial issues needs to be strengthened by means of enhanced frameworks for harmonizing regulations and policy regimes. Otherwise, it will not be possible to tackle the global challenges of our time. The current formal multilateral arrangements have been inadequate in addressing pressing development issues. Additional challenges include the need

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to find more effective approaches to addressing volatility of food and energy prices and the risks posed by climate change.

“We must also collectively find solutions to problems regarding multilateral trade, migration, sovereign debt and tax cooperation. Of particular concern in that context is the role of the United Nations in the institutional and legal framework of global economic governance. The United Nations remains the only truly universal and inclusive multilateral forum. Its legitimacy confers incomparable value to its discussions, negotiated agreements and operational activities.

“Yet there has been a noticeable marginalization of the United Nations in key areas of economic governance, as well as a weak accountability for commitments made by Member States at United Nations summits and conferences. It is therefore of utmost importance to strengthen the role and effectiveness of the United Nations in global economic governance.

“The General Assembly, in resolution 65/94, recognized the need for an inclusive, transparent and effective multilateral system to better address urgent global challenges, and reaffirmed the central role of the United Nations in efforts to find common solutions. I would like to remind the membership that the resolution enjoyed an unusually high number of sponsors — 100 in total — which is indicative of the relevance and timeliness of this discussion.

“In accordance with that resolution, the Secretary-General has submitted an analytical report focusing on global economic governance and development (A/66/506*), prepared in consultation with Member States and relevant organizations of the United Nations system. I call on the General Assembly to give careful consideration to the findings and conclusions of that report, which is before members. A central issue is strengthening coordination, cooperation, coherence and effective policymaking across the United Nations system.

“There are proposals that call for new structures, such as the establishment of a new global economic coordination council within the United Nations. Others argue for the strengthening of existing bodies, such as the Economic and Social Council. When considering those suggestions,

Member States should seek the best ways to balance effectiveness with inclusiveness and representativeness.

“Related tasks are to enhance the functioning and working methods of United Nations organs and their subsidiary machinery, to improve coordination and efficiency at the inter-agency and operational levels, and to enhance engagement with non-State actors. It is recommended that the performance of United Nations organs and bodies be periodically reviewed and, when necessary, reformed.

“Furthermore, there is a compelling and urgent need to strengthen coordination and improve complementarity of efforts between the all major informal groups dealing with the global economic and financial system, the United Nations and other multilateral organizations. Those informal groups, such as the Group of 20 (G-20), the Group of Eight and the Global Governance Group, should also strive to collaborate among themselves, since they are addressing issues that are of interest to all.

“The recently established practice of convening informal meetings of the General Assembly before and after the G-20 summits, as I did in October and November, represents an important step towards better coordination between the United Nations and an important informal group of Member States. Moreover, there is a critical need to ensure a greater voice for and participation of developing countries in the major institutions of global economic governance. That is essential if these institutions are to appropriately respond to the new challenges of globalization and the realities of the twenty-first century. In that context, it is important to better incorporate regional arrangements into the architecture of global governance.

“There is significant scope for strengthening, consolidating and establishing regional mechanisms, including linkages between regional and global processes. The United Nations regional commissions are already playing a useful role in that regard.

“Addressing today’s multiple challenges effectively, and accelerating progress towards achieving the Millennium Development Goals by 2015 and beyond, requires an effective system of global economic governance. I am confident that today’s discussions will help us to move towards

a common ground from which meaningful reform can be undertaken.”

I now give the floor to the observer of the European Union.

Mr. Vrailas (European Union): I have the honour to speak on behalf of the European Union and its member States. The acceding country Croatia aligns itself with this declaration.

The European Union and its member States are staunch promoters of effective multilateralism and firm believers in the fundamental role of the United Nations system in global governance. The European Union, in effect, is a primary example of effective multilateralism and, as the founding fathers realized as early as 1957, no country can solve its challenges alone in an interdependent world. Identifying and promoting multilateral solutions to common problems, and designing and implementing policies and measures to that effect, lie at the heart of global governance.

For that reason, we welcome the inclusion of this item on the General Assembly’s agenda, as a result of the adoption of resolution 65/94, and we thank the Secretary-General for his report on global economic governance and development (A/66/506*). We believe that it provides an opportunity to deepen the reflection within the General Assembly on the ways in which the United Nations can play an effective and key role in managing global challenges as a main forum for international cooperation and collaboration, where appropriate, with other relevant international institutions, forums and processes.

The international system created at the end of the Second World War has been facing increasing pressures on several fronts. The representativeness, and thus the perceived legitimacy, of many international institutions have repeatedly been called into question by a number of sources. There is recognition that the effectiveness of the United Nations system needs to be improved, both in terms of decision-making and the management of resources and their deployment. That includes finding ways to ensure the broadest possible inclusiveness in the political debate, and creating a greater stake for all actors.

As a result, strengthening and modernizing the United Nations as an organization, including through sound management reform, remains at the centre of our attention. Ideally, that should be achieved not only in

order to reflect the changes in the world since 1945 by reforming and revitalizing the General Assembly and other organs of the United Nations, but also to better reflect the financial share of the world’s emerging economies and to enable them to assume their share in supporting development efforts. Sound financial management and budgetary discipline remain vital to the good and effective functioning of the system and its sustainability.

The European Union and its member States are strongly attached to effective multilateralism with the United Nations at its core. Strengthening the United Nations, based on effective and sustainable funding in line with real capacity to pay, and increasing the efficiency of its functioning, on which there is scope to do more, are our top priorities.

Global economic governance has been a very topical issue in light of issues related to today’s globalized trade and financial markets and the effects of globalization and the economic and financial crisis. We agree that global economic governance is an essential element for achieving the core purposes of the United Nations, especially those set out in Article 1.3 of the Charter and in other major United Nations documents such as the Millennium Declaration (resolution 55/2). We remain ready to contribute actively to a debate in that regard.

One of the main purposes of this reflection, which is highlighted in the Secretary-General’s report, should be to identify ways to enhance the central role of the United Nations in achieving its broad development agenda, which encompasses all dimensions of sustainable development, as well as human rights and the relation between development, security, conflict and country fragility.

Those principles must also apply to the United Nations system itself, including the framework of the Delivering as One initiative, in order to enable the United Nations system to more effectively deliver aid in support of national plans and priorities at the country level. We believe that next year’s quadrennial comprehensive policy review will offer an important opportunity to demonstrate continued progress in making United Nations operational activities for development more relevant, effective and efficient.

As regards the United Nations Conference on Sustainable Development (Rio+20), its two themes — the green economy in the context of sustainable development and poverty eradication, and the institutional framework

for sustainable development — present us with a unique opportunity. Rio+20 can mark the start of a profound, world-wide transition towards a green economy that takes into account the environmental, economic and social aspects of sustainable development. It can also provide much-needed momentum to the reform of sustainable development governance. With respect to the environmental pillar, which we consider the weakest, we have already expressed support for upgrading the United Nations Environmental Programme into a specialized United Nations agency for the environment.

In recent years, in a process actively supported by the European Union and its member States, the roles of the International Monetary Fund (IMF) and the World Bank in global economic governance have been strengthened in three main ways. First, they have increased their legitimacy through reforms of voice and representation to take into account the increased economic weight of emerging and developing countries in the global economy. Secondly, their resources have been increased to make sure that the Bretton Woods institutions are sufficiently equipped to cope with the current and any future crisis. Thirdly, they have adapted their instruments and strategic priorities, taking into account the lessons from the crisis and from the longer-term shift in economic paradigm.

Those reform processes are continuing, in particular on voice and representation in the World Bank. We will continue to work in that direction with a view to continuing the dynamic process aimed at enhancing the voice and representation of emerging market and developing countries, including the least developed countries, in international institutions.

The global economic and financial crisis demonstrated that working collectively through multilateral institutions and international forums is crucial to addressing the challenges of an increasingly interdependent world. Gathering nearly all countries of the world, the United Nations is no doubt the most universal global forum. However, other multilateral institutions and forums — such as the World Bank, the IMF, the Organization for Economic Cooperation and Development, the World Trade Organization and the G-20 — as well as civil society and the private sector, play important complementary roles.

In our view, what is required in order to increase United Nations effectiveness in global economic governance is more coherence and cooperation, as

well as making best use of the comparative advantages of existing institutions and forums and their complementarity. That is one of the main conclusions of the Secretary-General's report, and we would support more work in that regard.

The G-20, which remains an informal grouping, has become its members' premier forum for international economic cooperation, and in that regard it brings together the major economies, advanced and emerging alike, to coordinate their policies and generate the political agreement necessary to tackle the challenges of global economic interdependence.

The European Union and its member States welcome the need for consistent engagement between the G-20 and the United Nations — an issue which is also very much recognized in the conclusions of the Secretary-General's report. In that regard, we welcome outreach efforts to the United Nations and its membership by successive G-20 hosts and we hope that they can be built on further, including by finding ways to bring the United Nations system's technical expertise to bear on its work.

In our view, the key issue for global economic governance is to strike the right balance between legitimacy and effectiveness. With that principle in mind, we should continue to strive for greater coherence. We welcome the role of the G-20 in the global strategy for growth and jobs, in building a more stable and resilient international monetary system, and in avoiding protectionism, and its contribution to the global development agenda.

Let me conclude by reiterating that the European Union and its member States look forward to contributing actively to the deliberations of the General Assembly on global economic governance and development and to exploring the way in which the United Nations can play an effective and key role in meeting global challenges.

Mr. Seger (Switzerland) (*spoke in French*): We thank the Secretary-General for his report on global economic governance and development (A/66/506*), which provides a useful basis for our discussion. As a member of the Global Governance Group, we are naturally in full support of the statement to be made shortly by the representative of Singapore on behalf of that group.

In Switzerland's view, the theme of global economic governance and development being debated today is

particularly important for two reasons. First, the current world economic and financial crisis has demonstrated clearly the interdependence and vulnerability of States. In light of this recent experience, we believe that the international community needs to improve global economic governance. Secondly, although the United Nations system's role in global economic governance is central, we have to recognize that it has not yet lived up to all of our expectations.

Switzerland is convinced that the specialized agencies, funds and programmes of the United Nations can, within the framework of their core mandates, play a key role in that regard. Cooperation within the United Nations system must be enhanced and duplication of effort avoided. We remain convinced that the reforms currently under way to improve, *inter alia*, the management and system-wide coherence of the United Nations will go a long way towards establishing a more efficient division of labour and a better allocation of resources within the United Nations system. These reforms should thus be intensified, as should efforts to improve the effectiveness of the Economic and Social Council. Furthermore, the United Nations System Chief Executives Board for Coordination fills a critical gap but has yet to reach its full potential when it comes to global economic governance.

The cooperation of the United Nations with international and regional organizations outside the system must be improved and enhanced as well. That is particularly true with regard to important informal players such as the G-20. We warmly welcome the increased engagement of the United Nations with the G-20 in the recent past which can partly be attributed to the commitment of former President of the General Assembly Joseph Deiss.

The Global Governance Group has proposed ways to further reinforce the bridges between the United Nations system and the G-20 in the area of G-20 mandates given to United Nations agencies. Since the G-20, now more than ever, is helping to shape the priorities and to define the mandates of international organizations, those mandates need to be more transparent and should be explicitly approved by their respective governing bodies. At the Cannes summit, the G-20 discussed its role in global governance and indicated its readiness to intensify its cooperation with the United Nations. The Organization should accept that outreach and propose areas in which we would like to see enhanced coordination and collaboration.

For Switzerland, the aim of global governance is to find a better way to meet global challenges. It is not an abstract notion but a term linked to specific problems that affect everyone's lives. Our future discussions on global governance should therefore focus on such specific challenges. An action-oriented work plan, structured according to our priorities, could help to organize our discussions. Switzerland can think of no better forum than the General Assembly in which to continue and deepen the discussion on global governance. We look forward to engaging with our fellow delegations in a constructive dialogue.

Ms. Kok (Singapore): I would first like to make a few observations on behalf of the Global Governance Group (3G) regarding the report of the Secretary-General on global economic governance and development (A/66/506*).

The 3G notes the conclusions of the report and appreciates its elaboration on the important relationship between the United Nations system and the Group of 20 (G-20). The 3G has consistently highlighted the fact that, if for G-20 deliberations are to be translated into effective actions on a global scale, they must be more inclusive. The 3G has reiterated that multilateral standard-setting initiatives that directly impact non-G-20 countries must take place within inclusive and transparent formats, including the United Nations. The 3G has also advocated greater cooperation between the G-20 and the United Nations system, as well as the practice of variable geometry to allow for the participation of non-G-20 stakeholders.

From the very start, the 3G has strongly called for the participation of the Secretary-General and his Sherpa in the G-20 process. We are pleased to note that they have been invited to the G-20 summits each year. The 3G has also constantly refreshed our suggestions on how to further improve engagement between the G-20 and the United Nations system. For instance, interaction between the G-20 and international organizations should be transparent and strengthen existing formal governance arrangements of the international organizations.

It is important to stress that, while the G-20 has made important contributions to global economic governance, the United Nations system must remain the cornerstone of global governance, in recognition of the Organization's universality and unquestioned legitimacy. The G-20 should complement and strengthen the United Nations. The 3G has therefore commended

the G-20 for the report of United Kingdom Prime Minister David Cameron on global governance and welcomes the G-20 leaders' intention to regularize the practice of briefings and consultations with the United Nations membership. The 3G contributed suggestions for the Cameron report, and we are pleased to see that they were taken on board.

I will now continue in my national capacity. It is a truism that global challenges beset the international community. It is also a truism that globalization has bound us together so tightly that an ailment in one region will affect the rest of the world. We cannot run very far, and we certainly cannot hide from our problems. We must own them and think of solutions for them, paying heed to Albert Einstein's advice that the significant problems of our time cannot be solved by the same level of thinking that created them.

The task of global governance is daunting. Not only must we find innovative solutions to significant problems, but we must do it while grounded in the real world. And the real world is undergoing a profound shift in relationships between major Powers and global actors. Global leadership is being contested as more countries develop influence and capabilities that rival the traditional capitals of power. It is clear that no one State possesses the wherewithal to dominate global affairs. In that context, States must collaborate with one another and with the relevant global actors to find real solutions to global problems. If we cannot work together, we will have to muddle along and live with suboptimal outcomes. As traditional relations are recast and new patterns of interaction built, the international community must play an active role in buffering that transition and minimizing friction among all stakeholders.

The G-20 produced a speedy response to the 2008 global economic and financial crisis, but it lacks the legitimacy of the United Nations and cannot be a substitute for the Organization's role and functions. To their credit, the G-20 leaders have acknowledged that the Group should remain "efficient, transparent and accountable" by pursuing "consistent and effective engagement with non-members, including the United Nations", and welcomed their contribution to the G-20's work, as appropriate. In other words, we have an opportunity to strengthen the relationship between the G-20 and the United Nations.

Some Member States may bristle at the suggestion that the United Nations should have to work with informal actors to influence global governance. However, we should honestly appraise the relevance of our Organization today. Where once countries everywhere looked to the United Nations for leadership, vision and collective will, today it houses a polarized membership. The lay of the land is marked by ideological divisions instead of inclusive dialogue, where politics and national priorities trump partnership and the pursuit of the common good. We engage in political posturing and quibble over semantics, substituting words for meaningful action. As a result, to quote my Foreign Minister when he addressed the Assembly in September, "there is a disconnect between the proliferation of resolutions, which we debate year after year, and actual present realities" (*A/66/PV.28, p. 9*).

It is in the interests of Member States to strengthen the United Nations system so that it retains a central role in global governance. We have a duty to ensure that the interests of the poor, small and weak are not ignored. At the same time, a strong United Nations system enables small and medium-sized States to work collectively and effectively to hedge against the ambitions of big States. The debate today, we hope, can help us identify and determine the steps we need to take towards this goal. My delegation would like to offer two suggestions.

First, the working methods of the United Nations system and its components must be improved. We must instil a strong culture of accountability and innovation in all parts of the system. We must get rid of obsolete ways of doing things, trim waste and energize staff in order to augment the delivery of services by the United Nations system to Member States. Secondly, we should encourage greater policy coherence across the United Nations system, to give greater direction in global governance.

However, the Organization can play a role only if it is modernized. In order to ensure that the decision-making and norm-setting roles of this uniquely universal institution are not supplanted, Member States must get serious about reforming the way the United Nations works. We may not have the nimbleness of a G-20 or the domain expertise of a technical body such as the World Trade Organization, for example; but we embody political will and legitimacy, and we should not hesitate to use both to strengthen the United Nations and global governance.

Crises of all types surround us, but the international community is not helpless. We have tools at hand; we should muster the will to use them. I would like to recall the words of President John F. Kennedy, who said in a speech in Indianapolis in 1959: “When written in Chinese, the word ‘crisis’ is composed of two characters — one represents danger and one represents opportunity.” In a crisis, we should be aware of the danger, but we should also recognize the opportunity. Let us all be clear-sighted.

Mr. De Alba (Mexico) (*spoke in Spanish*): I am pleased, Sir, to see you presiding over this meeting.

At the outset, I would like to thank the Secretary-General for his report on global economic governance and development (A/66/506*), which provides the basis for our debate on this important agenda item. Mexico concurs with the report’s observation on the central role that the United Nations, the premier multilateral organization, should play in the debate on world economic governance, taking the Organization’s universal nature fully into account and involving relevant organizations and actors where appropriate, while acknowledging that major challenges remain to furthering its work in coordinating economic, financial and development issues.

We attach importance to the recommendation on the need to improve the United Nations system’s coordination, cooperation, coherence and, above all, effectiveness in formulating economic policies. In that regard, it is essential that the Economic and Social Council be strengthened in order to improve attention and response within the United Nations to the negative effects of the international economic and financial crisis and to better promote the development agenda, which is crucial to achieving commitments undertaken internationally, including in particular the Millennium Development Goals.

Mexico believes firmly in multilateralism and in the need to combine our efforts in order to attain a fair and inclusive international economic and financial system that encourages development. To that end, we participate in a broad range of initiatives at the international and regional level and in various informal groups. Within that logic, my country participates in the Group of 20 (G-20) in pursuit of a common agenda to advance the actualization of the necessary reforms to the international economic and financial system. As a developing country, Mexico is particularly sensitive

to the importance of promoting a reform agenda that coincides with the expectations of the developing countries, including in particular the most vulnerable.

We also recognize the broad impact of the deliberations and agreements of the G-20 on other forums. That is why, as the host and President of the seventh G-20 summit to be held next year, Mexico has offered to take into account the concerns of non-member countries, multilateral and regional organizations, international financial institutions and civil society as a whole. In that context, the Mexican presidency of the G-20 will open a broad dialogue with non-member countries and civil society as a whole in order to give the Group’s decisions greater legitimacy, effectiveness and transparency.

We are at a critical juncture with several challenges before us, all of which the Mexican presidency of the G-20 will take into account in attempting to bring added value to the Group’s actions on the most pressing issues of the international agenda, such as restoring economic stability in order to revive growth; rejecting protectionist measures and exploring ways to strengthen the multilateral trade system and its institutions; strengthening the role of the International Monetary Fund in order to prevent future crises, and clarifying its role in the present situation; seeking solutions to hunger, particularly in the Horn of Africa; and preventing price speculation on basic foodstuffs. We will also bear in mind the importance of the development agenda for Africa, and we hope to work with organizations such as the African Development Bank, the Infrastructure Consortium for Africa and the Africa Progress Panel headed by former Secretary-General Kofi Annan. Promoting themes related to green growth — including the establishment of the Green Fund and the implementation of programmes that simultaneously alleviate poverty and reduce emissions generated, inter alia, by deforestation — is also a priority.

Mexico recognizes the importance of involving all public and private stakeholders and of mobilizing national, international and innovative resources to finance development in that context. My country will also seek through its presidency of the G-20 to contribute to continuity, follow-through and coherence in the Group’s work in order to achieve concrete results, while maintaining the flexibility and informality that have characterized previous summits. We recognize the efforts of the French presidency and commit ourselves to contributing to fulfilling previously agreed

commitments through timely assessments of progress made and the identification of objectives that are still pending.

Mexico attaches great importance to the discussion of global economic governance and development. We fully agree with the Secretary-General's report concerning the relevance of incorporating an authentically holistic vision of development in all its aspects — economic, social and environmental — into the discussion. We see a valuable opportunity to do that in 2012 in the framework of the G-20 summit, the United Nations Conference on Sustainable Development, and other international processes, through which we can present a fresh, all-inclusive vision of the development agenda. We hope that the United Nations will join us fully in that task.

Mr. Maksimychev (Russian Federation) (*spoke in Russian*): At the outset, I should like to thank the Secretary-General for his report on global economic governance and development (A/66/506*). In our view, its conclusions and recommendations should be duly taken into account in further work, especially within the General Assembly, to improve the system of international economic relations with respect to development.

Russia attaches great importance to the creation of reliable and effective multilateral mechanisms for economic regulation on the basis of the collective leadership of lead States, which should be geographically and culturally representative, and of full respect for the role of United Nations entities. We have consistently advocated a stronger United Nations as a unique mechanism for harmonizing the interests of different countries and the most important international forum for adopting coordinated decisions on matters of development and elaborating basic principles and standards for socio-economic, humanitarian and environmental cooperation.

It goes without saying that, in order to ensure a significant role for the United Nations in the system of global economic governance, the Organization needs to make rational adaptations to the new global reality while maintaining its inter-State character and the primacy of the provisions of its Charter.

A key priority of reform of the socio-economic sector of the United Nations at this stage is strengthening the Economic and Social Council, which is the major intergovernmental mechanism for systematic

and comprehensive monitoring of progress in the implementation of international development goals, including in the context of the follow-up activities in the aftermath of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals. It is therefore important to avoid unjustified forced restructuring of the Economic and Social Council, which could erode its Charter functions. We believe that a key challenge is to harness the Economic and Social Council's potential for promoting agreement on the parameters and guidelines for a global partnership to meet development goals in the post-2015 period.

Strengthening the role of the United Nations in global economic governance would be further helped by the establishment, under the aegis of the Economic and Social Council, of effective institutional mechanisms for follow-up activities in the sphere of financing for development.

The United Nations specialized agencies play an important role in global economic governance by leading financial and trade institutions. Efforts to reform lead structures, in particular the International Monetary Fund and the World Bank, must be pursued. At the same time, it remains relevant to further improve interaction between the General Assembly and the Economic and Social Council with the Breton Woods institutions for the timely achievement of international development goals and in order to improve the global monetary, financial and trade systems.

A key priority is developing a constructive dialogue between the United Nations and the new lead alliances, especially the Group of 20 (G-20), and other associations of countries, including regional ones. An effective and timely response to contemporary development challenges requires closer coordination of efforts undertaken within the framework of United Nations and non-United Nations formats.

In that regard, we would especially like to note that at the Cannes summit, G-20 leaders decided to support regular contacts with a broad range of partners, including the United Nations and civil society. In addition, they praised the contribution of the United Nations system to the work of the G-20 and discussed specific steps for developing mutually beneficial cooperation with the United Nations.

In conclusion, we would like to confirm the interest of the Russian delegation in pursuing a constructive dialogue with all partners to adopt consensual decisions

aimed at strengthening the role of the United Nations system in global governance.

Mrs. Dunlop (Brazil): I would like to thank the President of the General Assembly for convening today's important meeting on the central role of the United Nations system in global governance. The report prepared by the Secretary-General for the agenda item under discussion, contained in document A/66/506*, is a significant contribution to the debate today.

The main challenges the world faces in the twenty-first century require collective action; no country can manage the emerging multifaceted challenges single-handedly. Given the growing interdependence among nations, economic or political isolationism are not credible options, even for the biggest players.

Despite the emergence of a myriad of informal groupings and regional bodies over the past few years and the proliferation of non-governmental organizations and transnational corporations, the United Nations remains firmly at the centre of the international system. At the same time, the Organization has increasingly come under pressure to deliver effective results. If the United Nations is to preserve its legitimacy — perhaps its most valued asset — it must reflect the changing world realities and priorities.

The world economic and financial crisis has accelerated structural changes in the world system. More than three years after the crisis of 2008, developing countries are showing notable resilience, while many developed countries are facing renewed risks of economic downturn and stagnation. By some measures, developing countries already account for close to half the global gross production in terms of purchasing power parity.

In the evolving global economic landscape, one of the lessons learned is the fact that, in addressing the crisis, it is no longer possible to ignore the demands of the developing world. Together, developing countries were a driving force in the governance reforms at the International Monetary Fund (IMF), the World Bank and the Financial Stability Board. We support the 2008 and 2010 agreements on reforms of the IMF, but additional measures are urgently needed. We remain committed to expanding the quota share of developing countries at the IMF and the World Bank, at least to the level of parity with developed countries.

By virtue of its comprehensive mandate and universal membership, the United Nations has a key role to play in the global economic governance system. It should aim not to replace or compete with the international financial institutions, but to engage into effective and productive dialogue, so that its unique universal membership can be duly represented in the international discussions on the reform and management of the international economic architecture.

In that regard, Brazil believes that it is crucial to further strengthen the intergovernmental follow-up mechanism to the financing for development process. While we believe that the multifaceted mechanism adopted by the Economic and Social Council in 2009 was a positive step, it falls significantly short of what is needed to ensure the proper consideration of the financing for development agenda. As we have mentioned in previous meetings, the Monterrey Conference is the only major United Nations summit in the field of development that did not result in the creation of a permanent intergovernmental body to oversee and promote the implementation of its outcome. The establishment of a functional commission on financing for development would go a long way towards addressing the current concerns of developing countries.

As we move towards the United Nations Conference on Sustainable Development, to take place in Rio de Janeiro in June 2012, it is also important to consider the challenges to the role of the United Nations in global governance with respect to sustainable development. There is some convergence on sustainable development goals, offering a viable option for the United Nations development agenda beyond 2015 as a means to consolidate the achievement of the Millennium Development Goals. In that context, the institutional framework for sustainable development should be coherent so that it can foster implementation and enhance the integration of the three pillars of sustainable development.

Brazil believes that the Rio Conference could become the starting point for a substantive reform process of the Economic and Social Council, with a view to converting the Council into the central intergovernmental body for sustainable development, addressing in a balanced and comprehensive manner its three dimensions — economic, social and environmental.

If the United Nations is to remain at the centre of global governance, its vital role in the maintenance of peace and security must also be duly reckoned with, in particular as regards the credibility of the Security Council. That is why reform is so important to the future of the United Nations. There is universal recognition that the key aspect of reform is to bring the Security Council into line with today's political realities. In so doing, reform will enhance its representativeness, legitimacy and effectiveness.

The current permanent members are limited to those of 1945. If we are serious about bringing the Security Council into the twenty-first century, that state of affairs must be changed. Any other option would leave the status quo untouched and have an undesired impact on the long-term legitimacy and viability of the body responsible for the maintenance of international peace and security.

Expanding both categories is therefore what is needed and what the vast majority calls for in order to eliminate the mismatch between the outdated structure of the Council and today's complex, challenging world. In the same vein, if the Security Council is to reflect the dramatic expansion of United Nations membership since 1945, more non-permanent seats are needed, in particular for developing countries.

As an elected member of the Council with a mandate for the 2010-2011 period, Brazil has been able to make its contribution to the work of the Security Council and thus to international peace and security. It has been a challenging experience. Throughout our term, we have sought, in the daily business of the Council, to highlight Brazil's strong commitment and seriousness of approach to and support for the United Nations in a balanced, fair and constructive way. Brazil has long advocated the strengthening of the multilateral system. We have reaffirmed our willingness and capacity to take on major responsibilities in the maintenance of international peace and security.

I believe that multilateralism — and the United Nations in particular — would benefit from the expansion of the Security Council, which would ensure that the organ is truly reflective of current geopolitical realities and make it stronger, more representative, legitimate, effective and efficient.

Mr. Barriga (Liechtenstein): We are very pleased to participate in the first General Assembly debate on global governance under its own agenda item. The

intense discussions in and outside the United Nations on this topic certainly warrant a debate. In times of acute risks to the world economy, we are witnessing the decision-making processes of a wide spectrum of different actors, institutions and interest groups. In other words, we are in the middle of a rearrangement of the global economic governance architecture.

Ever since the world economic and financial crisis, the global economy has been in constant and urgent need of solutions to a variety of structural and systemic problems. It is thus understandable, from our point of view, that the timeliness of policy responses has become an essential factor when we talk about the effectiveness and efficiency of global economic governance. We should not, however, underestimate the importance of other factors, such as inclusiveness and transparency.

Liechtenstein continues to advocate for an inclusive and transparent multilateralism as a central driving force for the successful implementation of global standards and policies. In that regard, we have noted with satisfaction the intention of the current presidency of the Group of Twenty (G-20), Mexico, to focus its efforts on implementation. We see this as an opportunity for the G-20 to further engage with inclusive and transparent multilateral formats, in particular with the United Nations. On the basis of its universality and the sovereign equality of all its Member States, the United Nations remains the only truly legitimate decision-making forum for matters of global standard-setting and should maintain its central role in the system of global governance.

While we see the United Nations at the centre of global decision-making, we do acknowledge that at times informal groupings such as the G-20 have proven their ability to take timely and decisive actions in the field of global economic and financial policy. As a member of the Global Governance Group we believe these views to be fully compatible and have repeatedly argued to that effect. We note that in Cannes the G-20 reaffirmed that it will continue to be an informal grouping. With its particular composition, the G-20 can produce decisive inputs and initiatives and generate political momentum, in particular where discussions at the United Nations or in the wider United Nations system are currently stalled.

Nevertheless, we think that the G-20 should make a more systematic effort to feed its global policy initiatives back into the work of the United Nations,

with a view to implementing and legitimizing them. As a matter of fact, we again experienced this fall, in particular in the Second Committee, that this can be done in a pragmatic and substance-oriented way. On that basis, we encourage ongoing contributions by the G-20 to United Nations discussions and cooperation with the wider United Nations system. We understand complementarity between the United Nations and the G-20 in this constructive way.

We would like to thank the Secretary-General for providing us with a report (A/66/506*) as an input for our further discussions. We were surprised, however, that important elements, in particular on the relationship between the United Nations and the G-20, did not find their way into the revised final version of the report. Those elements would have added significantly to the substance of the report, as requested by Member States in resolution 65/94.

The report offers an overview on ways to improve the United Nations system and to increase its relevance in the global economic governance architecture. We firmly believe that such reform efforts are needed and we must use the unique convening power of the United Nations more systematically to discuss questions of global economic governance.

In that regard, we see a need for more and independent financial and economic expertise that should provide the factual basis for our discussions on that issue. We also must streamline United Nations mandates dealing with global economic and financial issues and the macroeconomic agenda of the General Assembly itself. We hope that we will soon have a critical mass of political will for such a comprehensive exercise in institutional reform.

Mr. Wang Min (China) (*spoke in Chinese*): I wish first to welcome the report of the Secretary-General under agenda item 123 (b) (A/66/506*). The lingering effects of the international financial crisis and such acute global challenges as food and energy security and climate change have brought into sharp focus the structural problems of the current global system of economic governance. While it has undergone some changes recently, the global system of economic governance still adapts poorly to the changed world's economic landscape. China believes that improving global economic governance will provide a strong institutional guarantee for the stable and healthy

development of the global economy and is thus in the common interest of the international community.

The proportion of developing countries in the world economy is now steadily expanding, and their role in global economic governance is increasingly visible. The new global economic governance mechanism should reflect the changes in the world's economic landscape; place emphasis on representation, equality and effectiveness; follow the principle of mutual respect and collective decision-making; and increase the representation and voice of developing countries.

Developed and developing countries should enhance their mutual understanding and coordination. The developed countries should fulfil their duties and obligations in global economic governance and take more concrete actions in favour of development. The developing countries should, based on their national conditions and levels of development, assume international responsibilities as their capabilities allow. In that way, all countries can work together for the balanced, inclusive, sustainable, innovative and secure growth of the world's economy.

As the most universal, representative and authoritative intergovernmental organization in today's world, the United Nations plays an irreplaceable role in international affairs. In the current circumstances, the international community should support the United Nations in playing an important role in global economic governance, especially in the field of development, and should engage in cooperation within the framework of the United Nations to tackle various global challenges in an appropriate manner. Other mechanisms can play a supportive and supplementary role to complement the work of the United Nations.

China believes that the international community should focus its efforts on the following areas. First, the Organization should continue to play a central role in international cooperation for development, increase attention and input to the development pillar, prioritize the question of development in the international agenda, and promote development from the macro- and strategic levels, especially to strengthen the coordination function of the Economic and Social Council.

Secondly, the specialized agencies should play an important role in international cooperation for development by securing resources, improving mechanisms and promoting cooperation in that

field, and provide solid institutional guarantees for international cooperation for development.

Thirdly, international institutions such as the World Bank and the International Monetary Fund should reinforce their development functions, increase resources for development and implement development projects to help the developing countries, the least developed countries in particular, to realize development.

Fourthly, the Group of Twenty should give priority attention to development and make it a major topic of its discussions. It should strengthen cooperation and exchanges with the United Nations and other international organizations in order to provide the global development agenda with greater political impetus, more economic resources and better institutional guarantees.

Fifthly, the international community should work together to build a free, open, fair and equitable global trade environment, push for the early achievement of comprehensive and balanced results of the Doha Round and realize the goals of the development round, thus injecting new energy into international cooperation for development.

Finally, the international community should expedite the establishment of a fair, equitable, inclusive and orderly new international financial order, strengthen international financial regulation, build the capacity of the developing countries to withstand financial risks, and create a favourable international economic environment for international development cooperation.

Mr. Mahmoud (Egypt) (*spoke in Arabic*): I would like to make this statement on agenda item 123 (b), concerning the role of the United Nations system in global economic governance.

At the outset, I would like to thank the Secretary-General for his report on global economic governance and development (A/66/506*). Our meeting today to consider the agenda item on the central role of the United Nations system in global governance is a manifestation of the growing attention that the issue of global governance has been enjoying on the international agenda, including in the framework of the United Nations. That attention was truly reflected in the selection of the theme “Reaffirming the central role of the United Nations in global governance” for the

general debate of the sixty-fifth session of the General Assembly.

Our discussions today undoubtedly build on the negotiation process that culminated in the adoption of resolution 65/94. Egypt recognizes the close link between the renewed attention given to the issue of global governance and the emergence of the world financial and economic crisis, as well as many other interconnected crises, in particular those involving food and energy, and the negative impact of climate change. Those crises revealed the significant shortcomings in the international multilateral decision-making architecture, as well as an inability to achieve adequate macroeconomic policy coordination, which have affected the capacity of that architecture to address the crises. That, in turn, has had a negative impact on all countries, in particular developing nations, and on efforts to achieve the internationally agreed development goals, including the Millennium Development Goals.

The issue of global governance, however, should not be synonymous with global economic governance, as the former is broader in scope than the latter. In addition to the economic dimension, global governance encompasses other aspects relevant to good governance in general, including the promotion of international peace and security, ensuring respect for human rights and fundamental freedoms, and supporting the achievement of sustainable development on a firm footing.

The current international decision-making architecture in the fields of peace and security is undoubtedly outdated, as is that of the global economy. All of those frameworks were shaped many decades ago and therefore do not reflect the profound changes that have taken shape in recent decades in the structure of and interactions in the world order. Those changes have also had an impact on the global economy in the light of the sharp increase in trade rates and capital flows and the growing importance of developing countries.

In that context, the delegation of Egypt emphasizes that, in our collective efforts to reform the international decision-making frameworks, our goal should be to design a global governance architecture that is more responsive to current and emerging challenges in the political, social, economic and environmental fields. In addition, we should enhance the genuine participation of developing countries in international decision-making,

including on the issue of Security Council reform and the revitalization of the General Assembly. The engagement of developing countries in other economic issues should also be promoted to enhance the transparency, democracy, effectiveness and fairness of those frameworks and to consolidate their ability to support the achievement of our peoples' aspirations to reduce global economic imbalances and inequalities between developed and developing countries, in order to achieve development and sustainable economic growth and to enhance food security.

The United Nations holds a unique position in the multilateral system as the sole global body with universal membership, founded on the principle of the sovereign equality of all Members and enjoying unquestioned legitimacy. Egypt therefore believes that it is important for the United Nations to play a central role in global governance, including a coordinating role among all international and regional agencies, bodies and arrangements linked to the various aspects of our international collective action, especially in the trade, monetary and financial fields, in order to ensure consistent and coherent policies.

There is no doubt that the central role of the United Nations in global governance, especially in the economic and development arenas, requires Member States first and foremost to demonstrate commitment and political will to work within the framework of the Organization. That is especially true with respect to the reform of the Economic and Social Council and efforts to strengthen its role as a forum for policy formulation and consensus-building, which will enable the Council to embrace its coordinating role and effectively fulfil its mandate.

The principal role of the United Nations could also be supported by improving coordination and cooperation among United Nations specialized agencies, funds and programmes, as well as the fulfilment by all countries of commitments they have undertaken at the major United Nations summits and conferences in the economic and social fields, which represent the internationally agreed development goals in their entirety. Those improvements would help to close the existing gap in the implementation of commitments and promote accountability and transparency in efforts to achieve the development goals in the framework of shared responsibility.

However, the ongoing process of United Nations reform, which would contribute to strengthening the role of the Organization in global governance, in no way attenuates the need for further discussions among all Member States on proposals for introducing new mechanisms into the Organization. Those proposals include that of the Group of 77 and China on the establishment of a financing for development commission as a subsidiary body of the Economic and Social Council, and the establishment of a global economic coordination council, which was one of the recommendations made in the report of the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System, chaired by Mr. Joseph Stiglitz.

The definition of the relationship between the United Nations and informal arrangements and ad hoc exclusive groupings, particularly the Group of Twenty (G-20), has become one of the most controversial issues in the debate on global economic governance. In that regard, although we fully recognize the important role of the G-20 in addressing the repercussions of the world financial and economic crisis, Egypt emphasizes the importance of ensuring that the relationship between the United Nations and informal groupings is built on a foundation of respect for the mandate of the United Nations, particularly in the field of development. On that basis, Egypt welcomes the interaction between the United Nations and the G-20.

At the same time, we stress that enhancing the role of the G-20 requires the real participation of developing countries in the decision-making process, given that the impact of the Group's decisions extends beyond its membership. In addition, the membership of the G-20 should be expanded to make it more representative of the interests of developing countries, especially those of Africa. The Group's current membership structure further marginalizes the role of African countries in international economic decision-making processes.

Egypt will continue its effective engagement in all forums with a focus on addressing existing deficiencies in the global governance architecture. We hope that our discussions today in the General Assembly and future discussions in relevant international forums, particularly during the United Nations Conference on Sustainable Development, will contribute to shaping a more democratic, fair and transparent global governance architecture, where the United Nations can play a key role in promoting coherent and consistent international

policies and efforts in order to ensure the successful achievement of the international developmental objectives.

Mr. Errázuriz (Chile) (*spoke in Spanish*): At the prior session of the General Assembly, Chile had the honour, on behalf of over 100 sponsoring countries, to introduce to the General Assembly resolution 65/94 entitled “The United Nations in global governance”, which was adopted by consensus on 8 December 2010. The General Assembly was thus asked to consider an item of fundamental importance to all: the evaluation and study of ways to improve the working methods of the international community to collectively address the various global challenges, with special attention to the central role of the United Nations.

The inclusive multilateralism promoted and practised in the United Nations system allows all States, large and small, to make their voices heard and to present their interests before decisions are adopted on the items of the global agenda. In view of the urgent challenges of our interdependent and globalized world, today more than ever we need such inclusive multilateralism and the central role played in that context by the entire United Nations system.

The goal of resolution 65/94 was to reiterate the value of the United Nations universal and inclusive multilateralism in addressing global challenges and to respond to the growing tendency to address global issues in small groups of States. The goal was also to find ways and means of redoubling efforts to reform and revitalize the United Nations to enable it to perform its functions efficiently and effectively. A world in which the United Nations does not play a central governance role would be an unfair world with no legitimate collective authority.

Pursuant to the resolution, in addition to its general and broad goal of dealing with the agenda item on the role of the United Nations in global governance, it was decided that consideration of the item in different years should be more focused and devoted to a sector of particular interest. Thus, it was decided that consideration of the item at this session should focus on global economic governance and development. The role of the United Nations is very broad in that area and, together with the specialized agencies, funds and programmes, covers an important range of economic, social and humanitarian issues that others could

find difficult to address in terms of coordination for collective international action.

It is well known that, in the midst of the global economic crisis, the so-called Group of Twenty (G-20), attempted to coordinate actions at the summit level in response to the crisis. Most certainly, that laudable reaction was welcome at the time. However, we must not forget that G-20 action is also a source of concern because of the limited number of States involved. We believe that such concern is legitimate in principle, but we also recognize that the G-20 is composed of a group of countries Members of this Organization and that it has repeatedly expressed its willingness not to ignore the role incumbent upon the United Nations system at its meetings, to which the Secretary-General and some non-members are also invited.

For this discussion, the Secretary-General has provided us with a report entitled “Global economic governance and development” (A/66/506*). The President of the General Assembly and his predecessor have convened important thematic debates that are useful for consideration of the item. We thank them for these contributions.

We are also grateful to the Financing for Development Office for its work in support of the consideration of this item. The Office is well versed in the issue, and since the systemic aspects of financing for development are central to the agenda of the Monterrey Consensus, global economic governance is considered from the viewpoint of development and of the role incumbent on the United Nations.

We are glad that the report starts by seeking to clarify the relevance of the smooth functioning of the international financial, monetary and trade systems to development processes. We believe that this is important if we want to move towards concrete action to improve global economic governance from the development perspective. We also welcome the report’s overview of the way in which the world and its institutions, mechanisms and actors are structured for global economic governance, including the consideration of such new actors as the G-20.

As regards the report’s structure, chapter III may potentially be the most important if we want to make the agenda item a vehicle for action. The report endeavours to indicate the existence of gaps or shortcomings in the global economic governance framework. It mentions the legitimacy deficit of some important arrangements

for collective action in global economic issues, basically because developing countries are underrepresented or unrepresented within such mechanisms.

The report notes the preference of the leading actors for referring global economy issues to mechanisms or groups with limited membership or with non-egalitarian decision-making mechanisms, rather than to the inclusive and democratic forums of the United Nations. In that connection, the report highlights the need for complementarity in the relationship between the G-20 and the United Nations and for such groups to respect the decision-making structures of the entities and mechanisms of the United Nations system.

Chile, of course, endorses and supports these recommendations, which are aligned with those advocated by the Global Governance Group, with whose statement we associate ourselves. We also believe it is appropriate to consider the importance of the regional dimension in global economic governance, a subject on which Chile organized a regional seminar in August at the headquarters of the United Nations Economic Commission for Latin America and the Caribbean, in Santiago.

On the basis of the foregoing, I believe that we can conclude, first, that global economic governance suffers from well-known shortcomings as regards governance mechanisms as well as the non-existent or very limited attention paid to matters of great importance to international cooperation. A few examples include the lack of proper regulation of financial markets and of a universal mechanism for international cooperation in tax matters. Secondly, the central role of the United Nations system in a number of issues of global economic governance is not clearly defined with respect to other relevant institutional actors.

Where are we today, one year after resolution 65/94 initiated the review of global economic governance and development? We have discovered that there are important gaps and inefficiencies, as well as various proposals for response and action to promote improvements in global economic governance. In the case of many of these gaps and deficiencies, the United Nations system and its universal mechanisms seem to be the ones called upon to act.

However, we need an open and transparent procedure involving all relevant actors in order to seek consensus on what we should do and how, as united

nations, we can equip ourselves to play our respective roles. We must prepare for our future consideration with input from a report that is more focused on proposed actions, with special attention to what we can do in and from within the United Nations to improve global economic governance.

My delegation will work for agreement on a new resolution on this item. As in 2010, we will work on the basis of an initial text reflecting the main concerns expressed today and in earlier debates on the subject. In that connection, we will work for the adoption of a resolution establishing appropriate parameters for more substantive consideration of this agenda item at the Assembly's next session.

We trust that in January, following open-ended consultations, we will be able to achieve consensus on a new resolution with a clear vision of our goals and of the way to achieve them. We are convinced that, under this item, the General Assembly is addressing an issue that is fundamental in order to ensure that the United Nations will continue to be the centre of global order and governance.

Ms. Hendrie (United Kingdom): The United Kingdom welcomes this plenary debate, as well as the 10 October report of the Secretary-General on global economic governance and development (A/66/506*). We very much look forward to the draft resolution to be circulated by the delegations of Chile and Singapore in the new year. The Secretary-General's report provides a good basis for that.

In the specific context of the Group of Twenty (G-20), the United Kingdom Prime Minister presented a report at the Cannes summit on global governance in November, entitled "Governance for growth". The report focuses on practical proposals for improving the way the G-20 works and its relationships with various institutions, as well as on the governance of wider global issues.

The report was produced following engagement with interested stakeholders, including a visit to New York by our G-20 Sherpa in September. It called for strengthened and more systematic engagement between the G-20 and the United Nations, including a recommendation that the G-20 endorse the proposal of the Global Governance Group (3G) to regularize the practice of briefings and consultations with the United Nations membership.

The Cannes summit final communiqué welcomed that report and, importantly, agreed with its recommendation that the G-20 remain an informal group. It also stated:

“We will pursue consistent and effective engagement with non-members, including the United Nations, and we welcome their contributions to our work.”

We look forward to following up on the Prime Minister’s report, and hopes that it will provide useful

input to complement that of the Secretary-General and the valuable work of the 3G in our discussions on global economic governance to take place here in New York in the new year.

The Acting President: The General Assembly has thus concluded this stage of its consideration of sub-item (b) of agenda item 123.

The meeting rose at 5.40 p.m.