



# General Assembly

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Agenda item 128 (b)

### **Strengthening of the United Nations system: central role of the United Nations system in global governance**

#### **Letter dated 18 November 2020 from the Permanent Representative of Singapore to the United Nations addressed to the Secretary-General**

As you are aware, Singapore is the convenor of the Global Governance Group, or 3G, a grouping of 30 small- and medium-sized countries (see annex I for full list). The 3G was established in 2009 to promote greater engagement between the United Nations and the Group of Twenty (G20), with the broader aim of improving global governance. The 3G also seeks to encourage outreach and inclusivity by the G20, including engagement with the United Nations, in order to enhance synergies and promote a coordinated and collective response to the challenges faced by the international community.

Every year, besides convening an annual ministerial meeting with the Troika members of the G20 on the margins of the United Nations General Assembly high-level week to foster greater dialogue between the G20 and the wider United Nations membership, the 3G prepares non-papers on issues of salient concern to the international community as part of our contribution to the G20 process. Given the COVID-19 pandemic this year, we have focused on three pressing global challenges: first, maintaining supply chain connectivity; second, strengthening global preparedness and response to health pandemics including support for vaccines, therapeutics and diagnostics as a global public good; and third, accelerating digital transformation of our industries.

I am pleased to share the 3G non-papers with you in the lead-up to the Riyadh Summit on 21 to 22 November 2020 (see annexes II and III). These topics are very much aligned with the current priorities of the United Nations, and we hope that the non-papers would stimulate more discussion on how we can effectively respond to, and recover from, the current crisis. Therefore, I would like to kindly request that present letter and its annexes be circulated as a document of the General Assembly under agenda item 128 (b).

I look forward to our continued collaboration in New York to address these unprecedented global challenges of our time, including through stronger engagement between the 3G, the G20 and the United Nations.

**Burhan Gafoor**  
Ambassador and Permanent Representative



**Annex I to the letter dated 18 November 2020 from the Permanent Representative of Singapore to the United Nations addressed to the Secretary-General**

**Global Governance Group members**

1. Bahamas
2. Bahrain
3. Barbados
4. Botswana
5. Brunei Darussalam
6. Chile
7. Costa Rica
8. Finland
9. Guatemala
10. Jamaica
11. Kuwait
12. Liechtenstein
13. Luxembourg
14. Malaysia
15. Monaco
16. Montenegro
17. New Zealand
18. Panama
19. Peru
20. Philippines
21. Qatar
22. Rwanda
23. San Marino
24. Senegal
25. Singapore
26. Slovenia
27. Switzerland
28. United Arab Emirates
29. Uruguay
30. Viet Nam

## **Annex II to the letter dated 18 November 2020 from the Permanent Representative of Singapore to the United Nations addressed to the Secretary-General**

### **Supporting micro, small and medium enterprises in digital transformation**

#### **Non-Paper by the Global Governance Group**

1. The Global Governance Group (3G)<sup>1</sup> welcomes the discussion of the digital economy under the Kingdom of Saudi Arabia's G20 Presidency. The 3G commends the Presidency's efforts in building on the global momentum for digital transformation, especially in light of the COVID-19 situation, to support the attainment of equitable, inclusive and sustainable socio-economic outcomes in line with the United Nations (UN) Sustainable Development Goals (SDGs). This paper provides the 3G's perspective on the G20's discussion on digitalisation and the priorities of inter-governmental cooperation to advance this important agenda.

#### **Background**

2. Micro, Small and Medium Enterprises (MSMEs) are a key economic pillar for most countries. Enabling MSMEs to raise competitiveness and productivity, connect to international trade and investment, and build resilience against disruptive emergencies, would lead to economic growth, prosperity and sustainability.

3. The 3G welcomes the Saudi Presidency's Policy Options to Support Digitalisation of Business Models during COVID-19, which shares policies and practices for countries to manage their recovery from COVID-19. In particular, interoperable standards and access to open e-commerce platforms are important for digital trade, creating markets and consumer bases at global scale. Narrowing the technological gap and closing the digital divide between MSMEs and large firms will help economic diversification, and provide options to improve income and resilience across all segments of society.

#### **Coordinated Strategies to Support Digitalisation**

4. MSMEs need an **active ecosystem of support** from governments, industry associations and international partners. There should be coordinated strategies on the regulatory environment, infrastructure and connectivity, and capacity building to support MSMEs in their digitalisation journey. Strategies to support MSMEs' digitalisation adopted in different countries have included curating starter kits of digital tools and technologies for common business activities; and identifying critical skillsets and manpower development roadmaps. Repositories of such strategies can provide useful references for governments considering to adapt and adopt measures to support the digital transformation of MSMEs.

5. The 3G supports an **enabling regulatory environment** that promotes innovation and competition, while recognising that regulatory practices will differ across countries, and reflect respective societal values and norms. There should be

<sup>1</sup> The 3G comprises the following Member States of the United Nations: Bahamas, the Kingdom of Bahrain, Barbados, Botswana, Brunei Darussalam, Chile, Costa Rica, the Republic of Finland, Guatemala, Jamaica, Kuwait, the Principality of Liechtenstein, the Grand Duchy of Luxembourg, Malaysia, the Principality of Monaco, Montenegro, New Zealand, Panama, Peru, the Republic of the Philippines, the State of Qatar, the Republic of Rwanda, the Republic of San Marino, the Republic of Senegal, the Republic of Singapore, Republic of Slovenia, Switzerland, the United Arab Emirates, Uruguay and the Socialist Republic of Vietnam.

inter-operability, transparency, trust and regulatory coherence. Where possible, this calls for a collaborative approach involving industry, governments, and academia. The 3G looks forward to more and wider dialogues among policymakers and relevant stakeholders to discuss these issues.

6. MSMEs need **access to reliable, secure and cost-effective telecommunications infrastructure** to participate effectively in the digital economy. Connectivity gaps remain in many regions of the world. The price of connectivity is a key consideration of many MSMEs in rural, remote, and less developed areas. The 3G looks forward to greater discussion on infrastructure financing for development. To accelerate digitalisation of MSMEs, we should also encourage the development of software infrastructure that underpins modern digital services. These digital utilities, whether provided commercially or as e-government services, can include e-identity and authentication services, electronic trade documentation platforms, e-invoicing, and e-payment services. They can greatly ease the digitalisation of MSMEs and plug them into the regional or global e-commerce industry.

7. The 3G recognises the importance of **skills development and digital literacy** to promote a digitally ready workforce and society. Training of the workforce in new digital skills complements job support schemes to prepare companies, including MSMEs, for the post-COVID-19 economy. Governments should facilitate collaboration with larger companies or trade associations to link training to business needs and job opportunities. Global digital cooperation on capacity building should also recognise diversity among countries and include initiatives relevant to all. There are good practices among smaller economies at different developmental stages. The 3G looks forward to building multilateral, regional, and sub-regional partnerships, which can develop solutions tailored to specific circumstances and contexts.

### **Digitalisation and the UN SDGs**

8. The 3G notes that the G20's work on digitalisation has potential synergies with the UN SDGs, particularly in the areas of job creation, industries, innovation and infrastructure. The launch of the UN Roadmap for Digital Cooperation in June 2020 and its initiatives to address baseline internet access for individuals, financing investment in digital connectivity, in rural areas in particular, and coordination of capacity-building initiatives across the UN system are important contributions in accelerating digitalisation and building resilience. The 3G believes that the international community will benefit from these synergies.

### **Conclusion**

9. The COVID-19 pandemic has demonstrated the need to accelerate the digital transformation of our businesses and societies so that they will be more resilient to similar shocks in the future. The wide adoption of digital services and increased connectivity present MSMEs around the world with opportunities to access a truly global marketplace. At the same time, it will boost productivity domestically. There remain differences in the pace of digitalisation within and across countries. The 3G recognises that governments must design and implement digital transformation efforts to meet the particular needs of their social and economic circumstances. The issues of technology adoption, inter-operable services and standards, cost of connectivity and workforce training are some of the key challenges confronting MSMEs. The 3G looks forward to working closely with Saudi Arabia as well as incoming G20 Presidencies on efforts to promote inter-governmental cooperation to grow digital economic opportunities for MSMEs, bolster development, and foster equity.

**Annex III to the letter dated 18 November 2020 from the  
Permanent Representative of Singapore to the United Nations  
addressed to the Secretary-General**

**Maintaining open and connected supply chains: coronavirus  
disease (COVID-19) and future-proofing our resilience**

**Non-Paper by the Global Governance Group**

1. The Global Governance Group (3G)<sup>2</sup> welcomes the importance that the Kingdom of Saudi Arabia has placed on multilateral cooperation during its G20 Presidency, in particular, with the goal of achieving a sustainable and inclusive recovery of the global economy from the COVID-19 pandemic. Notably, the 3G commends G20's recognition of the need to strengthen resilience in global supply chains so that they can withstand future shocks. In this regard, we must ensure that global supply chains remain open, robust, and connected.

**Background**

2. The COVID-19 pandemic has diminished global production capacities and disrupted global supply chains. Countries have moved to contain the outbreak by imposing restrictions on essential supplies as well as movements of individuals. Restrictions on air travel have considerably diminished global air cargo capacity and connectivity. Meanwhile, seaport capacities are increasingly under pressure as ports and vessels are not able to continue with usual operational and cost efficiencies amidst the pandemic. These are compounded by unilateral and/or tit-for-tat trade-restrictive measures that have impact on supply chains and the flow of goods and services.

**Challenges from COVID-19**

*Increased Uncertainty in Supply Chains*

3. Trade-restrictive measures and export restrictions on critical goods, such as medical supplies and foodstuffs, have increased exponentially since the onset of the pandemic. Export restrictions have also been imposed on agricultural goods despite global commodity markets being in a strong position to respond to the crisis. These measures, while motivated, in part, by countries' desire to ensure and maintain adequate supplies of critical goods and food for their own interests, also severely undermine the reliability and inter-dependencies of which global supply chains are predicated upon. The resulting supply chain uncertainties will invariably lead to an increase in trade costs and worse, shortages, which will affect emerging and developing economies more adversely.

*Increased Costs of Trade*

4. The pandemic has prompted widespread individual movement restrictions and closure of borders in the interest of public health in many countries and cities, several of which are key sea and air ports that serve as critical nodes in global supply chains. Reduced port connectivity has had adverse effects on the cost of cross-border trade

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as businesses have to rely on alternative (and oftentimes more expensive) means to transport their goods across borders. As a result, cross-border travel costs have increased to account for a third of the total trade costs, hampering efforts to preserve open and connected supply chains in an already difficult economic environment.<sup>3</sup>

### **Maintaining Open and Connected Supply Chains**

5. Maintaining open and connected supply chains begins with a political commitment to ensure open trade lines. To this end, the 3G appreciates the joint statements that G20 Ministers have issued, for example, the *G20 Actions to Support World Trade and Investment in Response to COVID-19*, which recognises and reinforces the need to strengthen resilience in global supply chains. There have also been similar efforts at other fora such as the World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), and between or among groups of countries.

6. We should translate these commitments into specific and concrete outcomes, including tariff elimination for essential medical goods and supplies that will reduce costs to trade. We encourage greater discussion among G20 members to determine how specific G20 action plans can dovetail or partner with other fora. We also encourage looking at initiatives between or among countries to facilitate trade, as these countries' experiences could be instructive or relevant for others.

### **Looking Ahead: Longer-Term Actions for Open and Connected Supply Chains and Future-Proofing Resilience**

#### *Role of the Multilateral Trading System and Trade Agreements*

7. The rules-based multilateral trading system as embodied by the WTO is critical to securing global supply chains. It provides the framework of rules that governs trade relations among its Members. WTO Members are obliged to notify their trade measures to the WTO, including trade-related measures taken in response to the COVID-19 pandemic. The 3G supports the timely notification of trade measures to the WTO. We commend the *G20 Actions to Support World Trade and Investment in Response to COVID-19*, which calls upon countries to notify trade-restrictive measures in a timely manner. Looking ahead, the 3G encourages the G20 to consider longer-term actions that will institutionalise supply chain connectivity.

#### *Leveraging Digitalisation*

8. The pandemic has accelerated a rapid adoption of digital solutions and technology to facilitate ease of doing business and cross-border connectivity. Digitalisation of customs and regulatory procedures and harmonisation of digital standards may potentially lower trade costs in the long term. The 3G encourages the G20 to move expeditiously with digitalisation initiatives that can help facilitate trade and strengthen connectivity.

#### *Economic Recovery through Trade Facilitation*

9. The WTO has estimated that merchandise trade volume and world GDP would decline 12.9% – 31.9% and 2.5% – 8.8% respectively. The economic impact of the pandemic has already affected countries unevenly, with a difficult road to recovery. Trade facilitation will be an important tool to accelerate recovery. The 3G recognises the need to deepen and ramp up the implementation of the WTO Trade Facilitation Agreement. Doing so will reduce the costs to trade, increase trade flows, build confidence, and strengthen the multilateral trading system.

<sup>3</sup> World Trade Organization (2020). Trade Costs in the Time of Global Pandemic, 1–10.

10. Middle-income countries are destinations of great opportunities for commerce. With the support of the G20, we must promote the strengthening of a model that allows us to move from a framework of cooperation to one of investment, in which developing countries, including middle-income countries, can acquire their own capacities to reduce the gaps that today challenge development. We must join forces to coordinate and generate the necessary conditions to foster and attract investment, highlighting our competitive advantages.

### **Conclusion**

11. In conclusion, the 3G would like to emphasise the importance of open and connected supply chains for both developed and developing countries, which has been made evident by the COVID-19 pandemic. We look forward to working closely with Saudi Arabia as well as incoming G20 Presidencies to promote and implement efforts to strengthen the resilience and connectedness of supply chains, so that we can lay a strong foundation for the solid recovery of the global economy and that which can withstand future shocks.

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