



POSITION PAPER OF THE GROUP OF 77 AND CHINA ON STRENGTHENING THE ROLE OF THE UN IN GLOBAL ECONOMIC GOVERNANCE, PRESENTED BY MR. KHALED HUSSEIN ALYEMANY, MINISTER PLENIPOIENTIARY, PERMANENT MISSION OF YEMEN ON BEHALF OF THE GROUP OF 77 AND CHINA, AT THE AD HOC OPEN-ENDED WORKING GROUP OF THE GENERAL ASSEMBLY TO FOLLOW UP ON THE ISSUES CONTAINED IN THE OUTCOME OF THE CONFERENCE ON THE WORLD FINANCIAL AND ECONOMIC CRISIS AND ITS IMPACT ON DEVELOPMENT (New York, 2 June 2010)

Introduction

1. By virtue of its inclusiveness legitimacy and mandate, the United Nations is well positioned to play a central role on economic and financial affairs and to address the global economic challenges. The United Nations has full legitimacy to address the pressing needs for global economic actions facing the world today. The United Nations General Assembly has also a clear mandate on economic affairs and a special and unique role to play.
2. The world financial and economic crisis has underscored the gaps and failures in global economic governance, including within the International Financial Institutions, in charge of the promotion of global economic stability

The Role of the United Nations

3. As set forth in its Charter, the role of the UN includes achieving "international cooperation in solving international problems of an economic, social, cultural or humanitarian character" and "harmonizing the actions of Nations in the attainment of this common ends". The United Nations is the only global body with universal membership and unquestioned legitimacy and is therefore well positioned to address global economic governance with the objective of reaching sustainable and socially balanced economic development.
4. The current financial and economic crisis as well as the failures and gaps in the international financial governance have served to underscore the urgent need for the United Nations to assume a central and pro active role in global economic governance. The deep social impact of the global financial and economic crises and the accompanying environmental challenges requires a truly global, universal and integrated response. In this context, the G77 and China reaffirms that the United Nations is the organization that must play the central role and has the legitimacy to deal with global economic governance and development and related issues.
5. The G77 and China also reiterates that the UN has the comparative advantage and is the appropriate venue to discuss the economic and financial affairs and decide on the best follow-up and alternatives to meet the needs and challenges of the 21st Century.

Strengthening the role of the UN

6. For the United Nations to fulfil its role in global economic governance, the political will of all Member States to commit to the UN processes, to multilateralism and its underlying values is critical. Member states must commit to working in solidarity on coordinated and comprehensive

global responses to global economic governance issues and to undertaking actions aimed at strengthening the role of the UN Development System in responding to global crises and their impact on development. For this the UN must also be equipped with the necessary resources and capabilities to effectively and quickly address global challenges.

7. There is a need for a more coherent, and effective response of the UN on issues related to global economic governance. In that regard, an appropriate follow-up mechanism should be established within the UN to bridge the gap between policy making and implementations of commitments in that area.

8. The UN development system's comprehensive crisis response should be further developed to support national development strategies through a coordinated approach by UN funds and programmes, specialized agencies and the international financial institutions including at country level. There is also a need to strengthen the United Nation's existing monitoring, surveillance, technical assistance and coordination roles. It is also important for member states to support the UN to build on and strengthen the FFD process, which would help, inter alia, to enhance coherence and consistency of the international monetary, financial and trading systems, and to ensure that they support the implementation of the internationally agreed development goals, and developing countries' efforts to achieve sustainable development.

9. In addressing the current financial and economic crisis the UN needs to strengthen its support towards developing countries to address the economic, human and social impacts of the world financial and economic crises, in order to safeguard and build upon hard-won economic and development gains to date, including the progress being achieved towards the implementation of the MDGs. There is also a need to foster an inclusive and sustained recovery, and provide continued support for sustainable development efforts by developing countries, with due regard to the principle of ownership and leadership in the implementation of national strategies and policies. It is also important to ensure that developing countries have the fiscal and policy space to determine national goals and implement national policies and strategies.

The UN and Global Economic Governance

10. The G77 and China views the unique perspectives and representativeness of the United Nations as critical to ensuring legitimacy to the reform and functioning of our International Financial Institutions. Accordingly, we reiterate the need for mechanisms to ensure increased cooperation and exchanges between the United Nations and International Financial Institutions.

11. In this context, the G77 and China stresses the urgent need to Review the agreement between the United Nations and the Bretton Woods institutions in collaboration with these institutions, focusing particular attention on the mechanisms for enhancing coordination and cooperation between the United Nations and the BWIs respective institutions, as well as the opportunities for contributing to strengthening the development mandates and effectiveness of both institutions, as part of the ongoing process of reforming and strengthening the international financial and economic system and architecture.

12. The Group of 77 and China calls for a fundamental role for the United Nations in the reform process of the global governance structure of the BWI.

13. The Group of 77 and China requests the co-facilitators to convene a specific meeting of the working group to address the final recommendations of our deliberations in what we can call the way forward in the frame of the next two weeks.