Translated from French

# Report of the Secretary-General on global economic governance and development

#### **Contribution of Belgium**

19 May 2011

Belgium fully endorses the contribution of the European Union to the preparation of the report of the Secretary-General on global governance. This national contribution serves as a complement to that, and is intended to highlight certain points.

#### **Background**

Many economic, social and environmental challenges go beyond national boundaries and require a system of global governance.

This governance takes place through numerous international organizations which each have their own mandate, methods of decision-making and founding context. As a result, certain issues may be dealt with by several international organizations while others are overlooked.

The goal of good global economic governance is therefore to ensure <u>coordination and coherence</u> in the activities of international organizations, so that global issues are addressed in the best way possible.

The United Nations has the authority to be at the centre of such global governance, by virtue of its universality (193 countries) and its Charter (Article 1: "To achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character [...]").

For a variety of reasons, the United Nations is not realizing its full potential in terms of global economic governance and development. Since the economic and financial crisis, the Group of Twenty (G-20), an informal organization has appeared to want to fill this role.

Belgium favours a strengthening of the ties between the United Nations and the G-20, as well as a strengthening of the role of the United Nations on economic, social and environmental issues, in particular by strengthening three of its organs: the General Assembly, the Economic and Social Council and the United Nations System Chief Executives Board for Coordination (CEB).

### 1. The relationship between the G-20 and the United Nations

The G-20 has become de facto one of the main international forums for economic and financial issues. It has no legal presence, binding authority or secretariat, but as a result of the combined weight of its member States (two-thirds of the world's population, 85 per cent of the global gross domestic product (GDP) it is able to impose agenda items on international organizations.

## 1.1 Complementarity

Belgium believes that the United Nations system and the G-20 can complement each other in the field of global economic governance. The strength of an informal forum like the G-20 lies in its flexibility, its impetus and its ability to reach consensus and thereby facilitate decision-making within international organizations. The strength of international organizations, and the United Nations system in particular, lies in their universality, their legitimacy and, where necessary, the binding commitments that unite their members.

For this complementarity principle to work, it is important for the G-20 to respect the autonomy and working methods of the international organizations and the United Nations system in particular.

#### 1.2 Collaboration

Collaboration between the United Nations and the G-20 could be strengthened by making the most of their respective advantages.

The Secretary-General of the United Nations is already invited to G-20 Summits. It would be useful to plan for the systematic presence of the United Nations Secretariat or specialized agencies at other G-20 meetings, including at the working-group level.

We would also encourage the Secretary-General, along with a representative of the G-20 presidency, to give detailed briefings before and after G-20 meetings.

## 1.3 Representation within the G-20

Although it is an informal forum, the impetus of the G-20 can be very significant. The question of its legitimacy is therefore important. Notwithstanding the current arrangements for European representation in the G-20, Belgium considers that a constituency system, similar to the one used in the Bretton Woods institutions, would resolve the legitimacy question without diminishing its effectiveness. Indeed, the number of seats at the table would remain just as large and all countries would feel involved through their membership in a constituency.

This constituency system is an effective form of multilateralism as it enables States to freely associate with each other, according to the criteria and modalities of their choice. The same system could also be envisaged in the future for a reformed, smaller Economic and Social Council.

# 2. Strengthening the role of the United Nations

The founding Charter of the United Nations envisions the Organization at the centre of global governance. Indeed, owing to its universal membership, the legitimacy of the United Nations is unchallenged.

Three organs of the United Nations could be usefully strengthened in order to restore its rightful role.

## 2.1 United Nations General Assembly

The General Assembly and major conferences in general are the global governance venues with the greatest representation of States. In the interest of

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granting the G-20 more universal legitimacy, a recurring item on the report of the Chair of the G-20 on work carried out that year should be added to the Assembly's agenda. Presentation of the report of the G-20 would then be followed by a substantive debate, resulting in the adoption of a resolution.

#### 2.2 Economic and Social Council

The Economic and Social Council should once again become the centre for coordinating and implementing economic, social and environmental policy. Belgium made proposals to that effect in 2004. The Council could eventually serve as the Sustainable Development Board called for by some delegations. In terms of its relations with the G-20, the Council must be able to identify opportunities for institutional coordination, with a view to establishing more formal ties between the G-20 and the United Nations, beyond the briefings given by the G-20 Chair. In that respect, the G-20 (Chair) must be invited to engage in the high-level dialogue that opens the Council's annual substantive session, along with the International Monetary Fund and the World Bank. The Council should formally acknowledge the agenda of the G-20 Chair (i.e., "take note" of it in a resolution). The Council could undertake an analysis of the best way to enrich G-20 discussions of social, cooperation, employment or environmental issues. The President of the Council should participate in the work of the G-20.

The annual meetings of the Economic and Social Council, the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (UNCTAD) could ultimately result in a negotiated statement that includes the G-20.

#### 2.3 United Nations System Chief Executives Board for Coordination

As the body responsible for coordinating policy at the level of heads of agencies (including the Bretton Woods institutions), the Chief Executives Board could become a body for promotion and implementation. The Secretary-General would then be responsible for submitting the Board's proposals to States through the General Assembly or the Economic and Social Council.