



Global Policy Forum

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The recommendations of this submission apply mainly to **Chapter V. Transforming Global Governance**, but given the cross-cutting and interconnected nature of governance, the content is relevant to all chapters.

Three Keystones for the Future

The Summit of the Future (SoTF) provides a unique opportunity for Member States to redress the imbalances and failures in the current multilateral system for a just and peaceful collective future. The Pact for the Future and annexes should focus on removing the obstacles in multilateralism that undermine universal norms for peace, human rights and justice as well as strengthen the public sector's capacity, vital for conflict prevention and sustainable peace.

The current institutions and normative standards of global governance, many constructed decades ago to foster international cooperation, are proving ineffective in the face of challenges of peace and security, human rights and sustainable development. Multilateralism "a la carte" and "forum shopping" are the modus operandi of powerful actors to shape global outcomes in their national interests. This practice undermines commitments and obligations that they themselves have agreed to in the UN Charter and a full range of human rights and environmental treaties.

Mindful of the uniqueness of the SoTF, Global Policy Forum (GPF) has addressed a limited number of priorities that hold the keys to unlocking progress across the full range of the issues the Pact aims to address.

- The SoTF should launch and advance a **dashboard of new metrics** for which universal adoption is needed to reduce inequalities, income and non-income, and shift the focus from Gross Domestic Product (GDP), a metric never designed to be a proxy for human and planetary wellbeing.
- The current approach to **UN system funding** needs a drastic overhaul. Certainly It should continue to respect a sliding scale of contributions but meet rigorous standards that honour multilateral, not national, commitments, interests and obligations.
- An agreement to **eliminate (not expand) the use of the veto** is an essential ingredient to rebuild credibility and trust, eroded by its evident weaponization by Security Council P5 members to serve geopolitical and geo-economic interests, irrespective of the exorbitant toll on human life and violation of international law.



Beyond GDP

Vital to re-building the credibility and relevance of democratic multilateralism is a political commitment to move beyond GDP. Despite decades of efforts to do this, including in SDG Target 17.19, GDP remains dominant, nationally and globally.

GDP, which measures the market value of goods and services produced in a country at a given time, was adopted after WWII as a way to ensure global price stability. Today, it is widely used as a proxy for development, a benchmark for development assistance and a measure of fiscal soundness and investment worthiness.

GDP values market-based activities, even those actively contributing to deforestation, air and water pollution, biodiversity loss and greater GHG emissions. GDP does not count the value of unpaid labour in households and communities, mostly undertaken by women, and under-values the informal sector, predominant in many developing countries. It ignores wealth inequalities as well as non-income inequalities and distorts - even values - the distributional effects of income inequalities. Social, economic and environmental costs externalized to the public sector are high and not compensated due prolific (and all too often legalized) practices of tax avoidance, tax evasion and of illicit financial flows.

Low- and middle-income countries, with GDP levels that limit or exclude access to concessional financing, resort to development financing from private capital markets, usually with high rates of interest. These, in turn, fuel debt crises and increase the rate of return at which IFIs are prepared to take on risk.

The SoTF outcome should **commit to a new set of metrics** that contains and constrains GDP in a dashboard of metrics that value human and planetary wellbeing by launching a time-bound (max. 2 years) process for their universal adoption.

This **commitment to moving beyond GDP** would also address the incentive structure of World Bank and IMF economic policies and loan requirements. The current economic governance structure benefits wealthy countries with disproportionate decision-making power contorting the rules and regulations of the international financial architecture.

Such a commitment would better assess, measure and count vulnerability to conflict, disease and natural/environmental disasters in the broader context of all UN pillars and state and non-state obligations to peace, human rights and sustainable development.



UN System Funding

The way the UN system is funded is contributing to the crisis in multilateralism. Inadequate UN system funding not only undermines Member State agreements but also fragments mandated programming and distorts UN governance. The bulk of UN system funding continues to come predominantly from a few Member States. In recent years, the share of a limited number of non-state actors has increased but has not been matched by related accountability and reporting measures.

Sustainable development and human rights suffer from entrenched inadequate funding patterns. The human rights pillar, mainly funded through assessed contributions, is chronically underfunded. The UN development system relies heavily on voluntary contributions, the bulk of which are earmarked, disproportionately reflecting the respective donor priorities.

The top five government contributors to the UN development system accounted in 2021 for 48 percent of total government funding and the top 10 accounted for 65 percent of the total (A/78/72-E/2023/59).

The SoTF outcome must **ensure that the quality and quantity of funding to the UN system** are fitting and accountable to the UN's mandates and capacity to deliver consistently on its key pillars of peace and security, human rights and development, with rigorous alignment to UN norms and standards and sustainable support for impartial global public institutions.

To confront the dilution or manipulation of UN programming, the SoTF must put in place **measures of accountability for multi-stakeholder, for-profit entities and other non-state actor partnerships and programmes**. These can include: ex-ante commitment to UN human rights standards and environmental treaties; independent audit measures to ensure transparency and accountability; and multi-year contributions to UN core for sustainable development activities. Such measures would strengthen assurances that non-state and corporate involvement with the UN system is in a spirit of collaboration and cooperation rather than collusion, and as such enhance UN system core funding.

To **monitor Member State commitment and adherence to UN norms and standards**, they should be required to provide their assessed contributions in full, on time and without conditions, and establish a track record of multi-year core voluntary contributions before being eligible to contribute earmarked funding. Additionally, Member States should make an essential and overdue commitment to some assessed contributions for UN sustainable development, to bring it on a par with the UN pillars.

To support an effective transition from the current chronic UN funding crisis to a healthy funding pattern, Member States should **mandate an exceptional assessment** of UN regular budget funding equivalent to 6 months of 2024 payable by 30 June 2025.

The veto: the perennial thorn in the side of multilateralism

The veto of the P5 powers is probably the most blatant mechanism entrenching power relationships as a foundation of UN function. It not only stymies the Security Council in seeking to fulfill its direct mandate to promote peace and ensure security, its tentacles extend deep into the system, providing disproportionate influence originating in the Charter-endowed advantage of power imbalance, as reflected in permanent membership and veto. The “chill factor” of this advantage/privilege reaches far into many parts of the UN system in ways formal, informal by customary practice, and hidden “arm-twisting”.

The veto is the acknowledged Achilles heel of democratizing the Security Council. Under provisions of the Charter, it can realistically only be incrementally adapted through moral suasion and gradually shifting norms and working methods. But if it remains intact or is extended to additional Permanent Members in an effort to square the circle and “democratize” the body without having to give up existing advantages of the most powerful members, it could create the “worst of both worlds” instead of an improvement.

With regard to peace and security, a primary challenge of the SoTF to confront undemocratic global governance is to adopt concrete steps to **eliminate the use of the veto**, and certainly not expand it.

Whither multilateralism?

As the SoTF is charged with addressing the drivers of the power imbalances in global decision-making, it must initiate concrete measures to eliminate the veto in the Security Council. Moving Beyond GDP and UN system funding reform have cross-cutting impacts on the range of the issues in the Pact for the Future, also essential to democratic global governance.

GDP has been the core indicator that not only played a direct role in determining a country’s access to concessional development financing but also their value and ability to exert influence within broader global governance. Shortfalls in quality and quantity of UN system funding have distorted the UN’s development agenda to reflect, and often favour, the priorities of major state and non-state donors and have constrained the UN’s ability to serve as a cornerstone of effective multilateralism.

The commitment to moving beyond GDP and reforming UN system funding will enhance the capacity of UN and its Member States to live up to the normative UN standards they have committed to, and reclaim higher standards of accountability to promoting and protecting human rights, reducing income and non-income inequalities and strengthen the public sector and multilateral institutions.



PGA Dennis Francis: “I am personally aware of a number of governments in the Caribbean who went to the market to purchase vaccines, and were told by the market ‘No, we cannot sell you these vaccines. Why? Your numbers are too small. We need to sell to countries that can purchase 50, 80, 100 million doses of the vaccine.’ But if you’re Trinidad or Tobago with a population of 1.3 million, your numbers are too small. In other words, the market was rationing vaccines based on the market determination of who should have them and who should not. Is that the kind of world you want to shape in the 21st century? Where is the public interest in that? In a pandemic in which it was absolutely clear to everyone that any unvaccinated person constituted a threat to the rest of the society, how do you square that?”¹

The PGA’s statement illustrates how a reliance on the market without proper oversight hinders the ability of small and medium states to fulfill their commitments to public health. Relying on GDP to define policies that should prioritize human and planetary health and failing to invest in public institutions at all levels further undermines democratic governance, including at the global level.

Given the significance and interconnectivity of all Pact for the Future chapters, Beyond GDP and UN system funding reform will also inevitably impact issues laid out in all other chapters, especially through their impact on and potential to transform global governance. Without commitment to and prompt progress on moving beyond GDP and addressing UN system funding obstacles, global governance will continue to be biased in favour of wealthy and privileged individuals and countries.

¹ UN Civil Society Town Hall (12 December 2023). <https://webtv.un.org/en/asset/k14/k145ccker3>