

basis of constituencies that should meet at the summit level during the annual UN General Assembly session.

Mr. Vanu Gopala Menon recalled how the UN sought ways to address the crisis, including through lengthy negotiations which culminated in the Conference on the World Financial and Economic Crisis and its Impact on Development in June last year. The G-20 also simultaneously took on an increasingly active role during this period in catalysing global actions, which ultimately helped avert a global economic depression. Many Member States were concerned that if the G-20 continued to gain legs, this exclusive grouping could challenge and perhaps even undermine the UN. At the same time, its track record in other areas of international economics was mixed. For example, there was a lack of progress in multilateral trade negotiations and new protectionist measures despite declarations to the contrary. More recently, at the Toronto Summit, the G-20 decided to include the issue of development on its agenda. While a few UN members had expressed some concern that the G-20 was straying off the narrow path of banking reform and managing the global financial and economic situation, the speaker considered it important that the G-20 was starting to pay more attention to development. This development may engender a better relationship between the G-20 and the UN.

Since the UN remained, in terms of resources and its broad involvement of stakeholders, best placed to drive the development agenda, the G-20's endeavours in development should build on and complement the UN's existing work on development like the Development Cooperation Forum and Financing for Development discussions. Notwithstanding its intellectual resources, mandate and its global reach, the UN could still be left out in the cold if it did not fulfil its potential to lead. It was in this context that the informal Global Governance Group (3G), of which Singapore was a member, had stressed the necessity for the UN and the Secretary-General to bring substantive contributions, in terms of ideas, to G-20 Summits. The engagement had to be a two-way street, adding value on both sides. In this regard, the UN had made progress in getting its act together, with ECOSOC being tasked last year to consider measures to

crisis. The fundamental problem, however, remained the role of the US Dollar as the major reserve currency, which had fuelled global imbalances.

History offered various examples of international efforts, which intended to create a more coherent global reserve system - albeit with limited degrees of success. For example, the International Monetary Conference of 1878 unsuccessfully sought to address the gold shortage, which was widely believed to have contributed to the Long Depression of the 1870s, through the introduction of the bimetallic standard. Since the collapse of the gold standard in 1933, the track record for global economic governance had been even poorer. The introduction of the Bretton Woods system, whose terms were dictated by the US, did not succeed in establishing a permanent negotiated monetary order for currency relations between sovereign states and disintegrated in 1973. Today's world had no ultimate creditor and was inherently unstable. Therefore, Governments needed to overcome inertia and come together to tackle important fundamental reforms that could pave the way for a new global

and incoherent. This extended to the national level, where different ministries frequently held different opinions on important economic and financial matters. Therefore, some delegations called for an effective global economic coordination mechanism. While several Member States suggested ECOSOC could fulfill that role, others called for new mechanisms. Moreover, the global economic system was inequitable. Developing countries should have greater voice and participation within the IFIs and other fora.

- **The relationship between the UN and the G20.** There was a convergence of views that no other forum contained the inclusiveness and legitimacy of the UN. The UN system was thus uniquely placed to promote the international development agenda and discuss issues of global economic governance. Political will could turn the UN into a more effective forum in the field of global economic governance, yet, groups like the G20 would likely remain a reality since speedy economic and financial measures were difficult to agree upon and implement within a forum of 192 member countries. Given this reality, many delegates emphasized that the G20 and the UN should move towards complementarity. Member States should exm realwa layw(ofglobave e tshoul9.77 voi)Tj7.185 0 TD190001 Tcand p3(p