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الدم ببعوثية الدائمة لجمهورية جيبوتي
لدى مكتب الأمم المتحدة
والمنظمات الدولية الأخرى
سوي سراج نيف

Presentation at the Geneva Graduate Institute and GSCP
G8,G20, UN : What are the consequences?
His Excellency, Mohamed Siad Doualeh,
Geneva 3rd May 2011

I'd like to express my deepest thanks and appreciation to the Graduate Institute for having invited me to be part of this panel this afternoon and to share with you our views on a crucial subject, particularly in the context of a changing world that has in turn triggered profound changes in the system of global governance.

Many coordination venues and fora have proliferated, particularly after the recent financial crisis with the emergence of G20 as a summit-level forum for the established and “systemically” important powers (or rising powers) alongside the G8 and of course the UN.

We do not claim to provide an expert analysis on the consequences of this major development for world governance but we will try to use the short time available to highlight a few points that seem relevant for our discussions this afternoon.

As we will not have the time to go back into the past let us use as a starting point the establishment and permanent institutionalization of the G20 forum after the pioneering Washington summit convened by former US president George W. Bush after the worst economic and financial crisis that has hit the world since World War 2 with the aim of developing a prompt and collective response to the crisis.

He called a “Summit on Financial Markets and the World Economy” in Washington DC on 15 and 16 November 2008. The meeting, not only developed an action plan with 47 short and medium term action points to be elaborated and implemented subsequently but instead of convening an additional G8 meeting in autumn 2008 lifted the G20-a group that had until then only existed at the level of finance ministers and central banks- to the leaders level, thus elevating it into the premier forum for economic and financial cooperation.

This major development is recognition of the fact that the world has changed, that new realities have to be taken into account. The establishment of this forum was welcomed by large emerging countries such as India, Brazil and China which are not part of the G8 but are members of the G20. The G20 may lack the intimacy of the G8 but has increased legitimacy and has the potential of much greater effectiveness, it was thought. As a result, some even stressed that the G8 should be abandoned as a format, but we see the two continuing to coexist with maybe a division of labour.

The G8 focusing more on foreign and security issues while the main financial and economic issues will be discussed within the G20. Indeed the figures are impressive! Together the G20 account for 85% of the global output and 2/3 of the world's population.

Let me now point out a few salient characteristics of the multilateral forum with regard to the function, focus, and operating mode.

The G20 operates with an annually rotating chair under a relatively informal system. Each year a member country organizes the summits of head of States and Governments and ensures that the preparatory negotiations are conducted in an efficient manner. The form is informal in two senses of the word. The host and planners create a setting in which personal relationship develops among leaders hopefully with a positive impact on the negotiations. It is informal because it also lacks treaty basis or decision rules of a traditional multilateral organization.

The Minister from France, Henri de Raincourt, who currently chairs both the G8 and the G20 for 2011 recently visited Geneva as part of the preparatory consultations, made it emphatically clear that the G20 does not and cannot replace universal international fora. He underlined the fact that its main role is to give impetus at the political level and foster coordination. This visit and the interactive dialogue held with UN member States in the framework of UNCTAD was hailed as a visible and laudable effort to broaden consultations and enhance coordination and synchronization between the G8, G20 and UN agendas in areas of common concern.

The G20 may regroup pivotal powers but it lacks the political legitimacy of the UN and may not claim to take decisions that may affect the entire membership of the UN. But it is our considered view that it may tremendously enhance the collective efforts and expedite the search for durable solutions on policy issues that are urgent.

In the final analysis the legitimacy of the G20 will crucially depend on its success and the level of implementation of its communiqué pledges.

Let us now look on a few critical areas which are of concern to LDC and Africa.

In 2011 under the leadership of France, the G20 member states pledge to foster dialogue with LDCs at the forthcoming Conference to be held in Istanbul in a week from now and better take into account their priorities, needs and expectations. There is a growing recognition that the old vulnerabilities of LDCs have been compounded by a wave of new and emerging issues such as food security, energy security, financial and economic crisis and natural disasters caused by climate change challenges.

There is a renewed commitment on the part of the G20 members to energize support for strengthened joint actions more tailored to their needs and weaknesses.

This support is crucial to a large group that has double since its creation in 1971 that face a double challenge as the Special Adviser on LDCs at UNCTAD Dr Debapriya Bhattachanga said: “LDCs face a double challenge: they have to absorb the impact of the economic and financial crisis, but on the resolution of the crisis they have a very marginal role to play.”

He went further to add “This is not only a question of transparency, but also inclusiveness and accountability. How to address these issues? Do we need new platforms or do we have to improve their participation in existing ones?”

Indeed LDC external trade has declined, remittances have dropped, official development has been jeopardized and foreign direct investment has sharply declined with some experiencing these investments.

It should be underlined that much of the aid received goes to social sectors with little or none reaching productive sectors.

It can be safely said now that LDCs won't achieve the MDGs as many of them have relapsed into unsustainable external indebtedness and widespread and deeper poverty.

In the WTO, LDCs called for an “early harvest” in the negotiations, duty-free and quota-free market access, elimination of export subsidies in agriculture by developed countries and quicker resolution of the cotton issue with special and differential treatment. LDCs wish they had a voice in either the group of the eight or the group of the 20 to articulate those concerns.

Africa is often placed at the center stage of the discussions in both the G8 and the G20 and has some level of representation. South Africa sits on the G20 and invitations are extended to the current chair of the African Union and the Chair of NEPAD (Ethiopia). The G20 pledge to support regional integration and infrastructure development- These are two priorities of the NEPAD- The NEPAD process has come to be accepted as the framework mechanism through which support to Africa's development can be best delivered.

Its aim is to promote regional economic integration by bridging Africa's infrastructure gap. Indeed there can be no meaningful development without trade and there can be no trade without adequate and reliable infrastructure.

The current Presidency of both, the G8 and the G20, France has pledged to mobilize resources for regional infrastructure projects to be tabled in the forthcoming Cannes Summit. Minister Henri de Raincourt stated that multilateral financing banks and the high-level group of Experts are currently undertaking necessary preparations.

The current events taking place in the world remind us that the fight against poverty and unemployment is key to prevention of violence. Hence the urgent need for Governments in a collaborative effort with developed partners to put the necessary measures to support investment flows into the productive sectors that benefit the majority of our people and institute inclusive policies necessary to sustainably support the overall goal of economic equitable growth and human prosperity.

The benefits far outweigh the cost.

G20 and multilateral trade.

The relevance of the G20 as an effective forum will be assessed in relation to its impact on multilateral trade negotiations.

In words that still guide the G7/G8 36 years after they were written in the 1975 Rambouillet Declaration, the G7 stated:

“We must seek to restore growth in the volume of world trade- Growth and price stability will be fostered by the maintenance of an open trading system- In a period where pressures are developing for a return to protectionism, it is essential to avoid restoring to measures by which they could try to solve their problems at the expense of others, with damaging consequences in the economic, social and political fields.”

In spite of that stated goal, there is increased perception that it is failing to show the necessary political leadership to help achieve tangible results such as a breakthrough in the current stalled Doha Round, in part because of the diversity of the interests within the G20.

In many of their statements, they highlighted the timely implementation of Doha Development Agenda, but there continues to be major differences between key players in the negotiations. In fact, the negotiations have been in limbo for long and to quote India's Minister of Trade in 2007 “If the talks are not dead, they are definitely between intensive care and the crematorium” The economic crisis and the general fear of a recurrence seem to be a major obstacle to the liberalization of world trade and WTO points out that protectionism is on the increase at both industrialized and emerging countries.

The lack of an agreement and the possible collapse of the Doha Round are deemed to be detrimental to the interests of the developing world.

The G20 has shows an extraordinary commitment and resolve in its effort to dampen the repercussions of the financial crisis and agreed on measures with regard to the global financial regulatory system.

It is crucial that it show the same political direction in helping achieve an ambitious, balanced and development oriented Doha Round Package

Thank You