



MISIÓN PERMANENTE DE MÉXICO

**Statement by Dr. Carlos Pérez Verdía-Canales
Chief of Staff, Ministry of Foreign Affairs, during the
High-Level Thematic Debate of the General Assembly
“The United Nations and Global Economic Governance”**

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Mr. President,

The UN, its different bodies and agencies, including the Bretton Woods institutions played a key role in defining the global landscape underlying the positive trend in global economic progress we have witnessed in the post-war years. The question facing us today is whether we are comfortable with the system of governance that has emerged from these arrangements.

I want to concentrate my intervention today by arguing that the institutions that govern the economic system have to be just as dynamic and adaptable as the system they have given shape to.

I have now worked for a full three months at the Mexican Ministry of Foreign Affairs. From day one I was able to see one of the main challenges facing all foreign ministries: most other areas of government also implement foreign policy.

This is really the same challenge faced by the UN: a very broad mandate with heaps of actors involved in almost every item on the to-do list.

So, in terms of economic governance, what should the approach be? Do you pass muster and make every UN body and specialized agency fall in line and march to a centralized tune? (A strict interpretation of the Charter would suggest ECOSOC has the authority to do so).

And if you do so, what do you then with the different country groupings that form to take on specific economic challenges: the Groups, the Bank of International Settlements, the BRICs, the Organisation for Economic Co-operation and Development? And what about the smaller regional groupings? For example, from our region, The Central American Monetary Council, CAF or the Pacific Alliance (Mexico, Chile, Colombia and Peru)?

However, the international economic system is now too complex for centralized oversight and decision making. It is not a system of one wheel with many cogs. It is many wheels with many cogs. It is, overall, dynamic.

Mr. President,

The G20 emerged as a logical expression of this system. It is a forum for nations looking to tackle issues of financial stability in which eight countries no longer represents a critical mass and where consensus building for 190+ cannot be agile enough.

But, of course, the G20 cannot work alone.

The fragility of the global economic situation shaped the agenda that Mexico set for the G20 Summit. In this respect, the flagship "achievement" of the Mexican presidency was creating a commitment of support for the IMF in excess of \$450 billion. It made for fantastic headlines. But whose success was it?

The truth is that everybody that was involved was able to claim it as a victory. This is the key to interaction with the G20: identify a precise goal that can be turned into a "deliverable" through political positioning. It is also a model of how the G20 needs to interact with other bodies, in this case the steering committee of the IMF, chaired by Singapore. The G20 and the IMFC worked together to bring on board as many countries as possible.

One further comment on the G20: It is about outreach. Mexico put in a lot of effort into making sure the G20 took on different points of view. It had a couple of special envoys speaking with capitals and other groupings (like the G24). There was the Business-20 and the Youth-20. We hosted the Rethinking-G20 forum. The effort was well received and the process enriched. However, outreach can also produce fatigue if it is not perceived to have a specific agenda other than just carrying out outreach.

Mr. President,

The UN has the capacity to convene, to sit people and institutions around the table to dissect the different issues and generate a balanced cross-sectioned view. The UN assembly, as a body that legitimizes claims and positions of all its members, must be a pillar of these discussions. The intervention this morning by the Prime Minister of Trinidad and Tobago, pointing out the gaps in the global economic system for Small States, is an excellent example of this.

Mexico welcomes the efforts underway to reform ECOSOC with the aim of making it, precisely, a premier forum for productive dialogue and high level engagement. The UN, its governing bodies and its specialized agencies must continue to adapt to the flexible and dynamic economic system. This will be very valuable in shaping agendas, in preventing them from going sterile, not just for the G20 but for all bodies of economic governance.