

by Bhumika Mhuchala

**Informal negotiations on an ad hoc Panel of Experts reveal a sharp lack of consensus between North and South United Nations members, with a final decision by the General Assembly postponed until 2011-end**

Economic and Social Council (ECOSOC) negotiations held at the UN in Geneva in July on the creation of an ad hoc panel of experts did not result in a decision to establish such a panel as an integral part of the follow-up to the UN's 2009 conference on the world financial and economic crisis.

Instead, a decision by ECOSOC was postponed to December of this year, when the UN General Assembly in New York will conclude its discussions and events on global economic governance. While this is not an optimal result, it preserves the space for a continuing dialogue on a panel of experts which would offer economic policy opinions from a different lens than that of the G20 and which would address the outcome of the 2009 UN conference on the crisis. A dialogue will maintain the possibility of a positive outcome to create such a panel even though the European Union and the United States opposed its establishment.

**Draft Resolution on Panel of Experts**

The draft resolution adopted by ECOSOC and distributed on 19 July is titled "Follow-up to the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development: consideration of the possible establishment of an ad hoc panel of experts."

This draft resolution, which concludes two months of divided and difficult member state negotiations in June (in New York) and in July (in Geneva), makes no concrete decision other than to postpone a final decision by the General Assembly to the end of 2011.

The informal negotiations this summer acted on the ECOSOC decision taken two years ago in July 2009 on the follow-up to paragraph 56 in the outcome document produced by the UN Conference on the financial crisis and its impact on development which took place in June 2009 in New York. Paragraph 56 requested ECOSOC to carry out five activities, recommendations, and reviews, of which the fifth component is to "consider and make recommendations to the General Assembly regarding the possible establishment of an ad hoc panel of experts on the world economic and financial crisis and its impact on development."

ECOSOC's decision in July 2009 addressed the possible establishment of an ad hoc panel of experts which would be discussed for the purpose of providing "independent technical expertise and analysis which could contribute to informing international

action and political decision-making and fostering constructive dialogue and exchanges among policymakers, academics, institutions and civil society.”

The draft resolution pays special emphasis on the valuable contribution of the UN agencies and its various independent bodies, such as the Commission of Experts on international monetary and financial system reforms initiated by the 2009 President of the General Assembly. These bodies are noted for informing and providing intellectual support to the intergovernmental work of Member States.

The draft resolution stresses the need to maximize the effectiveness, the transparency, efficiency and coherence of the UN system. It affirms the need to examine the most efficient modalities to provide expertise and analysis on issues relating to the world financial and economic crisis that is both independent and technical. Such expertise is to be made available to the ECOSOC and the General Assembly body, contributing to informing international action and political decision-making. In addition, constructive dialogue and exchanges among policymakers, academics, institutions and civil society would also be fostered.

A recommendation is made for the further consideration, by the General Assembly, to the possible establishment of an ad hoc panel of experts on the world economic and financial crisis. Such a panel should take into account the outcomes of the various related processes in the UN, including the ad hoc open-ended Working Group of the General Assembly tasked to follow up on the issues contained in the outcome of the UN conference on the world financial crisis which occurred in 2009.

Additionally, the panel would also be tasked to address the policy areas that would be brought up by the forthcoming deliberations in the General Assembly on the role of the United Nations in global economic governance and development, and on the modalities of the financing for development follow-up process.

Finally, the draft resolution requests the Secretary General to explore options which take into account the need to make full use of existing UN bodies, including the regional commissions, and to report to the General Assembly through existing reporting mechanisms.

### **Informal negotiations were marked by North-South divisions**

During the informal negotiations in New York in the month of June, the Group of 77 (G77) developing countries had clarified on several occasions that an ad hoc Panel of Experts on the development impacts of the crisis should add expertise on a technical level to member state negotiations.

According to the G77, the panel’s operations should also be informed by, and interact with, member states. The G77 stressed that the member states should make a recommendation for the establishment of an ad hoc panel of experts to the General Assembly.

The G77 held the view that the discussion on global governance and the role of the UN is separate from the discussion of an ad hoc panel of experts. The delegate from

Venezuela, who was acting as the G77 negotiator for the discussion on the panel of experts, said that while there are common substantive elements between global governance and the creation of an expert panel the two discussions are very different in terms of implications as governance is separate from technical economic matters.

The G77 was willing to explore how the Financing for Development process, and in particular the role of regional commissions, could contribute to the experts panel discussion. The G77 noted that the “resource capacity” expected from a panel of experts is currently being obtained from the “regional commissions.” For example, “with regard to the global reserve system, there are very few experts on that topic, and the regional commissions are quite useful in this matter.”

The G77 highlighted that the “role of outside technical contributors is valued” and that the work of the New York-based UN Department of Economic and Social Affairs has been extremely useful. It is from the successful experiences in deriving significant value from technical contributors that the G77 advocates for the creation of a coherent and regularly functioning Panel of Experts.

The European Union, with whom the United States and Canada were siding with, stated that they were “concerned about the proliferation of UN processes and the need to rationalize UN work.” The EU disagreed with the G77’s differentiation between the discussions on global economic governance and the panel of experts by stating that “the global economic governance process provides a framework” within which independent technical expertise should be situated.

The EU noted that independent technical expertise was already being solicited, integrated and valued in the existing UN processes, saying that “if one looks at the index, contributions and references of the reports and the level of outside contributions, with reference to the UN DESA report on The Global Social Crises, it is apparent how valuable the role of outside contributors is.”

In this way, the EU was unwilling to acknowledge that the G77’s consensus position that a panel of experts should be established separately and independently from any UN agencies, in that while cooperation and dialogue between such a panel and the UN system would be supported the panel members themselves would convene and produce materials independently from the UN agencies.

The EU said that it is important to consolidate the full range of expertise from across the UN agencies, and that a recommendation should be made to the General Assembly to look into such an endeavor. The EU said that the “operative section (of the panel of experts resolution) should recommend to the Secretary General to include the panel of experts in its final report on the role of the UN in global economic governance.”

The EU stressed that although independent technical analysis, affirmed by the General Assembly, would contribute to member state discussions and negotiations, it is also important that the various agencies of the UN are produce results through consistent cooperation.

Besides the US and Canada, Russia also sided with the EU, saying that they “support the EU in the sense that the Panel of Experts should be joined to the global governance debate, but that this should not be the primary priority of the negotiations.” Russia also noted that they support making a request to the UN Secretary General to integrate the establishment of an ad hoc panel of experts to the Secretary General’s report on the UN’s role in global economic governance.

Canada added that if convergence among member states does not exist, it does not make sense for ECOSOC to propose such a panel of experts to the General Assembly President. Instead, Canada proposed that “some sort of process, particularly an existing process, can be used as a compromise between establishing a Panel of Experts and nothing at all.”

Canada suggested that the member states should be looking at alternatives, while at the same time affirming the EU’s position by saying that “the EU’s suggestions are worth discussing more closely in order to have a deliverable.”

However, in reference to the key proposal of the G77 to establish an independent panel of experts situated outside of the discussion on the UN’s role in global economic governance and operationally independent from the UN agencies was written off by Canada as having “no grounds of consensus.”

Mexico disagreed with Canada’s conclusion of there being no point for ECOSOC to make recommendations to the General Assembly President without a consensus among member states. Mexico said that their understanding of the “purpose of this discussion was for ECOSOC to provide recommendations to the General Assembly.” Mexico stressed that “it should be clear that ECOSOC should be able to give concrete recommendations to the General Assembly, otherwise what is the point of ECOSOC’s existence?”

### **Facilitator’s Non-Paper on Panel of Experts**

The facilitator of the informal negotiations which led to the adoption of the draft resolution in Geneva was the delegate from the Mission of Ecuador in New York. He had proposed a “Facilitator’s Non-Paper” in June which, unlike the draft resolution adopted by ECOSOC, recommended to the General Assembly the establishment of an ad hoc panel of experts.

The note stated that such a panel would provide independent technical expertise and analysis which would contribute to informing international action and political decision-making, and to fostering constructive dialogues and exchanges among policymakers, academics, institutions and civil society.

The facilitator’s note differed from the draft resolution by acknowledging the report of the ad hoc open-ended working group which provided an assessment on the specific ways in which the financial and economic crisis of the North is still affecting developing countries.

The facilitator’s note conceded that the impacts of the crisis on development are still being felt and entail the possibility of undoing the progress made towards achieving

the internationally agreed development goals, including the Millennium Development Goals, thereby affecting the global development agenda beyond 2015. The note also recognized the significance of efforts undertaken at the national, regional and international levels to ensure a full return to growth with quality employment, reformed and strengthened financial systems and sustainable and balanced global growth in order to recover from the challenges of the crisis.

The note also recommended to the General Assembly to examine the most efficient modalities to facilitate an ad hoc panel of experts on the world financial crisis to provide independent technical expertise and analysis to both the General Assembly and the Economic and Social Council. Finally, the facilitator's note requests the Secretary General of the UN to include in his report on Global Economic Governance recommendations for the possible contribution of an ad hoc panel of experts to the work of the UN Department of Economic and Social Affairs (DESA), the UN Conference on Trade and Development (UNCTAD) and the UN Regional Commissions.

### **Civil society calls for the panel of experts**

On 12 July civil society organizations from around the globe issued a joint letter to support the establishment of the ad hoc panel of experts. The letter requested that governments of the General Assembly endorse the establishment of the panel in the draft resolution being finalized in Geneva.

The civil society letter stated that an expert panel could produce independent technical analysis and provide recommendations on global financial, economic and system issues in line with the mandates of the Conference on the World Financial and Economic Crisis and its Impact on Development. The letter stresses that such a panel of experts would foster constructive exchanges among UN member states as well as among policymakers, academics, institutions and members of civil society. Recommendations would be made available to the Economic and Social Council, as well as to the General Assembly.

Civil society members emphasized their shared concern with countries of the South about the impact of the world financial crisis on development and the need for adequate responses so as to avoid its recurrence, restore global economic stability and promote underlying institutional reforms required to ensure sustained global economic development for the benefit for all.

An urgent need to strengthen and broaden the participation of developing countries in global economic governance is at the center of these concerns on the impacts of the crises on the South. Therefore, civil society members asserted that establishing an expert panel within the UN will serve to amplify the views and analyses from a South-focused lens.