

ECOSOC Coordination Segment, Geneva, 11-14 July 2011

Follow-up to the International Conference on Financing for Development (item 6 (a))

governance order. A summary by the ECOSOC President of the special high-level meeting (A/66/75–E/2011/87) was available on the website of the Financing for Development Office (www.un.org/esa/ffd).

4. In his remarks, the moderator, Mr. Sha, emphasized that the issue of global economic governance was currently at the centre of attention. The topic would also be discussed by the General Assembly during its 66th session in fall 2011. Mr. Sha focussed on the existing system of global economic governance and ways to improve it. The current system had been put in place more than 60 years ago. A number of issues needed to be addressed in order to enhance the effectiveness and consistency of global governance and its capacity to adequately respond to today's challenges, such as global economic imbalances, commodity price volatility and climate

7. Mr. Cornford pointed to the magnitude of the agenda for international financial reform. Referring to the progress report of the Financial Stability Board (FSB) on the implementation of the G-20 recommendations for strengthening financial stability, issued in April 2011, Mr. Cornford highlighted some major lessons from the financial crisis. Financial contagion had been far-reaching during the crisis, and it was therefore key that systemic risks were tackled by financial regulation. It was also crucial for regulators to keep up with transactional and institutional innovation and to use reliable regulatory models. Moreover, the crisis had revealed weaknesses in financial risk management. The new regulatory standard of Basel III addressed some of these concerns. A key action area was also the regulation of systemically important financial institutions. More generally, questions needed to be faced concerning the desirability of increased global financial integration. The role for appropriate UN bodies would be to monitor the policy responses to these crisis lessons.

8. In the ensuing discussion, delegates pointed out that global economic governance was particularly relevant for developing countries. Delegates widely