



Commonwealth Secretariat

Briefing Note – Reform of International Institutions

The challenge

International institutions play a large part in the lives of Commonwealth citizens. They provide the means through which countries co-operate to meet global challenges. The most prominent of these institutions – the United Nations and the Bretton Woods Institutions (World Bank and International Monetary Fund) – were established to overcome the lack of co-operation which was seen to have created the economic and security challenges that ultimately resulted in the Second World War.

There is a widespread view – which was also articulated in paragraph 53 of the 2007 Commonwealth Heads of Government Meeting communiqué – that these institutions need to be modernised to meet current challenges.

The Commonwealth strategy

The Commonwealth cannot determine the outcome of the reform of international institutions. But it can be an important voice for articulating the concerns of a wide section of the global population. The association's strategy is to seek consensus among its membership with a view to advocating particular Commonwealth positions on institutional reform. As a complement, there is a particular role in working to ensure that the interests of the smallest and most vulnerable states are taken into account in any global reform process – and supporting countries in making that case.

Key principles

Following a meeting of 11 Commonwealth leaders in London in June 2008, a set of Commonwealth principles on the reform of international institutions was agreed. These principles cover legitimacy, fair representation, flexibility, transparency, accountability and effectiveness – and are supposed to apply to the reform of any institution.

In addition, the Commonwealth has stressed that, as global reform processes progress, it is essential that they are inclusive.

The practical response

In addition to setting out principles at the June 2008 mini-summit, the leaders identified three specific areas where the Commonwealth could work for reform: the United Nations development system; the international financial institutions (IFIs); and the system of international environmental governance. These issues were subsequently discussed at a Special Meeting of Heads of Government in September 2008 in New York. At that meeting, the three processes of Commonwealth effort were put on different tracks and with different strategies. The Commonwealth's

practical response is best seen in the context of each of these policy areas.

For the UN development system, it was decided that the Commonwealth should concentrate on ensuring the implementation of the existing reform processes in the UN, working through Commonwealth permanent representatives.

The work on environmental governance was remitted to environment ministers, who met in February 2009 at the Commonwealth Consultative Group on Environment forum. At that meeting, it was agreed to establish an expert working group to identify areas of agreement among Commonwealth members for reform – to feed into the existing processes within the UN Environment Programme. This group would also consider which process would be best suited to producing change in the overall system of environmental governance, and the research that might be needed to support the international community's efforts in this area.

The work on the IFIs was remitted by Commonwealth leaders to their ministers of finance. Meeting in October 2008, Commonwealth finance ministers agreed to establish a representative group to identify areas of consensus among the membership on reform of the purpose, instruments and governance of the IFIs. As the financial crisis has transmuted into a global economic crisis, the need for reform and the pace at which it might be implemented has accelerated. The most advanced of these processes is the one convened by the Heads of the G20 nations. The Commonwealth Secretariat has been working with Commonwealth members of the G20 to ensure that any reform process which might be undertaken is as open and inclusive as possible.

In parallel, to inform the approach the Commonwealth takes to this and other international processes considering reform – such as the UN high-level meeting on the impact of the crisis on development – the Secretariat is aiming to gather the views of the association's membership on these reform issues by correspondence. These views will then be catalogued and communicated to the member countries to inform their work in the various international processes, and to form the basis of future efforts to develop Commonwealth positions on the substance of reforms.

Relations with other bodies involved in the sector

This is largely a process about the Commonwealth working on its own behalf. However, the work has been broadly welcomed by the institutions engaged with reform.