

January 14, 2005

**Foreign Affairs Canada's Response to:**  
**“Renewing Multilateral Institutions” eDiscussion**

**Held from Nov. 1 to Dec. 3, 2004**  
**at [www.cfp-pec.gc.ca](http://www.cfp-pec.gc.ca)**

*“There were a number of very thoughtful contributions in this eDiscussion. The exercise illustrates the range of pressures that shape Canadian thinking about institutional reform: interest vs. values, traditional alliances vs. willing coalitions; formal process vs. instrumental results, incremental vs. transformative change - with political feasibility being an over-arching consideration. If anything, the variety of proposals shows how difficult it is to balance our various priorities and interests with those of 190 other member states.”*

*- Peter Padbury, Policy Research Division, FAC*

Over the past few weeks policy makers within Foreign Affairs Canada (FAC) have reviewed statements made by Canadians during the eDiscussion on the renewal of multilateral institutions. In general, opinions registered during the discussion are reflective of existing Canadian policy.

Recently Canada has been working to promote the reform of multilateral institutions such as the UN. Dialogue and debate about such reform is not only timely but also necessary for ensuring the effectiveness of these institutions through the twenty-first century.

**UN Security Council reform**

Some of the most far-reaching and innovative proposals on Security Council reform to date can be found in the recent report of the UN High Level Panel on Threats, Challenges and Change. FAC submitted two reports in which Canada's perspectives on the gamut of issues addressed by the High Level Panel were outlined and specific recommendations made. The impact of these two submissions can be seen in the Panel's final report where ideas such as the *Responsibility to Protect* feature prominently.

Canada is acutely aware of tensions between efficiency and breadth of representation in the Security Council; any reform must balance the need for a more representative Council with the imperative that the body retain the ability to act quickly and decisively when needed.

Given the controversy surrounding the expansion of the Security Council, Canada has chosen to focus its efforts on promoting an effective Council to ensure the UN is able to react quickly when conflict occurs. This requires the adoption of clear criteria for authorisation of the use of force. Recommendations to this effect were laid out in FAC's

submission to the High Level Panel and a list of such criteria was included in the Panel's final report.

### **Voting structure reform**

As proposed during the eDiscussion, a system which weights votes according to the financial contributions and population size of the voting country is an option that could help to further democratise decision-making processes in the UN and WTO. However, creating broad consensus around specific proposals on such reform has proven difficult in the past. Moreover, calibrating voting shares according to population size might encourage smaller states to reduce their financial contributions in line with their reduced influence over how these contributions are spent. Canada has therefore concentrated on outcomes rather than process issues.

The IMF and World Bank are jointly investigating ways to enhance the influence of developing and transition countries (DTCs) in the decision-making processes of these two institutions. This review has revealed a variety of options beyond the recalibration of votes. These include changes at the agenda-setting level which imply greater involvement of developing countries in the formulation of strategies, policies and programs. Proposals have also included plans to increase administrative support for Executive Directors representing several DTCs and increasing the number of 'basic votes' held. Canada is closely monitoring this process and considering the options presented with a view to enhancing the role of DTCs in the governance of multilateral institutions.

### **WTO expansion**

One of the more controversial ideas expressed during the eDiscussion was the proposal to expand the role of the WTO and the use of trade to deter conflict between countries. Canada finds that UN institutions should retain responsibility for peace and security under the guidance of the General Assembly and Security Council, given their international expertise in conflict prevention. Shifting centres of responsibility is also a complicated and labour-intensive task which should be seen as a last resort.

A comment by another eDiscussion participant notes that free trade and economic liberalisation are not ends in themselves, while reminding us that we must be uncompromising advocates of human development through our participation in multilateral institutions.

This is reflected in Canada's efforts to champion the human dimension of multilateralism through key multilateral bodies such as the UNDP and UNHCHR as well as through the involvement of Canadians in civil society organisations. In addition, Canada has

promoted sensitivity to the plight of individuals through its leading role in the development of concepts such as *Human Security* and the *Responsibility to Protect*.

Finally, through support for the WTO's 'special and differential treatment' provisions, as well as for greater trade-related technical assistance, coherence of global economic policy-making and capacity building for developing and transition countries, Canada is working through multilateral institutions to ensure that trade liberalization and human development are complementary processes.

### **Strategic positioning in the UN and WTO**

Comments were made during the eDiscussion suggesting that Canada develop strategic partnerships with key member countries in multilateral institutions. China, the EU and the US were mentioned as possible partners. In practice, Canada regularly consults with our US, EU, Chinese and other counterparts on key multilateral issues to determine where common ground might lie.

Votes issued by Canadian representatives in multilateral institutions are influenced by several factors. These include Canadian interests and values, the vote's ability to enhance multilateral coordination and its potential to contribute to global peace and prosperity. Consequently, our participation cannot be reduced to a few enduring strategic alliances and instead must reflect a complex range of considerations.

### **Development institutions (World Bank, UN, Asian Development Bank etc.)**

A series of proposals made by one participant listed the need for funding for 'soft' issues such as governance, a greater effort to encourage the growth of the private sector in target developing countries and the need for administrative support for Canadian representatives in a variety of international financial institutions.

Funding for issues such as governance and the promotion of private sector development is largely administered through CIDA. Both of these constitute critical parts of CIDA's approach to development as it attempts to allocate finite resources to a myriad of interconnected development priorities. In contrast, administrative support for Canadian officials in international financial institutions such as the Asian and African Development Banks is the responsibility of the Banks themselves. Where appropriate, Canada liaises with these officials to assist in formulating a Canadian perspective on key proposals.

### **Alternatives**

As a leading actor in the creation of the G-20 and the primary proponent of an L-20, Canada has shown that it is willing to create multilateral processes where existing ones are unable to meet global needs. Canada has also supported the creation of ad-hoc multilateral coalitions such as the International Campaign to Ban Landmines; an association of states which has helped curb the use of antipersonnel landmines worldwide. However, the creation of new institutions is a resource-heavy and time-

consuming process that should be undertaken only where existing institutions are unable to reform or assume new functions.

The Canadian government therefore views existing multilateral institutions as the preferred venue for addressing issues of relevance to the international community, while recognizing that ad-hoc multilateral processes are sometimes required.

### **Conclusion**

FAC would like to thank all of the participants for their thoughtful comments during the eDiscussion on renewing multilateral institutions. Your views have been shared with the department with policy planners and with individuals who directly affect the development of Canada's approach to the renewal of multilateral institutions.

We look forward to your continuing participation in future eDiscussions on this site