

**Preparatory Process for the
third International Conference on Financing for Development**

**Substantive informal session on
“Enabling and conducive governance, including global economic governance”**

11 December 2014, 3 p.m. – 6 p.m.,
Trusteeship Council Chamber, United Nations, New York

The Monterrey Consensus emphasised the importance of both national and international enabling environments for financing development. Since the Monterrey Consensus there have been important efforts in both these areas.

On the national level many developing countries have sought to strengthen the rule of law, address continuing gender inequities, improve public services delivery, provide additional information to the public, enhance accountability, especially with regard to proposed government budgets, and facilitate the formation and appropriate regulation of businesses. (This topic was also addressed in the November thematic discussions and so the following concept note will emphasize the issue of global governance.)

On global economic governance, there have been important efforts to strengthen the role of developing countries in multilateral institutions and forums, but also disappointments at how slowly some changes have taken place. Current governance arrangements do not adequately reflect economic realities, particularly the rising importance of emerging market economies,

Draft Programme

Co-Chairs:

- H.E. Mr. George Wilfred Talbot (Guyana)
- H.E. Mr. Geir O. Pedersen (Norway)

Moderator: Mr. Olav Kjørven, Director for Public Partnerships, UNICEF

Speakers

- Mr. Barney Frank, Former US Congressman
- Ms. Simone Monasebian, Director-NY, UN Office on Drugs and Crime
- Mr. Aleksei Mozhin, Executive Director at IMF (Russian Federation)
- Ambassador Eduardo Galvez, Director-General of Multilateral Affairs, Government of Chile
- Ms. Alexia Latortue, Deputy Assistant Secretary for International Development, US Treasury
- [Mr. Roberto Bissio](#), Executive Director, Instituto del Tercer Mundo

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Briefing Note

Domestic Governance

Strong and transparent domestic governance – including over the policy, legal, regulatory and institutional environment – is an important aspect of responsible societies. Not only does it allow for the proper respect for human rights imperatives, but it sets the stage for sustainable development. To the degree that good governance establishes a stable policy environment that will be sustained by the will of the people, it encourages taking long-term decisions for the betterment of society. In addition, an appropriately enabling environment for sustainable development encourages business formation, long-term investment, and growth.

Good governance requires an informed and engaged citizenry, adequate transparency and reliable accountability. At the same time, it also benefits from an enabling international environment and

transitional countries in the International Bank for Reconstruction and Development and the International Finance Corporation for Part II members, but have so far not been fully implemented. The agreed reforms to the IMF executive board structure, which require an amendment of the IMF Articles of Agreement, have also not entered into force, blocking implementation of the IMF quota increases and voting rights reforms also agreed in 2010. The FSB remains an exclusive body without universal representation and without clear rules for membership in various subsidiary bodies.

Serious consideration needs to be given to strengthening the institutional framework for collective decision-making at the international level. As a result of shortcomings in this respect, important issues such as advancing a multilateral trade agreement and adopting a framework for climate change mitigation and adaptation remain pending. As a starting point, measures need to be set in place to enhance the accountability, effectiveness, coherence of the UN system at intergovernmental, institutional and operational levels. There is a need to strengthen the coherence and harmonization of existing international mechanisms, frameworks and instruments, including across climate finance, ODA, vertical funds, and other financing mechanisms.

There has been an absence of adequate coordination of international monetary, financial, trade and development policy. The Group of 20 (G20) has become an important forum for international economic co-operation. The G20 has demonstrated increasing willingness to involve the wider membership of the United Nations and foster degrees of engagement with some relevant stakeholders. For example, within the G20 framework, the United Nations and other multilateral institutions are invited to work together on policy coherence in the face of global challenges. However, while this serves to enhance coherence, concerns remain over the degree of inc

