



**SIXTY NINTH SESSION OF THE GENERAL ASSEMBLY**

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**PREPARATORY PROCESS  
FOR THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT  
SUBSTANTIVE INFORMAL SESSION  
ON**

**“Enabling and conducive governance, including global economic governance”**

**STATEMENT  
BY**

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CHAIR OF THE GLOBAL COORDINATION BUREAU OF LDCs**

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**Distinguished Co-Chairs**  
**Excellencies**  
**Ladies and Gentlemen,**

Good governance and the rule of law at all levels are essential for sustained, inclusive and equitable economic growth, sustainable development and the eradication of poverty and hunger.

The Istanbul Programme of Action recognizes good governance at all levels as one of its eight priority areas. Furthermore, one of the key objectives of the IPoA is to “enhance good governance at all levels, by strengthening democratic processes, institutions and the rule of law; increasing efficiency, coherence, transparency and participation; protecting and promoting human rights; and reducing corruption, and strengthen least developed country Governments’ capacity to play an effective role in their economic and social development”.

Many LDCs have made progress over the last decade in good governance, the rule of law, the protection and promotion of human rights and democratic participation. However, more needs to be done.

The IPoA defines broad approaches by the LDCs and their development partners in building national capacities for good governance and to deal with conflicts as an integral part of sustainable development strategies. At the national level, the LDCs are called upon to continue their efforts to establish or strengthen an effective, fair and stable institutional, legal and regulatory framework in order to strengthen the rule of law and good governance.

Similarly, development partners have undertaken the responsibility to support the efforts of LDCs to strengthen institutional capacity and regulatory frameworks for preventing corruption, bribery and money laundering, the illegal transfer of funds and other illicit activities by both public and private entities. The development partners have also agreed to provide LDC Governments with timely information in a transparent manner on annual commitments and disbursements of development assistance. They are also committed to provide continued support for strengthened and effective voice and participation of LDCs in the international decision-and rule-making and standard-and norm setting processes in all areas affecting their development. These commitments need to be fulfilled.

Mr. Co-Chairmen,

Global economic integration or economic globalization has clearly exceeded the development of the appropriate political institutions and arrangements for governance of the global economic system. Economic globalization means that actions that occur in one country have effects on others. There is an urgent need to reform the international monetary and financial system to ensure that it is more inclusive and equitable, especially as regards the establishment of a balanced relationship between lenders and borrowing countries.

LDCs are either unrepresented or seriously underrepresented in the global economic and financial decision making processes. Since LDCs host majority of the global poor and are often victims of inappropriate actions and policy measures at the global level, their representation in global financial decision making and norm setting processes is vitally important.

We ask for due reform and flexibility in the IMF’s debt limits policy and the International Development

Association's (IDA) non-concessional borrowing policy for LDCs, taking into account the large financing needs of these countries. Debt sustainability assessments should be based on realistic, objective risk assumptions. For the least developed countries, the IDA needs to shift to an all-grant facility without any conditionality. These are vitally important to enable countries, especially LDCs, to achieve the MDGs and its succeeding post-2015 development agenda.

The Basel Committee of the Bank for International Settlements (BIS) and Financial Stability Board (FSB) set important global economic standards in areas such as data dissemination, bank supervision, financial regulation, and corporate governance. Insufficient representation of developing countries and LDCs in these ad-hoc bodies makes their analyses and recommendations incomplete and biased in a number of important areas. The Financial Stability Board's membership needs to be more inclusive and representative if there is to be international confidence in the FSBs effectiveness and balance.

We need to develop a broader and more globally consistent macro-prudential supervisory, regulatory and oversight framework. This needs to be built in conjunction with early warning surveillance systems that are better able to identify and respond to risks in the financial sector. The regulation and oversight needs to be extended to all systemically important financial institutions, instruments and markets, including hedge funds and credit-rating agencies.

We firmly believe in the centrality of the UN in global norm-setting and rule making, including in the areas of economy and finance and related fields. UN should play the lead role to enhance the coherence and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness as complements to national development efforts.

For global economic governance to operate more effectively in the post-2015 context and to support a renewed global partnership for development, a framework of accountability, efficiency and coordination should be established among Member States and multilateral and regional organizations.

In conclusion, the Group would like to underscore that the category of LDCs needs to be recognized universally as the most vulnerable group of countries.

I thank you all for your kind attention.