

High-level Political Forum on Sustainable Development

Moderated Dialogue

“Means of implementation for sustainable development”

30 June 2014

3 - 5 pm, UNHQ

Remarks by Dr. Louise Kantrow

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Excellencies, ladies and gentlemen, good afternoon.

At the outset, I would like to congratulate the President of ECOSOC and the Secretariat for a very ambitious and important agenda for the second meeting of the High-Level Political Forum (HLPF) as it positions itself to provide the political leadership and guidance in the follow-up and review of progress in the implementation of the UN’s Post-2015 development agenda. The business community reiterates its support and would welcome a continued and open dialogue with the UN and its member states on the way forward.

Mr. President,

We find ourselves in the midst of a unique opportunity to create a world that can eradicate poverty more sustainably and equitably. In essence, what is needed is a leap forward in economic opportunities and a profound economic transformation to end extreme poverty and improve livelihoods. In the current intergovernmental discussions, including the various conference review processes, there are persistent calls for an active and engaged business community to help ensure the success of the UN’s Post-2015 Development Agenda. The business case for development is based on the understanding that business and social values are inextricably linked and business efforts to improve lives and strengthen local communities can also have long-term bottom line benefits.

Creating a global trading system that encourages sustainable development is of major importance. Increasingly, countries are driving their own development, and this dynamism is driven more by trade than by ODA. The WTO remains the most effective tool to increase the development impact of trade and a successful conclusion of the Doha round of trade talks is urgently needed. Currently goods and services produced by firms in least developed countries face quotas and duties that limit their ability to cross borders and succeed in the global market place.

Additionally, a focused and targeted technical assistance could be allocated towards funding to develop the local currency capital markets of emerging countries and provide guidance on how to prepare their capital projects in a credit worthy manner to be able to access both domestic and international capital markets, by allocating some funds received through ODA. This exercise would also help countries better identify their internal legal, regulatory and organizational barriers to capital market financing and help them to make appropriate changes.

Investors only focus on financing bankable projects. Bankable projects are those that are structured to ensure investors are repaid. It is recommended that new centralized institutions be established to overcome the current obstacles that frustrate government and provincial leaders, private investors, and citizens and enterprises. In order to leverage domestic and international capital markets, each country must establish investor confidence through policy, legal and institutional reforms that meet international standards.

Business is a very diverse grouping, made up of enterprises of all sectors, sizes and nationalities. At all levels – domestic markets, foreign investment and international trade – private enterprise requires an operating environment conducive to growth and development, including: peace and stability, the rule of law, good governance with accountability and transparency, the absence of corruption, adequate infrastructure, an educated workforce, clear property rights and enforceable contracts.

Building such a business-enabling environment can contribute towards the diversification of local economies, allowing developing economies to attract and retain investments in different sectors and viable industries, while also serving to shore up the local tax base (through volume of receipts and diversity of sectors). It is an important pre-requisite for business to be able to rely on an effective and fair legislative system.

Responsible, long-term oriented entrepreneurship is the driving force for sustainable economic development and for providing the managerial, technical and financial resources needed to meet social and environmental challenges. Further, we also believe that it is paramount to recognize that small and medium size enterprises (SMEs) serve not only as channels for integrating impoverished segments of the population into the marketplace. Given their local involvement and ties, SMEs are essential in implementing concrete solutions to local social innovations. Dialogue and collaborations should include SMEs and consider how they can leverage growing market share by introducing their innovations in the value chain.

The ability to mobilize domestic revenues reduces aid dependency and can raise country creditworthiness. Broadening the tax base, improving tax administration, and closing loopholes could make significant difference in lower-income countries where tax revenues account for only about 10-14 percent of GDP, one-third less than in middle income countries. Lower income country tax bases tend to be quite narrow, reflecting the smaller share of the formal sector in employment and business activity. Large informal economies and agricultural are rarely taxed. How can reforms in tax policy and administration best be achieved? International organizations and bilateral aid agencies have provided technical advice for many years. Looking forward, it will be essential that tax reforms are seen as egalitarian, socially just and fair in distributing the tax burden. This will also require that challenges posed by informality are addressed, including by identifying ways to tax the informal sector.

The promotion of consensus-building through stakeholder dialogue – notably between governments, business and civil society – is vital for designing effective solutions and for implementing them in practice. They create a shared sense of accountability and responsibility.

Lastly, we strongly support the Global Partnership for Effective Development Co-operation. Having established itself as an important forum for high-level dialogue and co-operation among

all stakeholders engaged in development, the Global Partnership provides an important complement in the discussion and implementation of the SDGs.

Business will continue to engage respectfully and openly with communities, governments and other stakeholders around the world in pursuit of the of sustainable development objectives. ICC and the Global Business Alliance look forward to bringing the vast real world experience of its business members to this effort.