



International Chamber of Commerce

The world business organisation

MEETING OF THE INTERGOVERNMENTAL COMMITTEE OF EXPERTS ON SUSTAINABLE DEVELOPMENT FINANCING DECEMBER 5 2013

Remarks delivered by Louise Kantrow, Permanent Representative to the United Nations for the International Chamber of Commerce (ICC)

Mr. Chairman, Excellencies, ladies and gentlemen, I am participating at this important meeting in my capacity as Permanent Representative to the United Nations for the International Chamber of Commerce, Organizing Partner for the Business and Industry Major Group, Chair of the Financing for Development Private Sector Steering Committee and lead coordinator of the Global Business Alliance for Post 2015.

In **The Future We Want**, the committee is tasked to “assess financing needs, consider the effectiveness, consistency and synergies of existing instruments and frameworks, and evaluate additional initiatives, with a view to preparing a report proposing options on an effective sustainable development financing strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives.”

Coming out of the historic Rio+20 Conference, the United Nations is uniquely positioned to deliver a Post 2015 Development Agenda around which all stakeholders- governments, private sector and civil society, can address the social, environmental and economic challenges our world is facing. To provide the business voice during the Post 2015 Development Agenda process, the Global Business Alliance, an alliance of 15 global and sectoral business organizations was formed to help inform, support and carry out this new development agenda.

Creating an enabling environment for enterprises of all sizes and sectors to develop, create jobs and pursue technological innovation and cooperation – coupled with sound governance and policies to reduce barriers to international

trade and foreign direct investment – opens the most important route out of poverty and pave the way to sustainable development.

In essence what is needed is a leap forward in economic opportunities and a profound economic transformation to end extreme poverty and improve livelihoods. This means a rapid shift to sustainable patterns of consumption and production – harnessing innovation, technology and the potential of private business to create more value and drive sustainable and inclusive growth. Diversified economies, with equal opportunities for all, can unleash the dynamism that creates jobs and livelihoods.

Economic growth is one of the most powerful drivers of poverty reduction in the world, and business is the most reliable engine powering that growth. As companies expand their operations in emerging markets, businesses from developed and developing economies alike are having a profound, positive impact through employment, training and education, supply chain linkages and the provision of life-enhancing goods and services – all of which are strongly correlated to improved standards of living and broad-based development.

Today, approximately 82 percent of capital flowing to the developing world comes from the private sector, dwarfing the level of funding from government development institutions. For example, in 2011 Africa received \$7 billion more in foreign direct investment than foreign aid, reflecting what has been the trend for over a decade.

According the 2013 World Investment Report recently released by UNCTAD, in 2012 – for the first time ever – developing economies absorbed more FDI than developed countries, accounting for 52 per cent of global FDI flows. Developing economies also generated almost one third of global FDI outflow, continuing a steady upward trend.

In 2012 FDI flows to Africa increased by 5 per cent to \$50 billion. This growth was driven partly by FDI in extractive industries, but investment in consumer-oriented manufacturing and service industries is also expanding.

The business case for development is based on the understanding that business and social value are inextricably linked and that corporate efforts to improve lives and strengthen local communities can also have long-term, bottom line benefits. Increasingly, companies realize that their future competitiveness depends in part on their ability to address the needs of local economies and key stakeholders, and that investing in approaches that benefit

low-income consumers, employees, producers, and suppliers is an effective means of generating sustainable growth.

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.

Stability of the financial system is crucial to enable long-term growth and sustainable development. As 2008 demonstrated, risky actions in one part of the world can wreak havoc on people across the globe. Commodities are especially volatile and initiatives such as the Agricultural Market Information System, to enhance food market transparency and encourage coordination of policy action in response to market uncertainty should be replicated.

In developing countries, domestic resource mobilization remains at the core of sustainable development financing, poverty alleviation and the delivery of public services. Effective taxation is a key element of these domestic financial flows. However a major challenge remains in the capacity of especially least developed countries to establish and maintain institutions for effective tax collection. Data is one of the keys to transparency, which is the cornerstone of accountability. Monitoring systems such as the EITI (Extractive Industries Transparency Initiative) should be used to promote social, environmental and corporate responsibility.

Mr. Chairman:

Business believes the United Nations has great expertise and credibility on matters relating to global development issues. Furthermore, the United Nations uniquely represents and channels a powerful organized voice for the developing world.

The Monterrey Consensus and the Doha Declaration were urgent calls to action to renew commitments for stronger multi-lateral cooperation and assistance. As called for in the Monterrey Consensus, it is important to recognize the United Nations as the global venue to coordinate multi-stakeholders, the Bretton Woods institutions, WTO and others to ensure the

consistency and coherence of the array of international agendas related to sustainable development financing in support of achieving a Post 2015 Development Agenda.

Mobilizing the private sector is a critical component of strengthening sustainable development financing and increasing aid effectiveness. To capture the benefits of increased private sector investment, governments and development agencies need to work much more directly with the private sector in identifying investment impediments and remedies, enhancing government capacity to create business-enabling environments, and to develop small and medium-sized businesses.

An enabling global environment is a necessary condition for the post-2015 agenda to succeed, to set the global community on a course toward a 2030 which is more prosperous, more equitable, more peaceful and more just.

Thank you Mr. Chairman