



**Statement by Mr. Andalib Elias, Counsellor, Permanent Mission of Bangladesh to UN
on Domestic and International Private Finance at the First Drafting Session
of the Preparatory Process for Third International Conference on Financing for Development
UNHQ, 29 January 2015**

Thank you, Mr. Co-facilitator.

We would like to align ourselves with the statements made by Suriname on behalf of Group of 77 & China, and by Benin on behalf of the Group of Least Developed Countries.

2. We of course agree with the view expressed in your paper, and as mentioned in Monterrey Consensus, that private finance is an important driver of domestic growth and job creation. However, we should not ignore that private finance is mostly profit oriented, and cannot be substitute for public finance. To ensure that domestic private finance is effectively used for development purpose, public-private partnership can play an important role.

3. We cannot over-emphasize that for attracting private finance, the interlinked issues are capacity building including infrastructure and skills development, access to global markets etc., areas where international support is important. For attracting FDI to developing countries, the developed countries, home countries to the largest investors, also have a role to play. They should provide appropriate incentives to potential investors for investing in the developing countries. It is true that the developing countries need to create appropriate investment policies, and we are of the view that many countries have already taken that important step. In all these issues, country ownership would be pivotal.

4. The issue of remittance has been flagged. Reducing the cost of remittance transferring is of key importance, as highlighted in the “elements” paper. At the same time, rights of migrants deserve our serious scrutiny, as this issue plays a major role in the productivity and ability of migrants to remit. As we mentioned yesterday during the general discussion, it is also important not to forget that remittance is by nature private money, which may meet country's foreign currency need, but cannot be used as government resource for undertaking development activities. Remittance can, and has been playing its role in development of the countries, but should not be over emphasized regarding its contribution.

5. The role of philanthropic finance has been mentioned repeatedly recently, but as you yourself pointed out in your paper, it is still far from universally accepted practice, and except for a few large foundations, who we deeply appreciate, we are yet to see emergence of major philanthropic organizations with matching transparency and accountability.

6. The role of financial sector in financing for development also has to be looked into with caution. The result and impact of laissez-faire strategy in financial sector had crippled the world only a few years ago, and most of the developing countries are yet to fully recover from that situation. Therefore, regulation at global level, particularly in the developed countries where most of the major private sector financial institutions are established, is crucial.

7. Finally, Mr. Co-facilitator, as you suggested, there is a central role for public sector: public sector both at national and international level. Without international regulation and assistance, private sector financing, although important, will not be able to play a substantive role.

Thank you, Mr. Co-facilitator.
