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## Preparatory Process for the Third International Conference on Financing for Development

### First Drafting Session

New York, 29 January 2015

Swiss Statement – Domestic and International Private Finance

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Distinguished Co-Facilitators,

The Monterrey Consensus recognizes the importance of private finance to drive jobs and growth, innovation and livelihoods. Addis needs to move a step further by providing a vision and a strategy to align all private investment and financing to sustainable development objectives.

The Elements Paper proposes some useful policy recommendations to this end. I would like to highlight four in particular:

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First, **providing a conducive domestic environment for the private sector to thrive is a primary responsibility of each country. It should also be a top priority for the Financing for Sustainable Development framework.** Good fundamentals are necessary to ensure that the private sector can thrive and create jobs, innovate, and contribute to economic growth. This is true for both large businesses, as well as small and medium enterprises, which form the lifeblood of most economies. Therefore, **establishing a predictable, transparent, and conducive investment climate,** and engage with private entities according to principles that support rather than undermine the viability of markets is key to attracting additional private resources for sustainable development. ODA can play a critical role in this regard in poor countries.

Second, we need to leverage synergies **between the growing movement of responsible investment, corporate sustainability and the SDGs.** In this regard, we support and encourage private investors to consider the environmental, social and governance impacts of their decisions and welcome initiatives to promote sustainability reporting. We would also welcome that the Addis outcome stimulates the development of framework conditions which integrate and promote sustainable development factors.

Third, the **Addis outcome document should propose an ambitious, comprehensive and forward-looking agenda on global remittances.**

The agenda should clearly state that remittances are not a substitute for ODA, but a complementary private financial source for sustainable development. It should highlight the need to reduce the transfer costs and acknowledge the importance of remittances for sustainable financial inclusion, notably of women, youth and rural population. The promotion of modern technologies and financial product innovation; the increase of accessibility, competition and transparency in the transfer market; the review of policy frameworks as well as targeted, gender-sensitive financial literacy trainings are some of the measures to be included in the outcome document. The Elements Paper has captured the great potential of migrant remittances in contributing to sustainable development in many countries.

Fourth and finally, the availability of **financial services** in all countries – for instance through continued efforts to increase financial inclusion – is essential so that the local private sector can help deliver the Post-2015 Sustainable Development Agenda. A particular focus should be put on financial services at the **sub-national level** as evidence has shown that

growth in lagging areas within a country is particularly pertinent to inclusive growth and reducing inequalities.

Thank you!