

EGYPT



مصر

The Permanent Mission of Egypt
to the United Nations
New York

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Remarks

By

Permanent Mission of Egypt to the United Nations

At

**The First Drafting Session of the informal meetings
of the plenary as part of the preparatory process for
the Third International Conference on Financing for
Development
Private Financing**

28 January 2015

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CO-Facilitators,

I would like to associate my statement with that made by Suriname on behalf of G77 and China and by the kingdom of Morocco on behalf of the African Group.

While we agree with the majority of the proposals included on this issue, and my country has been working to ensure the enabling environment.

Having said that I would like to highlight the following, the over emphasis on remittances neglects its nature and characteristics that is highlighted in any analysis of its ways of spending, which shows that the majority of remittances aims at improving the living conditions of families in the recipient countries, by financing food and energy purchases, and as the level of subsidies provided decrease and the increase in commodity prices, it means little is left for investments.

The reduction of the cost of transfers needs to tackle the political challenges associated with transfers and also the need to address systemic issues specifically the issue of ratings, which negatively impact financial institutions ability to reduce costs. REMITTANCES ARE NOT A REPLACEMENT FOR PUBLIC FINANCING.

With regards to the role of private resources in financing sustainable development we need to understand that impediments exist on both sides of the equation, on the demand side, the profit driven private investments will more likely be able to invest in a power generation project or a transport project, but it will find it hard to invest in areas like sanitation for example, or actually engage in a renewable energy project as oil prices plunge, all are factors that highlight the role of public financing.

I would also highlight that we have not yet accumulated enough knowledge on how to further develop mechanisms and tools to support private financing, with PPPs experiences in some European countries showing that this business model has negatively impacted sovereign ratings at times of crises.

Thank you