

*PERMANENT MISSION OF RWANDA
TO THE UNITED NATIONS*



Statement

by

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At the UN

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"Domestic and International Private finance"

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Thank you distinguished co-facilitators for giving me the floor. My delegation associates itself with the statements made by the representatives of Suriname and Morocco on behalf of the G-77 and China and the African Group respectively.

Distinguished co-facilitators

In addressing today's topic of domestic and international private finance, I won't emphasize enough the need to forge a renewed and strengthened global partnership for sustainable development that will enable a conducive atmosphere to reaching agreements on several fronts including policies, financing, technology transfer and capacity building to meet the enormous financing needs for sustainable development our continent is facing. Indeed, delivering on financing requires a shift in mindset and cooperation of all stakeholders at all levels to mobilize and tap all available sources of finance if we are to meet the requirements of the post 2015 sustainable development agenda.

We believe that the private sector has an important role to play in development, through job creation (especially in micro, small and medium enterprises), payment of taxes and by providing goods and services. Concretely in my country, it translates in Government engaging with the Private Sector to identify business priorities so as to scale investments in several areas of our economy where they have an impact and create new opportunities that could attract more private sector led investments in infrastructure, agriculture, energy, mining, education, export and health where private sector would be better suited to take over or partner with the Government. So we have invested into the growth of private sector and in creating an enabling environment to attract foreign investments. To enable that, we have eased the requirements for starting a business in Rwanda where it takes a maximum of 6 hrs to register a new business.

In addition, we are of the view that enabling financial inclusion is another imperative especially for women in rural areas as it gives them confidence and empower them economically. In addition, they can access first hand timely information on where to get favourable markets for their goods. In this respect, more than 72% of Rwandans have access to financial services.

However, even though Rwanda and other developing countries' domestic private sector activities have made some inroads due to legal and regulatory framework put in place to ease doing business, we are still confronted with challenges to attract Foreign direct investment (FDI). Therefore, this is an area that needs to be taken into consideration and incentives provided to attract and create a conducive environment for FDI to flourish in developing countries.

While accessing affordable financial services is key for the private sector to finance its micro, small and medium enterprises (MSMEs), the challenges to secure external private financing are still enormous. In this respect, International public finance will be necessary to address additional global goals and in leveraging private financing flows.

As for the contribution of remittances in addressing financing gaps, we believe that it should not be considered as a source of finance due to its voluntary nature and given that a high proportion of it remains for consumption rather than productive investment.

However, in Rwanda, it has translated in the diaspora participating concretely in the development of the country by sharing knowledge and skills and enabling their compatriots to access foreign networks. This has indeed benefited a great deal to the youth with entrepreneurial skills as members of the diaspora pay forward the knowledge acquired abroad to create jobs in their motherland.

Consequently, developing countries are still counting on an international public finance where ODA will be a major means of implementation to curb and end extreme poverty especially in countries with special needs lacking capacity to raise public resource domestically. In addition, ODA can be used to facilitate the mobilization of additional financial resources.

Distinguished co-facilitators, in conclusion, we wish to express our appreciation for the substantive information derived from this drafting session and pledge our continued participation in this constructive discussion.

I thank you