

## Second drafting session on Financing for Development *Session on “Domestic and international private business and finance”*

Statement by the Organisation of Economic Co-operation and Development (OECD)

Tuesday 14 April 2015

New York

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Co-facilitators,

On behalf of the OECD, I am honoured to deliver the following statement in relation to private financing and development.

We very much welcome the emphasis in the zero draft on private finance, and investment in particular, as a critical part of the development finance equation.

- **Paragraph 37** recalls that *“Monterrey tasked us to continue our efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, and many countries have made great strides in this area. We commit to continue to promote and create the right enabling conditions for inclusive and sustainable private sector investment”*. **The draft should thus also recognise the developments since 2002 and what instruments and tools are on offer to the international community to better support financing for development.**
- As a response to the Monterrey Consensus on Financing for Development, 60 non-OECD and OECD governments developed **the OECD Policy Framework for Investment (PFI)** to help host countries attract more and better investment. The PFI has been used by 30 developing countries and various regional economic communities to strengthen the enabling environment for responsible investment. It is a key reference point for international organisations and other providers of development co-operation as they assist developing country partners in improving their investment environment. **The PFI was recently updated through an inclusive process, co-chaired by Myanmar and Finland to better reflect necessities to build investment linkages, regional and global value chains, infrastructure, responsible business conduct, and green growth.** The PFI can provide a flagship contribution to the *Third International Conference on Financing for Development* and support developing countries’ efforts in attracting private financing for development. <sup>1</sup> We thus encourage recognition of the PFI and other available instruments and initiatives in paragraph 37.

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<sup>1</sup> <http://www.oecd.org/investment/pfi-update.htm>

- We also welcome the zero draft's support of "*principles for socially and environmentally responsible investment and business activities*" in paragraph 39. We would strongly encourage for the role of the *OECD Guidelines for Multinational Enterprises* to be recognised in this regard along with other international organisations and initiatives. There are almost 50 OECD and non-OECD adherents, who through the Guidelines' mechanisms ensure that any third party harmed by activities of MNEs from adhering countries in any part of the world have access to remedy. The principles embedded in the Guidelines include major UN instruments such as the ILO Conventions as well as the Multilateral Environmental Agreements, thereby paving the way for the implementation of key UN principles on responsible business conduct by most MNEs from OECD and emerging economies.

Co-facilitators,

**A global framework for financing sustainable development should build on the tools that are on offer.**

Thank you.