



International
Trade
Centre

THIRD INTERNATIONAL CONFERENCE
ON FINANCING FOR DEVELOPMENT

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ADDIS ABABA

Dear Honorary Members of this Assembly,

The world is watching us this week. As they will watch us in New York in September when the Sustainable Development Goals are launched, in Paris in December when we seek a deal on climate and in Nairobi at the end of the year at the WTO Ministerial Conference. The world is watching us in real time. Accountability is high. We have to deliver on the development promise.

The decisions we make this year will shape our response to the central economic and moral challenge of our time: banishing extreme poverty and putting an end to economic exclusion while respecting the planet. This is a generational perfect storm.

The world has changed a lot since Monterrey. The debate on development financing has evolved. It is not just about traditional development aid supporting poverty reduction in developing countries. It is now about partnership. Our aim must be to transform these powerful words of partnership into reality. Traditional development assistance remains critical, especially for Least Developed Countries, Small Island Developing States, Landlocked Developing Countries and countries suffering from fragility and vulnerabilities that are increasingly home to the world's poorest people. Donors must meet their longstanding pledges and where possible increase the reach and impact of their assistance.

International organizations such as the International Trade Centre must also continue to focus on results and impact. But there is also a need to do a better job of mobilising domestic resources, which are an important part of the picture for many countries. Fairer, more equitable and effective taxation systems are also part of the answer; as is addressing illicit flows that fly out of domestic economies.

The third part of the puzzle is the private sector.

To get to the trillions of development and climate financing we need, we have to build effective partnerships. Partnerships are essential to leverage every cent in traditional aid for maximum impact. And this is no longer just about the traditional donors or the traditional way of doing business. This is also about harnessing the expertise of the emerging economies and exploring in a more deliberate way the power of triangular and South-South cooperation.

And finally, partnerships with the Private Sector for the Private Sector. Creative risk-sharing can guide private investment capital to go where the needs – and the returns – are the highest, namely, in developing countries.

But Public-Private Partnerships should not only be about, say, funding much-needed infrastructure. They should also be about investing in Small and Medium-Sized Enterprises. SMEs account for large majorities of employment in developing countries. Inclusive economic growth cannot happen without them. When SMEs are able to access finance, become more competitive, and connect to international markets, they generate more and better jobs. A decent job, especially for a woman or young person, is an important part of any long-term human development strategy.

When governments and international agencies work with the private sector, for the private sector, everyone can win. This week to commemorate the FFD conference ITC released a series of stories showing just this. It is about doing business and doing good at the same time. And this is possible.

To take an example from ITC's work: with Finnish funding, we have been working with Bosch, the German electronics firm to help Kenyan food companies improve their production processes. One of the companies nearly doubled the productivity with which it packages vegetables for export to Europe. What does this mean in practice? More competitiveness in export markets, more demand for the crops grown by the smallholders that supply them, more jobs, more Kenyan tax revenue, and maybe, future customers in Kenya's western highlands for Bosch washing machines.

This is but one example. Just Monday ITC, the African Development Bank and Germany hosted a side event showcasing how public funds can be leveraged with private investment in the fashion value chain. This is another example. And there are many more in all of our work that we can collectively build on for the future.

In sum, we can meet the development and climate challenge. But to do so in a way that maximizes impact and sustainability we must work together. The world is watching. We must ensure we leave no one behind.

Thank you

Arancha Gonzalez