

Introduction
Friends of Monterrey
Oaxaca, Mexico - March 19th, 2018

*Honorable Governor of the State of Oaxaca, Senor Murat,
Honorable Executive Director of Amexcid, Ambassador Garcia-Lopez,
Esteemed Excellencies,
Dear Friends of Monterrey,*

- *It is my pleasure to attend the third Retreat of the Group of Friends of Monterrey. Since 2002, this group has offered an informal space for dialogue to advance substantive topics in financing for development (FfD).*
- *My sincere appreciation and gratitude to the Mexican hosts who have been the conveners and drivers behind the group of friends of Monterrey over all those years. I salute their unwavering commitment and their tremendous contributions to the cause of sustainable finance.*
- *There is much value in leaving behind the negotiation tables and formalistic environments that tend to dominate capitals and the UN in New York alike. I am excited that we gather here in Oaxaca in a spirit of openness, optimism and partnership.*
- *Over the next two days, our objective is to share frank, constructive thoughts on the 2018 IATF report that just came out at the beginning of this month, to gain a better understanding of our respective viewpoints and to move the intellectual debate on the important FFD process forward together.*
- *This informal Friends of Monterrey gathering has become somewhat of a fixed, reoccurring date in the annual FFD calendar. I am confident that we can build on the successes of the previous Retreats and contribute to an impactful, substantive FFD Forum in April and the HLPF in July.*
- *As the implementation of the Addis Agenda moves into its third year, it becomes increasingly evident that addressing policy in isolation is no longer sufficient nor appropriate. Our debate cannot anymore put Financing for Development in opposition to financing for other purposes. The integrated, transformative and universal character of the Addis Agenda and the 2030 Agenda requires more sophistication.*
- *Addis has reminded us of the four different sources of financing, internal and external, private and public. Ownership and effectiveness impose a hierarchy on those sources: Internal before external, private before public. And we know not all sources of finance are equally appropriate for every development purpose.*
- *In order to act on this, we do need to take a holistic look at all four sources – across all seven action areas of the Addis Agenda. But we also know there will be no comprehensive top-down coordination. We are dealing with autonomous players. Some of them cannot neatly be*

qualified as being private or public. Not all of them are equally transparent. The answer is active cooperation. Everyone must at least make sure he does not stop others from playing their legitimate role. Governments must not displace or discourage private initiatives. Business must not externalize social and environmental costs. Old donors must not exclude new actors. New ones must not undercut traditional partners. We must learn to work together better.

- *To unlock the right kind of finance that actually makes a positive difference to sustainable development, there has to be a properly regulated, enabling environment. As it happens, this also covers the four corners of the Addis Agenda: internal and external, private and public. For example, the right tax policy or expanded internet access can act as force multiplier for sustainable development. This is why simple SDG costing exercises will never tell us the full story. Instead, our take on the enabling environment must be just as holistic as our approach to the sources of financing.*
- *Financing for Development is also about how we operate. We must add further momentum to the effectiveness debate and ask how development effective behavior might look like in actors like private enterprise, philanthropy, middle income countries and many others. We also must not stop looking at our own modes of delivery.*
- *We also have to aim for resilience. Financing for Development will only be sustainable if our models can survive the next global economic crisis and perform over several business cycles and in many different economic environments. Leveraging private finance may not always be as easy as it is now.*
- *The friends of Monterrey give us the time and the space we need in our busy schedules for the important issues. Financing for Development is definitely among them. I am looking forward to the next two days to engage, share and learn together with you.*

Thank you very much