



**International Chamber of Commerce**

*The world business organization*

**Department of Policy and Business Practices**

## **ICC contribution to UN Secretary General's Task Force on financial mechanisms meeting on 4 October 2004, New York**

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The World Summit on the Information Society (WSIS) plan of action (Geneva) recognized the private sector not only as a market player in developing and diffusing information and communication technologies (ICTs) for infrastructure, content and applications, but also its role in a wider sustainable development context. We appreciate that business has been invited to participate in and contribute to the work of this Task Force. ICC looks forward to active involvement in the development of the Task Force's report.

### **1. Business comments and proposals regarding the work of this Task Force:**

Business has maintained throughout the WSIS preparatory process that the following elements are critical to address financing needs:

- The review of adequacy of existing financial mechanisms must be holistic and should cover public and private, domestic and foreign, and multilateral sources of financing to build access. In the long-term, affordable access to ICTs and the needed infrastructure will only be realized through the development of an enabling environment that promotes competition and private-sector investment.
- In its review of the adequacy of existing financial mechanisms, the Task Force should adopt a fact-based approach. An important question to answer is: What contributions are the existing funding mechanisms making to fulfill the objectives of the WSIS declaration and plan of action?
- One of the key objectives of infrastructure and e-commerce development initiatives should be «sustainability» in serving the needs of people and society. It is the view of business for consideration by the Task Force that such development oriented ICT initiatives, in order to be sustainable, must be demand and market-driven. This can enable initial outside-supported catalytic action to launch self-sustaining local programmes. The planning for such initiatives should include the identification of actual or projected benefits and revenues as a measure of their genuine usefulness and sustainability. It should also cover their anticipated economic and environmental impacts.

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## **2. What needs to happen? What policy issues remain?**

The basic enabling environment to attract foreign and domestic investment applies equally to inducing private investment generally and to ICT specific financing.

- ***Build on Monterrey Consensus on financing of development***

This Task Force should take into account the recommendations of the Monterrey consensus on financing of development. This is now the basic accepted framework regarding issues of financing in the United Nations. In addition, the Task Force should take into account the specific proposals made by business as a follow up to the Monterrey consensus which included:

1. Financing of infrastructure in developing countries; and
2. Capacity building---examine how capacity building relates to and can facilitate investment.

- ***Business proposals post-Monterrey Consensus***

See annexed documents from 'Moving from words to action with the Monterrey Consensus Statement from Business Interlocutors' delivered at The General Assembly Dialogue, The United Nations, 28-30 October 2003, by ICC Secretary General, Maria Livanos Cattau.

The following appendices from that document provide relevant guidance for the work of this Task Force:

**Appendix B**

Business Environment Impediments to Investment

**Appendix D**

Experts Group on Public/Private Risk Sharing in Capital Market Financing of Developing Country Infrastructure Projects

**Appendix F**

Government – Investor Networks

facilitating identification of investment impediments and remedies

**Appendix I**

The Global Information Clearinghouse Web Portal

facilitating investor access to information on developing countries



- ***Special ICT sector financing issues***

This Task Force should look at specifics of the ICT sectors with respect to financing and evaluate to what extent it has special issues regarding attracting private investment.

- ***Key enabling environment factors***

The key policy issues related to mobilizing private sector resources and attracting both foreign and domestic investment are the 'enabling environment' criteria in general which include:

- transparency
- rule of law
- liberalization
- competitive frameworks
- fight corruption
- stable legal system

See ICC's statement regarding ICTs for development signed at ICC's Congress in Marrakesh June 2004 and ICC's Business Guide to Telecoms Liberalization. [attached]

- We would be prepared to make available business actions aimed at capacity building in terms of human resources support and building up demand.

### **3. What would enable leveraging private capital for least developed countries (LDCs)?**

- In the final analysis it is at the country and regional levels where this needs to be addressed.
- Foreign direct investment (FDI) can make an important contribution to achieving WSIS goals but can only be an adjunct to the involvement of the domestic private sector and domestic investor.

## International Chamber of Commerce

ICC is the world business organization, the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

ICC promotes an open international trade and investment system and the market economy. Its conviction that trade is a powerful force for peace and prosperity dates from the organization's origins early in the last century. The small group of far-sighted business leaders who founded ICC called themselves "the merchants of peace".

Because its member companies and associations are themselves engaged in international business, ICC has unrivalled authority in making rules that govern the conduct of business across borders. Although these rules are voluntary, they are observed in countless thousands of transactions every day and have become part of the fabric of international trade.

ICC also provides essential services, foremost among them the ICC International Court of Arbitration, the world's leading arbitral institution.

Within a year of the creation of the United Nations, ICC was granted consultative status at the highest level with the UN and its specialized agencies.

Business leaders and experts drawn from the ICC membership establish the business stance on broad issues of trade and investment policy as well as on vital technical and sectoral subjects. These include financial services, information technologies, telecommunications, marketing ethics, the environment, transportation, competition law and intellectual property, among others.

ICC was founded in 1919. Today it groups thousands of member companies and associations from over 130 countries. National committees work with their members to address the concerns of business in their countries and convey to their governments the business views formulated by ICC.



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