Investing in Sustainable Development

Statement by
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World Investment Forum 2014
11th Session of the Investment Advisory Council
Geneva, Switzerland, 14 October 2014

Excellencies,
Distinguished guests
Ladies and gentlemen,

I am very pleased to welcome you to this eleventh session of the Investment Advisory Council. The meeting is being held in cooperation with our long-term partner the International Chamber of Commerce, and I am delighted to co-chair this meeting with H.E. Mr. John Danilovich, Secretary-General of the ICC.

The Investment Advisory Council is a partnership between UNCTAD and the International Chamber of Commerce that was launched as one of the major deliverables of the LDC III Conference in 2001. Its aim is to provide a platform for high-level, open and results-oriented exchange of ideas on the overarching theme of investment for sustainable development in the poorest countries. What we do at these sessions is to develop ideas and launch initiatives aimed at poverty alleviation.

In our session this morning, Leaders referred to UNCTAD's Action Plan for Investing in the SDGs, and I am very grateful for the recognition that it received. Our Action Plan shows that there is significant scope for mobilizing and channelling more private investment into sectors relevant for sustainable development in developing countries as a whole. However, the Plan also makes the point that special efforts are needed in the most vulnerable economies. This holds particularly true for potential financing from the private sector. Without targeted policy intervention, LDCs and other structurally weak and vulnerable economies will not be able to attract resources from investors, which often regard operating conditions and risks in these countries as prohibitive. Several questions arise for us consider in this context.

First, how can UNCTAD, ICC and the stakeholders they represent, put into practice the special efforts needed to help LDCs and other vulnerable economies attract investment? Second, what innovative mechanisms could help leverage ODA and public funds in the most vulnerable economies for increased private sector investment? And third, what form should targeted technical assistance and capacity-building take to help these economies attract more investment?

We have invited you today to help us find some answers to these questions, and I am looking forward to hearing from you and learning from your experiences and suggestions.

Before I hand over the floor, I would like to put forward some thoughts of my own, to feed the discussion.

We have heard this morning that a key obstacle to increasing private sector investment in low-income countries in sustainable development is the lack of a pipeline of bankable projects. The World Investment Report identifies the three Ps of bankable projects, for example in infrastructure. These projects have been Prioritized politically, Prepared through feasibility studies and regulatory approvals, and Packaged, or marketed in bite-sized chunks for investors.

What can we do to help developing countries or regions in this area? The expertise is often available in the private sector. The areas of interest are known to the private sector. And the administrative and regulatory hurdles are experienced first-hand by the private sector. It seems to me that the private sector will be a key partner in any initiative or technical assistance package to help low-income countries build bankable projects.

Directly relevant to this, UNCTAD and ICC already jointly carry out so-called iGuide projects. These are capacity building projects for investment authorities and investment promotion agencies in developing countries. We help them collect the information that investors need to identify investment opportunities and to make investment decisions. Perhaps we should extend this collaborative effort to help agencies improve the way they present investment opportunities and turn them into actual bankable projects.

Ladies and gentlemen, I would like to hear your views on this idea.

It is now my sincere pleasure to ask H.E. Mr. John Danilovich for his opening remarks. Following John's remarks, I am asking James to help us moderate our discussion.

Thank you.