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Statement by Hon'ble Minister for Industries at the Ministerial Roundtable
"Investing in the Sustainable Development Goals"
WORLD INVESTMENT FORUM
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Mr. Chair
Secretary General, UNCTAD
Excellencies
Ladies and Gentlemen

I am pleased to join this session. I congratulate UNCTAD for choosing an important theme for this Forum. This is a good opportunity for stakeholders to discuss possible ways to mobilize efforts and investable resources for achieving the Sustainable Development Goals.

There is a wider global context to our discussions today. Three weeks ago, our leaders shared their views at the UN General Assembly high-level debate on advancing the Post-2015 Agenda. We now have a set of goals and targets through the Open Working Group. In the coming months, we need to secure robust 'means of implementation' and the systemic aspects of the Post-2015 framework. Some of these could also emerge at the next Financing for Development process. I hope our discussions today will feed into these processes.

Let me now make a few specific points.

First, the Post-2015 framework is about taking care of global transformations within the principles of 'sustainable development'. We see in the latest World Investment Report estimates that total investment needs in SDGs in developing countries alone could be about 3.9 trillion US dollars per year versus current investment of around 1.4 trillion. The Report brings out a paradox: - private sector has sufficient funds but the funds are not invested in sustainable development interventions. LDCs and SIDS are together almost two-fifths of the developing world. Many of them face 'existential' challenges. Therefore, some intervention at global level would be crucial to ensure that non-public resources do flow to such marginalized countries.

Secondly, private sector finance is not homogenous worldwide. There are new sources emerging in private finance, like pension funds and philanthropic foundations. We are certainly open to a range of 'innovative finance', but many of our countries do not have the experience or know how to attract such 'innovative financing'. For example, the case of climate change mitigation and adaptation. There are concerns about predictability and some aspects of innovative financing that need to be clarified.

Thirdly, often investment flow is conditioned on an 'enabling environment'. Governance, political stability, rule of law, accountability, transparency in legal and regulatory frameworks are critical for an enabling investment climate. In Bangladesh, we have been pursuing a highly liberal economic and fiscal policy, FDI regime. We have been offering incentive packages, even before working on the MDGs. We have achieved much success in the MDGs by mobilizing our own resources and capabilities from the beginning. Private sector is the key driver in our economic development. Three fourth of resource outlay in our current Five Year Plan is to come from private sector. Our Hon'ble Prime Minister has set a target to make Bangladesh a middle-income country by 2021. We continue to mobilize substantial domestic resources as we are committed to achieve 7 percent economic growth and reach the target by 2021. Yet, our experience tells that 'market' and 'private finance' often shy away from investing in the 'real sectors' that are so crucial for sustainable development, like agriculture, health, education. Therefore, in the Post-2015 period, we need to know how the investment needs of developing countries, particularly LDCs would be met. For LDCs and climate-vulnerable economies, special investment regimes would be crucial in this context.

Fourthly, certain structural issues related to private sector investment in the SDGs need to be addressed such as:

- How would private finance move in situations where markets may not be close-to-perfect and information is limited or asymmetric?

- How would the private sector engage in making available innovative and sustainable public goods like green technologies, particularly for the poor and marginalized?

Fifth, and ***finally***, SDGs are about securing dignity, well-being and justice to every citizen. They are about inclusion and equality. To achieve these, creation of policy space at national level is important. Policy space at national level and an enabling environment need to be supported through external factors. Securing this balance must receive greater attention. Otherwise, as we have seen before, precious development gains of countries like Bangladesh might be at stake as a result of external shocks or absence of a supportive external environment.

I thank you.