

Final version as of morning of October 16, 2014

**H.E Lyonpo Norbu Wangchuk
Minister, Ministry of Economic Affairs
Royal Government of Bhutan
UNCTAD's World Investment Forum
Ministerial Round Table on Investing in the Sustainable
Development Goals
October 16, 2014, UNHQ, Geneva**

Introduction

1. I would like to thank UNCTAD for inviting me to the World Investment Forum and in particular to participate in this Ministerial Round Table on Investing in the Sustainable Goals (SDGs).
2. Bhutan as a *country in special situation* has an intense interest in the Post 2015 Development Agenda and believe in its transformative capacity.
3. It is clear that official development assistance (ODA), on its own will not be able to meet the financing requirements even if all the developed countries meet the target to provide 0.7 percent of gross national income as assistance. But official ODA could through leveraging help mobilize private capital. In the current context of low interest rates that is expected to hold in the medium term, private capital can generate profit for its owners while also producing significant development benefits. It is in this area of overlap between private profits and sustainable development outcomes that post-2015 private financing needs to be assessed.

How can policies be deployed to engage private sector funding for the SDGs?

4. Each element of the post-2015 agenda will have its own requirements. In some instances increased public investment flows and improved targeting will be required. In other cases better regulatory frameworks need to improve incentives for private capital. In still other instances new instruments might be needed to help public capital increase its multiplier in leveraging private dollars.

We must realize that private financing component of the post-2015 agenda is complex and will move towards areas where there is an opportunity to make some profit. **Therefore while promoting private funding for SDGs, we must frame policies from the potential investors point of view.** We need to know the incentives and instruments that will attract investors to deploy the types of private finance that are desirable from a post-2015 development framework? How might these vary across different sectors? How can governments, at home and abroad, organize themselves to raise the volume and development impact of private finance?

While promoting private funding, governments will need to balance incentives for innovation with promotion of regulatory stability that allows firms to make reliable long-term assessments of risk versus return, in line with the long-term nature of many necessary post-2015 investments.

What factors shape private sector involvement in the sustainable inclusive growth agenda?

5. Private capital flows for development cannot be negotiated in the same way as ODA but public policy changes must take place to unlock private capital as well as engage international financial institutions that can bridge public and private finance.
6. We must realize that private financing component of the post-2015 agenda is complex and will move towards areas where

there is an opportunity to make some profit. **Therefore while promoting private funding for SDGs, we must frame policies from the potential investors point of view.** We need to know the incentives and instruments that will attract investors to deploy the types of private finance that are desirable from a post-2015 development framework? How might these vary across different sectors? How can governments, at home and abroad, organize themselves to raise the volume and development impact of private finance?

7. While promoting private funding, governments will need to balance incentives for innovation with promotion of regulatory stability that allows firms to make reliable long-term assessments of risk versus return, in line with the long-term nature of many necessary post-2015 investments.

Should an international governance structure frame different actors' roles; what form should it take?

8. We do not need new governance structures but existing multilateral development institutions should through reforms if required undertake the role of providing the platform for promoting private sector finance in SDGs.
9. The international governance structure if required must strike a balance between public responsibilities of governments and the interests of private investors whose capital will be important to achieving the post-2015 development agenda.
10. While deliberating about investing in the next development agenda we must recognize that while everyone must act, the level of obligation must be different and focus action by considering the *respective capabilities* in delivering progress on the goals.
11. In the Post 2015 Development Agenda, all these efforts must be complemented by effective global partnerships as means of implementation. For countries in special situations,

ODA not only catalyze and strengthen domestic resources mobilization, it remains the main source of financing for development and fuels economic growth.

12. As we deliberate the post-2015 development framework, it is imperative we need intensify our efforts and must focus on the poorest and most vulnerable. Countries that have been left behind, especially countries in special situation must be accorded the highest priority. Equally important, where goals are on track and momentum exists, every effort must be accorded to sustain and reinforce progress.
13. Finally, Bhutan believes that every nation must contribute to alternative thinking on development and our development philosophy of Gross National Happiness hopefully should find acceptance as part of the post-2015 framework. In that respect, we are thankful that the UN has recognized pursuit of happiness as a fundamental human goal and our concerted efforts must ultimately contribute to achieving greater peace and happiness amongst the global community.
14. Therefore, our development experiences also suggest that private financing alone is not adequate and will require a mix of Public-Private Partnerships.

Thank you.