

Ministerial Roundtable, 16 October 2014: *Financing for the sustainable development goals*

Mister Secretary-General,

Excellencies,

As a host country for this Forum, let me start by thanking UNCTAD for the excellent organization of this event which gathered key stakeholders of the investment community to exchange on investment for development. I am confident that this week allowed all participants – whether they be government representatives, international organizations, civil society or the private sector – to reiterate their commitment to sustainable development and lay the foundation of our continued commitment to the implementation and financing of sustainable development goals.

The question to us today is how we can engage private sector stakeholders to finance the SDGs. So let me talk briefly about the opportunities for the private sector, the responsibilities of governments and what UNCTAD can contribute to this process.

1) Opportunities for the private sector

The landscape of financial flows to developing countries is changing fast. The part of ODA is diminishing and new financiers such as private foundations have emerged. The new asset class "impact investments" - defined as investments with a financial return generating at the same time measurable social and/or environmental benefits for societies in developing countries - have been growing at double digit in the last years. Sustainable investments of 57 billion CHF are managed in Switzerland alone. Switzerland is also a hub for microfinance investments: Of the global microfinance assets of USD 10 billion approximately one third is managed in Switzerland. These examples are the reasons why the State Secretariat for Economic Affairs (SECO) is supporting the newly established platform Swiss Sustainable Finance, where we see many opportunities to engage some of the over 200 organisations active in Switzerland involved in sustainable finance and which will contribute to the new SDGs. Another project example is the

Better Gold Initiative, a public private partnership with the Swiss Better Gold Association launched last year. The goal is to establish a fair and sustainable international value chain for gold originating in developing countries. The pilot project is in Peru.

Through its economic cooperation activities, the State Secretariat for Economic Affairs, has been engaged for 20 years in a variety of public private partnerships to catalyse sustainable investments.

2) Responsibilities of the public sector

In my view the main role of governments is to ensure strong and stable framework conditions for investments, among others to ensure investments into infrastructure, education or health. The regulatory environment should strive to minimize the burden on the private sector to enhance investments. Well formulated labour and social policies allow investments to take place, leading to more and better jobs. In fact, in countries that have made the greatest investment in quality jobs in the last 15 years, living standards improved more than in developing and emerging economies that paid less attention to quality jobs. States need to strike the right balance between legitimate commercial interests of the private sector and the protection of public interests. Furthermore and as mentioned before, Governments can catalyse important investments into sustainable development. There are different approaches to do this. Some are well established such as guarantees that cover a part of the investment risk; some are new like the social impact bonds with important up-front investments by the public sector.

3) The Role of UNCTAD

I would like to conclude by highlighting that UNCTAD has been playing a highly important role since many years in gathering all stakeholders on investment related issues. The quality of the World Investment Report is excellent and helps to share knowledge and provide the relevant statistics for decision makers. In addition, UNCTAD has also spread good practices such as sets of principles for investment in the SDGs. UNCTAD should continue its efforts to include different stakeholders and to explore different approaches as it has been doing by establishing a platform on investing in SDGs and by providing to all stakeholders including the civil society and the private sector concrete solutions on how to best invest for development. This will ensure that the proposed

measures are practical and can be used for our engagement towards the future SDGs.

I congratulate UNCTAD on its contribution to the discussion for the financing of the SDG and I thank you for your attention.