

Staff Reporter

Lack of investment and an absence of coordinated leadership to address critical financing needs in developing countries could threaten efforts to reduce poverty and tackle issues such as climate change.

A meeting of high-level government authorities, global CEOs and thought leaders made the observation at this year's Unctad World Investment Forum in Geneva on Tuesday, according to a message received in Dhaka yesterday.

Industries Minister Amir Hossain Amu led the Bangladesh delegation to the Forum.

Unctad, the UN body which hosts the biennial event, has been seeking to galvanize the global investment community to promote more investment in critical areas in the world's poorest regions, as well responsible investing that contributes to sustainable development.

Opening the World Leaders Investment Summit, one of the Forum's 50 events, Unctad Secretary-General Mukhisa Kituyi said, "Meeting the challenge of ending poverty and charting a transformative course for low-carbon growth will require commitment and investment on an unprecedented scale."

This year's World Investment Forum is one of the first - and largest - opportunities the international community has to bring together the private and public actors who will need to join forces to get more money flowing into sustainable development projects, he added.

The Forum comes at a time when countries and the international community are discussing a set of development goals to take over from the Millennium Development Goals (MDGs), which expire next year.

The proposed sustainable development goals (SDGs) are set to be much broader in scope and presume a much greater funding efforts on the part of governments and the private sector.

Unctad estimates that developing countries will face an annual investment gap of \$2.5 trillion over the lifetime of the SDGs (2016 to 2030). Public resources cannot meet all SDG-implied financial demands.

A stronger role for private sector investment is indispensable, and Unctad has identified a number of sources of capital within the financial system, such as pension funds or company cash holdings that could be productively reoriented to sustainable investment projects in developing countries.

In the run-up to the SDG conference in New York next year, some countries are already questioning the level of ambition and the financing commitments the new goals imply. The Forum aims to explore how the private sector, but also other investors such as state-owned firms and sovereign wealth and public pension funds, could contribute to the achievement of the goals.

Summit participants discussed several ways that the investment community could help facilitate more investment, such as through financial market reforms, risk-sharing measures, and tools such as green bonds and specialised investment funds.

Mark Wilson, the chief executive officer of insurance company Aviva, said there was a need for greater financial market reform to promote long-term investment.

"We want everyone in the investment process to think long-term. [We need] a vision of patient capital not hot money; I don't believe the obsession with quarterly results is useful (and it's getting shorter)," he said.

This was echoed by development economist and UN special adviser on the MDGs, Jeffrey

Sachs, who said: "Wall Street works in nano-seconds, not decades." Such "short-termism" could also be found in development thinking.

"We often hear about the need for shovel-ready projects. This is good, but, we have to be careful that it does not become just an expression of short-termism. We need long-term thinking and that needs complex solutions; not everything can be shovel-ready," Sachs said.

Certain measures and funds have been in existence for some time, but the summit heard calls for governments and investors to increase the scale and impact of investment in the world's poorest economies.

Towards this end, Prince Charles, heir to the throne of the United Kingdom, speaking in a video address, said he supported Unctad's Action Plan for Private Investment in the SDGs. "Unctad has an excellent Action Plan to re-orientate finance towards investing in sustainable development," he said.

His remarks were also echoed by Nestlé chairman, Peter Brabeck-Letmathe. "I believe the Action Plan is do-able and that it will have the support of the private sector," Brabeck-Letmathe said.

At the close of the meeting, Dr. Kituyi said: "We do not have time to wait another 15 years [the proposed pe-riod of the SDGs] to end poverty or tackle climate change. It's our global responsibility to act now and in-crease the level and impact of investment where it is needed most. "