

Informal interactive hearings with representatives of NGOs, Civil Society, Major Groups and the Private Sector on the Post-2015 development agenda

Roundtable Discussion 3: Theme: Means of Implementation and Global Partnership

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Thank you Mr. Chairman it is an honor to be here, and I am so grateful that a number of speakers have highlighted that we have a real challenge ahead. This challenge comes in different shapes and sizes, and in September, we will actually see not just a new strategy for globally addressing them, but a paradigm shift, effective January 2016: all governments will have to start changing their national development plans to align themselves with the SDGs.

The Ambassador of the U.A.E. pointed out that we do not have adequate ODA resources. It runs about \$130 billion a year; foreign direct investment on the other hand, runs at about \$1.5 trillion depending on what numbers you take. The reality is that the SDG, if you were to address them comprehensively, required infrastructure investment ranges, depending on the estimate, from 5 to 7 trillion dollars. In today's financial crisis, I am afraid we would be lucky to direct ODA beyond \$150 billion. So we really need new financing mechanisms. I am really pleased that the Financing for Development Conference is actually looking at not just the traditional ways for addressing problems but also looking at international public finance, international private sector, as well as domestic public and private finance. If we look at that aspect of it, Mr. Chairman, we need to design new financing mechanisms so that it incentivizes the private sector. To say in a very in-elegant way, we must answer their question—"what's in it for me?" Of course, the private sector has a first responsibility to its shareholders. However, the poor are potential consumers for them—and are therefore stakeholders. We might make some inroads if we can find ways to make SDG financing attractive for the private sector and build a new deal, a new global partnership for sustainable development.

Institutional investors and sovereign wealth funds, who up to now, have been on the outside of the MDG process, and in some respects the SDGs process, are looking at this process, and asking, "what is the return on investment for us?" Incidentally they hold between \$80 and \$90 trillion in assets. Pension funds up to now have only invested about 3% of their assets for sustainable development projects, so we would like to recommend a couple of things here. The UN might wish to consider creating an SDG Innovation Fund, a fund that uses the talent of young people to find solutions to old problems, but at the same time uses the power of the private sector, institutional

investors, and sovereign wealth funds to invest in the poor. \$66 billion to address poverty alleviation would barely touch the surface.

There are a number of current projects and investments which are really critical to this process. However, we must answer the questions of “how do you address the flow of remittances” and “how do you address the new and growing phenomena of private development assistance?”

Mr. Chairman, I had the privilege of managing Ted Turner’s \$1 billion donation to the United Nations. After that, a number of major philanthropists came forward—like the Bill and Melinda Gates Foundation which is a big supporter of the GAVI alliance and so on.

By way of background, American charitable giving runs at \$320 billion, yet very little goes to ODA. So we need to make a good case for it, if you like, that if they invest in developing countries it is beneficial not just for economic and social welfare but for national, global, and regional security.

Mr. Chairman, aside for the SDG Innovation Fund, there is a new phenomenon, a new trend, which is taking place, which is called “blended finance.” That is, the pooling of public and private resources—a global partnership for sustainable development where public and private funds come together, and implement new partnerships. These partnerships bring together a broad range of actors, including civil society, foundations, entrepreneurs, as well as companies and governors—to create multistakeholder partnerships.

On our part, we are planning to create a Partnerships Portal, a virtual platform for partnerships—organized by sectors, regions and countries--that would provide access to information and lessons learned on projects. As you all know so well, there is an information deficit in technical assistance projects, including the lack of a results-based approach, with attendant transparency and accountability issues. Moreover, traditional investment vehicles and basic business-building tools are largely inaccessible to entrepreneurs around the world. Often, these are the ones who need the most support. This centralized Portal could provide a convenient mechanism for donors and investors to make capital available to prospective NGOs and entrepreneurs within a transparent environment. We realize this is a big idea, though we are also keen to move the needle from a model of 'aid to investment' for poverty alleviation.

Mr. Chairman, finally, we are looking to create a Center of Excellence for Partnerships. While partnerships are not new to the UN, to the international community, nor the national level, there often is confusion. When one looks for private financing, the attitude tends to be “Okay, you just give me the money and I’ll spend it”, without appropriate governance. The debate currently is not about the 17 SDGs or the 169 targets, its about means of implementation, and monitoring and evaluation. In the

same way the private sector looks not just for return of capital but also return on capital, multilateral institutions—on the other hand—look for ways to uplift the quality of lives for the underprivileged and create real sustainable development.

Thank you Mr. Chairman