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Item 9: Investment for development: Investing in the sustainable development goals

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^{*} This statement is made available in the language and form in which it was received. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



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TRADE AND DEVELOPMENT BOARD 61st Session

Agenda Item 9

Investment for development Investing in the Sustainable Development Goals: An Action Plan

Statement by
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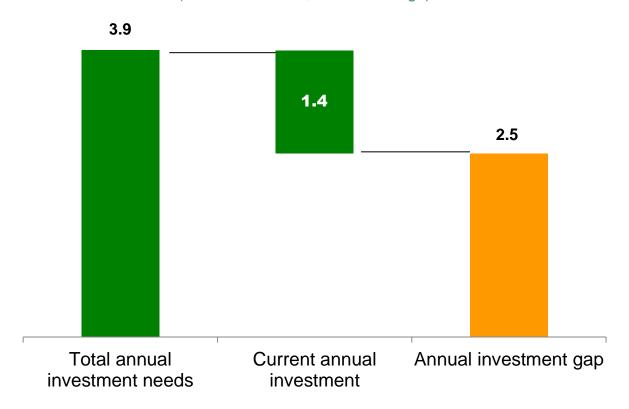




The United Nations Sustainable Development Goals (SDGs) will need to bridge a large investment gap

Estimated annual investment needs in key SDG sectors, 2015–2030

(Trillions of dollars, annual average)

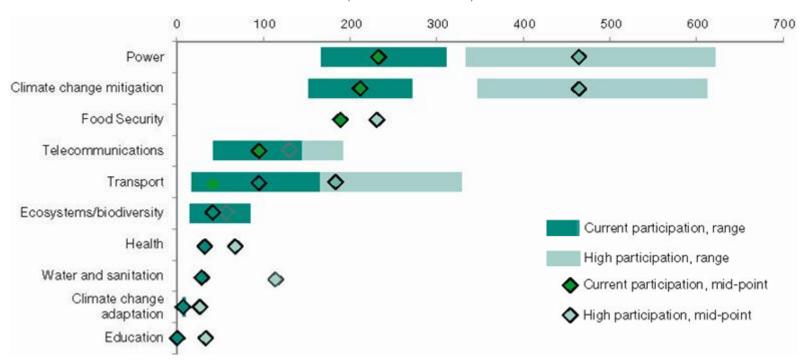




The potential for private sector investment is significant,

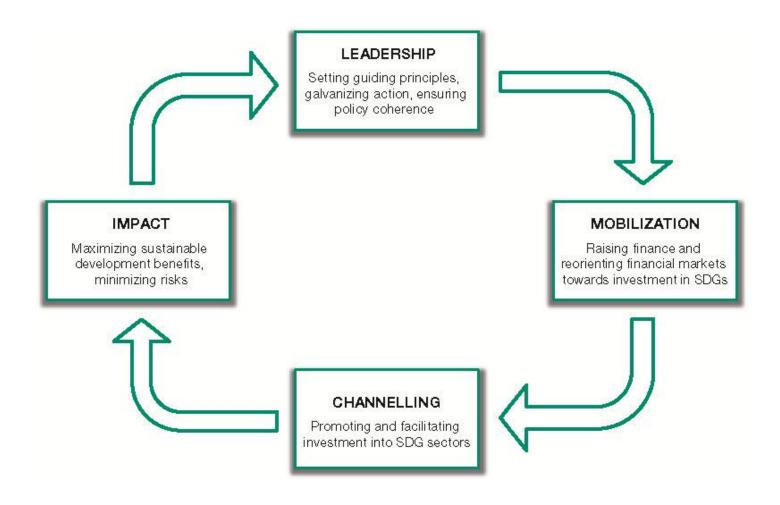
Especially in infrastructure, food security and climate change

Potential private-sector contribution to investment gaps at current and high participation levels (Billions of dollars)





Strategic framework for private investment in the SDGs



Policy options for each element of the framework

1. Leadership

- Agree a set of guiding principles for SDG investment policymaking
- Set SDG investment targets
- Ensure policy coherence and synergies
- Multi-stakeholder platform and multi-agency technical assistance facility

3. Channelling

- ☐ Alleviate entry barriers, while safeguarding legitimate public interests
- Expand use of risk sharing and mitigation mechanisms for SDG investments
- ☐ New incentives schemes, a new generation of investment promotion institutions
- Build SDG investment partnerships

2. Mobilization

- Create fertile soil for innovative SDGfinancing approaches & corporate initiatives
- Build or improve pricing mechanisms for externalities
- Promote Sustainable Stock Exchanges
- Introduce financial market reforms

4. Impact

- Build productive capacity, entrepreneurship, technology, skills, linkages
- Establish effective regulatory frameworks and standards
- Good governance, capable institutions, stakeholders engagement
- Implement SDG impact assessment systems



A Big Push for private investment in the SDGs: Action Packages

New generation of investment promotion strategies and institutions

- At national level:
- New investment promotion strategies focusing on SDG sectors
- New investment promotion institutions: SDG investment development agencies developing and marketing pipelines of bankable projects
- New generation of IIAs:
- Pro-active SDG investment promotion and facilitation
- Safeguarding policy space for sustainable development

New forms of partnerships for SDG investment

- Partnerships between outward investment agencies in home countries and IPAs in host countries
- Online pools of bankable SDG projects
- SDG-oriented linkages programmes
- Multi-agency technical assistance consortia
- SVE-TNC-MDG partnerships

Reorientation of investment incentives

- SDG-oriented investment incentives
 - Targeting SDG sectors
 - Conditional on sustainability contributions
- SDG investment guarantees and insurance schemes

Enabling innovative financing and a reorientation of financial markets

- New SDG financing vehicles
- SDG investment impact indicators
- Investors' SDG contribution rating
- Integrated reporting and multistakeholder monitoring
- Sustainable Stock Exchanges (SSEs)

Regional SDG Investment Compacts

- Regional/South-South economic cooperation focusing on:
- Regional cross-border SDG infrastructure development
- Regional SDG industrial clusters, including development of regional value chains
- Regional industrial collaboration agreements

Changing the global business mindset

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- Global Impact MBAs
- Training programmes for SDG investment (e.g. fund management/financial market certifications)
- Enrepreneurship programmes in schools

Guiding Principles

Balancing liberalization and regulation Balancing the need for attractive riskreturn rates with the need for accessible and affordable services for all

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Balancing a push for private funds with the push for public investment Balancing the global scope of the SDGs with the need to make a special effort in LDCs



Stakeholder engagement through UNCTAD's World Investment Forum and Investment Policy Hub





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http://investmentpolicyhub.unctad.org/



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