Mr. President of the TDB,

Distinguished delegates,

Ladies and Gentlemen,

The technical assistance activities carried out during 2019 in the area of investment and enterprise for development are detailed in Document TD/B/WP/305 (and addenda) before you. Today, we discuss capacity-building activities in extraordinary circumstances, and I will focus my presentation around three main issues. I will first provide a brief overview of our technical assistance in 2019 and beyond. I will then outline how the Division has met the challenges posed by COVID-19 in the capacity-building pillar, before concluding with a few remarks on the financing of our activities. Allow me to also inform you to the Division’s Results and Impact Reports, which provide a detailed insight to the projects and programmes that provided significant value to member States in 2019.
Distinguished delegates,

In line with the four areas of the investment and enterprise development compact, please allow me to now share the impact of the Division over the last year.

In 2019, the Division’s flagship publication, the World Investment Report, continued to provide the basis for UNCTAD’s value proposition in its capacity-building projects in the area of investment and enterprise. The Report acts as a launch pad for major policy initiatives and technical assistance programmes to promote development-oriented investment. Previous issues of the World Investment Report have provided the foundation of our core frameworks supporting technical assistance delivery. In 2019, the Report analysed the impact of Special Economic Zones (SEZs) and their positive implications for global value chains, industrial development and structural transformation. The Report drew significant attention from international policymakers on how to respond to fundamental challenges posed by the sustainable development imperative, the new industrial revolution and changing patterns of international production. Insights from the report were disseminated through a series of investment workshops – including during the World Urban Forum 2020 - and webinars, while downloads of the Report on the UNCTAD website set a new record with over 850,000 downloads for 2019 only in over 100 countries.

The Division’s Investment Policy Review programme continues to provide important capacity-building in the area of investment and enterprise for development. In 2019, Investment Policy Reviews were completed for Angola, Armenia, Chad and Cote d’Ivoire, while preparations for the IPR of Seychelles began. The Division also completed an IPR implementation report for Nepal. As is evident in the progress report in front of you, we offer a range of holistic support to countries in implementing the recommendations of their IPRs, enabling these countries to attract higher levels of FDI and derive larger development gains. Since the inception of the Investment Policy Reviews, more than 450 recommendations have been implemented, benefitting more than 55 economies.

Capacity-building in investment promotion and facilitation is a key component of our technical assistance. In 2019, the activities offered by the programme centred on the facilitation and promotion of investment in the SDGs -with special attention being paid to strengthening programmes in the most vulnerable economies. The programme delivered over 50 workshops and training events to over 400 policymakers and investment professionals. Six iGuides were also produced over the year, benefiting small islands developing States from the Caribbean –
in cooperation with organisations such as the Caribbean Association of Investment Promotion Agencies and Caribexport. As evidenced by media coverage, by allowing beneficiaries to refocus promotion efforts to key sectors in a rapid and efficient manner, the iGuides proved particularly relevant in the current circumstances. The Division is also dedicated to the development and provision of low-cost solutions and high-quality tools for business facilitation in member States. The programme’s impact is largely documented, in particular in terms of increased transparency, simplification, harmonization and automation of procedures, engendering good governance and facilitating exchange of good practice and South-South Cooperation.

In the area of International Investment Agreements, the Division continues to provide support and critical analysis for member States in completing comprehensive reviews of treaty networks and in providing comments on model investment treaties and regional agreements. Following requests from member States, the Division provided several IIA reviews and issued four substantial IIA issues notes, highlighting critical areas for reform. These services were complemented by a range of regional and other training courses, offering in-depth and pace-setting analysis of the current developments and options for IIA reforms. Furthermore, the IIA navigators and investor-State dispute settlement navigators underwent significant upgrading, unveiling critical guidance to governments on global trends in investment treaties. The year culminated in UNCTAD’s High-Level IIA Conference, which brought together over 80 speakers from around the world to forge a path forward for inclusive, transparent and synchronized IIA reforms for sustainable development. The event confirmed the central role of UNCTAD as a leader in supporting and facilitating IIA reform to achieve the Sustainable Development Goals.

In support of entrepreneurial development, advisory services were also provided to a number of countries based on our Entrepreneurship Policy Framework (EPF), which supports developing country policy makers in the design of initiatives, measures and institutions to promote entrepreneurship. UNCTAD's Empretec programme, which has facilitated the training of over 500,000 entrepreneurs in 30 years, is now present in over 40 countries. Business performance indicators measured on some of the Empretec beneficiaries, one year after their participation to the training workshop, show improvements in several areas: for instance, among surveyed businesses in Argentina and Mauritius, sales increased respectively by 54 per
cent and 72 per cent; employment grew by 23 per cent and 20 per cent; and profitability by 46 per cent and 72 per cent.

In the area of accounting, work advanced on the development of a methodology and classification of indicators for SDG performance reporting. We also carried out two assessments of the sustainability/SDG reporting infrastructure in Colombia and South Africa.

**Overall, in 2019, the Division carried out almost 100 seminars and workshops; delivered more than 80 ad-hoc advisory services to regional groupings and individual countries; prepared 18 advisory reports and maintained 49 gateways and 9 databases.**

This would not have been achieved without the support of all donors that contributed to these achievements in 2019. They were: Armenia, ASEAN, Australia, China, the European Commission, Ethiopia, Germany, Lesotho, Saudi Arabia, and the Netherlands. Let me also acknowledge the financial support received from other international organizations and international institutions such as the United Nations Development Programme, the United Nations Office for Project Services, as well as the support of organizations such as the International Chamber of Commerce, the World Association of Investment Promotion Agencies, Trade Mark East Africa and the Global Entrepreneurship Network.

Distinguished delegates,

Allow me to turn to the Division’s response to the COVID-19. Since the beginning of the pandemic, the programmes and tools developed by the Division have demonstrated their relevance, efficiency and impact in supporting member States, under the extraordinary circumstances. This is a clear demonstration of the benefits of our strategy, based on a core-product oriented approach, a networking and partnership approach and critically, an IT-enhanced approach.

Indeed, the focus of our interventions have evolved this year, in response to the specific needs and challenges expressed by member States confronted with the pandemic.
From the onset of the COVID-19 pandemic, the Division carried out breakthrough research to feed member States with a timely and critical insight on the assessment of its impact on foreign direct investment and global value-chains and provided informed investment policy advice. The Division issued timely global investment trends monitors and investment policy monitors, highlighting the latest trends and prospects of global and regional investment and related policies. The WIR2020 also have dedicated sections on the impact of Covid19 on investment prospects and policies. All these work have fed into the policy deliberation of Member States, including UNGA, TDB and G20 ministerial conferences. The resulting conclusions of our research were disseminated through numerous platforms run by UNCTAD and outside partners.

Responding to the increased demand from member States and partner organizations, we organized a record number of global and regional webinars in all official languages. For instance, in the area of investment promotion, from March of this year, webinars were regularly organised to facilitate the exchange of best practices with WAIPA, partner Investment Promotion Agencies and other experts on investment promotion specific measures for recovery plans. In parallel, a survey was carried out to monitor national IPAs responses to COVID-19, including continuity in investors service delivery and the provision of emergency support. This led to the publication of a dedicated advisory report entitled “Investment Promotion Agencies: Striving to overcome the Covid-19 challenges”. More recently, another advisory study was launched entitled “Investment Promotion Agencies, the new normal” that provides insight on how investment promotion agencies should now head from on-line crisis management to the provision of on-line recovery services and successfully address post-COVID-19 challenges.

Looking at international investment policies, and COVID-19 State policy responses, including stimuli package to assist struggling companies could potentially result in investor-State Dispute settlement proceedings initiated by foreign investors under IIAs, we provided technical assistance to countries wishing to reform IIA provisions that could come into friction with such State measures. An issue note on “The changing IIAs landscape: new treaties and recent policy developments” discussed the implication of Covid-19 on investment treaty-making and IIA reform. A number of webinars also took place to discuss the interactions between IIAs and state measures adopted to combat COVID-19; and how to ensure that IIAs do not constrain such measures.
To guide investment policymaking and support the business environment in the production of key pharmaceutical ingredients and personal protective equipment, in April 2020 the Division partnered with the WHO to produce a 10-point Action Plan to boost low and middle-income countries’ productive capacity for medicines. Webinars on how to navigate supply-chain bottlenecks and develop partnerships in response to the pandemic also took place.

In the area of enterprise development, DIAE continued to assist policymakers and other stakeholders in their efforts towards supporting SMEs and entrepreneurship in the aftermath of the COVID-19 crisis. As a concrete immediate action, UNCTAD, in collaboration with other UN agencies and Regional Commissions, is establishing a virtual online knowledge hub where policy tools, training material and capacity building toolkits to support SMEs addressing COVID-19 related challenges, are made available. We also provided advisory services based on our Entrepreneurship Policy Framework; and with the aim of reducing the impact of the crisis on the private sector, organised specific Empretec workshops to help entrepreneurs in developing countries benefit from potential opportunities generated by the pandemic.

By offering an immediate response to the situation generated by the lock-down, the e-government solutions developed by the Division were singled out for, in many countries, having allowed continuity of business operations. Business facilitation services provided critical online government services for local enterprises to remotely request business grants, apply for tax relief, process late-payment statements, support workers through social security administration and carry on trade operations. The eRegistration platform also made it easier for different government, ministries and agencies to collaborate, share information and exchange documents. Among the many examples of impact in beneficiary countries is the online creation of 182 businesses during the first week of closure in Benin; the rolling out of online social security and tax registration to Malian provinces; and the recourse to online payment tools by small entrepreneurs in Kenya and El Salvador.

Another example of the benefits of the IT-enhanced approach is the development of a new tool which will enable beneficiary countries to report when an IPR recommendation has been implemented and how it has been done. This will allow UNCTAD to keep an updated track record of IPR implementation progress, enabling us to continue providing timely and relevant policy advice and support to countries while travel restrictions and social distancing.
Distinguished delegates,

In 2019, and for the third consecutive year, capacity-building expenditures in the area of investment and enterprise for development decreased. They amounted to less than 4.5 million US$ and for the first time, accounted for less than 10% of UNCTAD’s overall technical assistance spending. This trend - illustrative of a drop in donors’ contributions in support to our activities is worrying. The level of our expenditures is in stark contrast with data pertaining to output delivery. I have many times in the past highlighted this paradox, which indeed reflects efficiency gains realised by the programme but also the fact that capacity-building activities in the area of investment and enterprise are more and more financed thanks to partnership agreements and arrangements with other organizations. The structure of the contributions we receive for capacity-building activities also shows an increasing importance of development account funding, of resources emanating from joint programmes - for instance “delivering at one mechanisms”, as well as public and private sector donations. In the longer term, these trends will no doubt impact the nature of our activities. The share of contributions received from developing countries is also increasingly significant – another illustration of the value for money of the services we provide.

In terms of beneficiary regions, DIAE continued to thrive to maintain geographical balance, while paying specific attention to the needs of the most vulnerable economies. Therefore, the bulk of capacity-building expenditures went to supporting interregional activities and addressing the specific needs of countries - including on the African continent. Most of the expenditures were in support of SDG8 (decent work and economic growth), SDGs 9 (industry, innovation and infrastructure), SDG 10 (reducing inequalities), SDG 12 (responsible consumption and production) and 17 (partnerships for the goals). As documented in the document TD/B/WP/305 before you, our activities also supported Goals 3 (good health and well-being) 4 and 5 (education and gender).

This working party is also an opportunity to discuss independent evaluations of our activities. Document TD/B/WP/304 reports on our project “Investment promotion partnerships for the development, marketing and facilitation of bankable Sustainable Development Goal project” funded by the Government of The Netherlands. I am pleased to report that the evaluator found that “the project was highly relevant to the countries’ needs and responded to the UNCTAD mandate and specialization in supporting developing countries’ agencies in attracting investment that leads to sustainable development”.

The importance of partnerships developed in the context of the project was acknowledged, as was the fact that the impact generated by the project “was likely to be sustainable at the national level”. With regards to managerial aspects, the evaluator noted that “the project was managed efficiently and benefited from UNCTAD resources and capacities, as well as collaboration from partners”, with all outputs delivered “on time and on budget”. In his conclusion, the evaluator suggested to, in the context of a follow-up project, build on this successful experience by developing a more sophisticated theory of change about capacity enhancement for intermediation in investments related to the SDGs. The successful implementation of these recommendations will, to a large extent, depend from the availability of financial resources.

Capacity-building in investment and enterprise will be critical in meeting the challenges of the current day – including a depressed global trade and investment landscape, new dynamics in investment policymaking, and specific challenges posed by the COVID-19 pandemic. The Division on Investment and Enterprise continues to support member States in the face of these new and emerging challenges. However, at current levels of funding, we will not be able to fulfil member States’ directive to scale up our activities in the area of investment and enterprise, as called for by most countries in the wake of the pandemic.

I thank you for your attention.