

**Statement by Costa Rica on behalf of the Group of Latin America and the Caribbean
at the Tenth Session of the Investment, Enterprise and Development Commission**

Monday, 3 December 2018

Mr. President, Ambassador Refiloe Litjobo (Lesotho),
Mr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Mr. James Zhan, Director, Division on Investment and Enterprise,
Ambassadors,
Ladies and gentlemen,

1. The Group of Latin American and Caribbean Countries wishes to express its appreciation for UNCTAD's efforts to promote, facilitate and orient investment and enterprise development towards development. Our Group affirms the importance of orienting private-sector investment to contribute to finance the SDGs and note UNCTAD's forthright action to strengthen its work programme in support of investment and enterprise for development, along with its focus upon delivering targeted programmes addressing key SDG sectors. In particular, the Group wishes to highlight the value of the Secretariat's policy frameworks – which continue to underwrite its technical assistance and capacity building activities – as well as its programme of work promoting and facilitating bankable SDG projects in developing countries.

2. The Group of Latin American and Caribbean countries wishes to express its appreciation for UNCTAD's research on foreign direct investment (FDI), which culminates in the publication of the annual World Investment Report. The Group particularly welcomes the thematic focus of the WIR18, which provides a useful contribution to ongoing discussions on investment and the rise of new industrial policies and its implications for investment and development. In particular, we recognize the importance of designing and adopting strong national industrial development strategies that contribute in adding value to the exports, while reducing poverty and inequalities. Foreign direct investment should contribute to this end, so that countries can maximize the benefits derived from investment.

3. The Group notes with concern that global FDI flows fell by 41 per cent in the first half of 2018 with FDI flows decreasing 6 per cent in Latin America and the Caribbean over the same period. In South America, the biggest drop of inflows was in Brazil (-22 per cent) and in spite of currency turbulence, flows to Argentina appeared resilient, but were buoyed by a single big deal. The group notes positively that FDI to Chile, Peru and Colombia all increased significantly spurred by higher copper and oil prices. Flows to Central America also fell 6 per cent with the impact of the new trade agreement likely to erode some of Mexico's competitive advantages that may in turn impact future investment into Central America.

4. In the policymaking sphere, the Group wishes to recognize the importance of UNCTAD's Investment Policy Review (IPR) programme, which continues to resonate with Group member countries. With UNCTAD's *Investment Policy Framework for Sustainable Development* (IPFSD) playing an integral role in the preparation of these reports, the Group recognizes the positive impact of the programme's actionable policy recommendations on the promotion of investment in pro-development sectors in support of the 2030 Agenda and the SDGs. The group wishes to highlight that UNCTAD has so far published implementation reports for 15 countries including two reports for Latin American and Caribbean countries – namely Colombia and the Dominican Republic. The reports show that these countries have, on average, been active reformers with 80 per cent of report recommendations outlined in the reports being fully, substantially or partially implemented.

5. The Group commends UNCTAD for its work on investment promotion and facilitation, including its advisory services and capacity-building programme focused on building pipelines of bankable SDG projects. In this respect the strong investment promotion-emphasis at the recently concluded World Investment Forum provided an excellent complement to UNCTAD's ongoing efforts to assist investment promotion agencies in gearing their activities towards promoting sustainable development-related investment. The Group also notes the regional seminar on the Promotion of Bankable SDG Project for Latin America and the Caribbean held in Mexico City. Over 50 representatives from national and subnational IPAs from 17 Latin American and Caribbean countries, four OIAs, two IPA associations, and four private sector organizations participated in the event. The GRULAC is encouraged to note that nearly half other participants were female.

6. The Group acknowledges UNCTAD's work programme on International Investment Agreements (IIAs) and commends the Secretariat's ongoing efforts in support of the development-oriented reform of the global IIA regime. In this respect, the recent IIA Conference, held in parallel with the World Investment Forum provided a valuable consolidation of investment reform options provided to date. We wish to emphasize the value of UNCTAD's technical assistance on IIAs for group members, along with advisory support services offered in the practical appraisal of new and existing model investment treaties. We also appreciate the presentation of UNCTAD's tools for IIA reform during a workshop on "investments and investment protection" which formed part of a Conference on the trade relations between the EU and Latin America. Finally, the Group wishes to commend UNCTAD on the utility and impact of its free online IIA and ISDS Navigator databases that provide group members with up-to-date treaty texts and IIA disputes.

7. In the context of the thematic focus of the Commission, the Group also wishes to recognize UNCTAD's work programme on enterprise development, which has provided valuable technical assistance to Group member States in support of SDG imperatives. In both Latin America and the Caribbean, where there is a potential to continue strengthening entrepreneurship and its benefits to sustainable development. In support of the GA Mandate (A/RES/71/221), UNCTAD's *Entrepreneurship Policy Framework* (EPF) continues to fulfil an important role in providing guidance to support competitiveness and business start-ups. The group wishes to commend the Secretariat's invaluable support to the policy makers in six developing countries in the formulation of entrepreneurship policies and drafting of action plans for their implementation in the Dominican Republic, Ecuador and El Salvador. We also note that this work has led to the development of a new law on entrepreneurship in Ecuador currently under consideration to which UNCTAD made valuable inputs. UNCTAD's Empretec enterprise development programme also continued to deliver upon collaborative efforts to strengthen the skillsets of local entrepreneurs within group member countries. The Group appreciates the Empretec training-of-trainers workshop held in Colombia where participants from Argentina, Brazil, Colombia, Ecuador, El Salvador, Paraguay and Venezuela were trained in the Empretec methodology. We are keenly following the proposal to develop with UNCTAD's help a regional strategy on entrepreneurship promotion in Central America, which is earmarked to benefit El Salvador and the Dominican Republic.

8. UNCTAD's support for the establishment of high-quality corporate reporting mechanisms in accounting and reporting is commended. The transparency of corporate activities is important to ensure their support to development. The Intergovernmental Group of Experts on Standards of Accounting and Reporting (ISAR) plays a critical role in this process by actively engaging with the private sector, experts and organizational partners to strengthen the international financial regulatory system in support of the SDGs. The Group recognizes the value of the *Accounting Development Tool* (ADT) as a means to build capacity in the area of corporate reporting and look forward to UNCTAD advancing this work and building the capacities of four beneficiary countries including Brazil and Colombia to provide reporting on enterprise contribution to the SDGs. The Group commends the outcomes of the 35th session of ISAR, held during the WIF, which convened a broad spectrum of experts and stakeholders to advance discussions on core reporting indicators to measure progress toward the SDGs in formal reporting regimes.

9. Lastly, GRULAC extends its warm congratulations to UNCTAD for successfully hosting the 2018 World Investment Forum. With more than sixty events focusing across the breadth of UNCTAD's work and with the largest number of participants yet – some 6,000 in total from 186 countries – the event provided a useful space to explore and discuss all facets of investment and enterprise in a multi-stakeholder forum. This provided valuable opportunity for engagement between public and private sector counterparts to advance development-related investment. The Group commends the realization of the Investment Village where countries of our region like the Plurinational State of Bolivia shared the important outcomes achieved in sustainable development and promoted opportunities of investment. Similarly, we would like to commend UNCTAD for its inclusion of specialist events and initiatives focusing on gender and climate change such as the Sustainable Stock Exchanges Global Dialogue and Women for Sustainable Development that highlight the important role investment and enterprise can play in supporting States in line with the national priorities and strategies of development and the Sustainable Development Goals.

10. The Group would also like to highlight the concurrent release of the Toolbox for Financing SDGs, which provides a best practice resource, along with other initiatives to boost additional, sustainable and predictable financing for the SDGs and fostering greater cooperation with public sector entities. The Group recognizes some of the special events specifically relevant to the Group, notably the African, Caribbean and Pacific Group of States Ministerial Roundtable on Investment Policy Coordination that supported the strengthening of investment policy coordination for development ministers and ambassadors.

11. Finally, the members of GRULAC who are part of the Group of 77 and China associate ourselves with the statement made by the Group of 77 and China.

Thank you.