

Investment Advisory Series

Series A, number 8

PROMOTING INVESTMENT
IN THE SUSTAINABLE
DEVELOPMENT GOALS

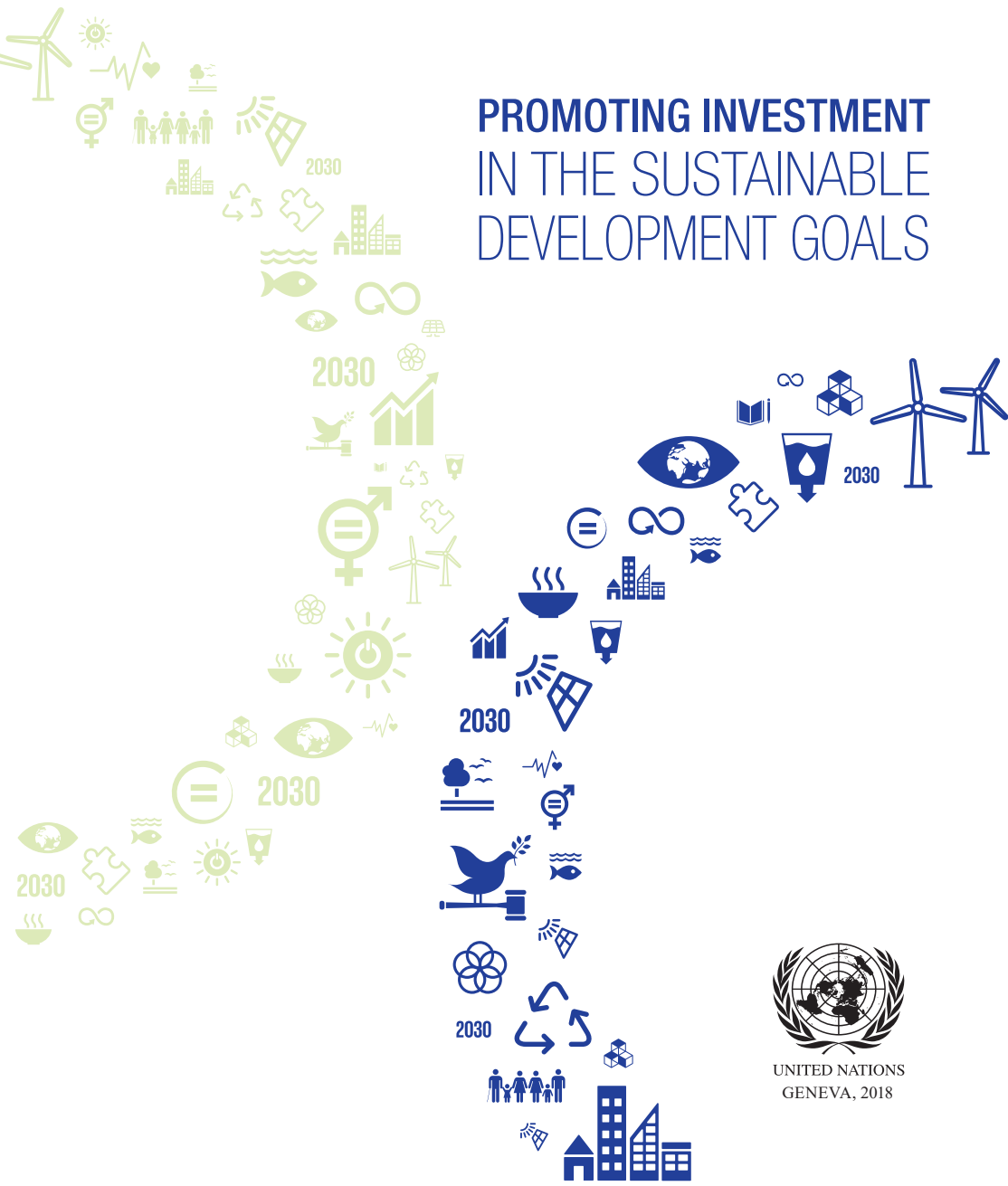


UNITED NATIONS

Investment Advisory Series

Series A, number 8

PROMOTING INVESTMENT IN THE SUSTAINABLE DEVELOPMENT GOALS



UNITED NATIONS
GENEVA, 2018

© 2018, United Nations

This work is available through open access, by complying with the Creative Commons licence created for intergovernmental organizations, at <http://creativecommons.org/licenses/by/3.0/igo/>.

The designations employed and the presentation of material on any map in this work do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Photocopies and reproductions of excerpts are allowed with proper credits.

This publication has been edited externally.

United Nations publication issued by the United Nations Conference on Trade and Development.

UNCTAD/DIAE/PCB/2018/4

ISSN 1995-6088

United Nations Publication

Note

As the focal point in the United Nations system for investment, and building on decades of experience in this area, UNCTAD, through its Division on Investment and Enterprise (DIAE), promotes understanding of key issues related to foreign direct investment and enterprise development. DIAE also assists developing countries in enhancing their productive capacities and international competitiveness through the integrated treatment of investment and enterprise development.

Material may be freely quoted or reprinted, but acknowledgement is requested, together with a copy of the publication containing the quotation or reprint to be sent to:

Chief, Investment Promotion Section
Division on Investment and Enterprise
United Nations Conference on Trade and Development
Palais des Nations, Room E-10080
CH-1211 Geneva 10, Switzerland
E-mail: ips@unctad.org

Publications are available on the websites www.unctad.org and www.greenfdi.org.

Preface

The *Investment Advisory Series* provides practical advice and case studies of best policy practice for attracting foreign direct investment that contributes to sustainable development. The series draws on the experiences gained in UNCTAD's capacity- and institution-building work in developing countries and countries with economies in transition.

The series is prepared by a group of UNCTAD staff members and consultants under the guidance of James Zhan. This guide was prepared by a team led by Paul Wessendorp and comprising Carlos Griffin and Jan Smit. The guide benefited from comments and contributions from Richard Bolwijn, Chantal Dupasquier, Natalia Guerra, Joachim Karl, Jason Munyan, Yongfu Ouyang and Johanna Tiippana. It was edited by Michael Gibson and desktop published by Pablo Cortizo.

The publication was made possible by a donor contribution from the Netherlands to UNCTAD's technical cooperation programme on investment promotion.

Contents

Note	iii
Preface	v
Abbreviations	ix
Executive summary	xi
Introduction	1
1. Leveraging investment promotion for the Sustainable Development Goals . . .	7
1.1. Prerequisites for successful investment promotion	7
1.2. Investments in the Sustainable Development Goals: Sectors, projects and practices	10
1.3. Measuring the impact on the Sustainable Development Goals of an IPA's current activities	13
2. A strategic approach to Sustainable Development Goal project promotion . .	17
2.1. An eight-step method to market Sustainable Development Goal projects. . . .	17
2.2. Challenges and mitigating measures for IPAs promoting Sustainable Development Goal-related projects	26
3. Tools and partners to develop and market Sustainable Development Goal projects	29
3.1. A Sustainable Development Goal project profile template	29
3.2. OIAs as partners in marketing and financing Sustainable Development Goal projects	33
4. IPAs promoting Sustainable Development Goal-related projects	37
4.1. Mauritius and smart cities.	37
4.2. South Africa and paper and plastics recycling	40
4.3. Spain and outward FDI in coffee processing and R&D	42
Conclusions	45
Annex I. The Sustainable Development Goals	47
Annex II. A Sustainable Development Goal project profile template	49
Endnotes	55
References	57

Boxes

Box 1. Newsweek Green Rankings for publicly listed companies	11
Box 2. Austrade: Promoting investment in education	12
Box 3. Invest India turns its project pipeline into a free, searchable online database for investors	22
Box 4. Netherlands Enterprise Agency	36

Tables

Table 1. Examples of Sustainable Development Goal-related projects and promoters . .	8
Table 2. Nigeria’s baseline data on selected indicators	14
Table 3. Nepal’s status and road map on selected Sustainable Development Goals . .	15
Table 4. A Sustainable Development Goal project profile template.	30
Table 5. Selected OIAs with Sustainable Development Goal-related services.	35

Figures

Figure 1. The Sustainable Development Goals	1
Figure 2. Estimated annual investment needs in developing countries	3
Figure 3. Mainstreaming Sustainable Development Goals in investment promotion . . .	18
Figure 4. Traditional sector prioritization for an IPA’s strategic focus	19
Figure 5. Example criteria for establishing the relative desirability of projects across multiple government bodies	21
Figure 6. Partners for promoting investment in the Sustainable Development Goals . .	23
Figure 7. Sustainable Development Goals: Investment chain and key actors	34

Abbreviations

COFIDES	Compañía Española de Financiación del Desarrollo (Spain)
DDGF	Dutch Good Growth Fund
DIAE	Division on Investment and Enterprise
EDB	Economic Development Board (Mauritius)
FDI	foreign direct investment
IPA	investment promotion agency
ISIC	International Standard Industrial Classification
M&E	monitoring and evaluation
MNE	multinational enterprise
NGO	non-governmental organization
OIA	outward investment agency
PET	polyethylene terephthalate
PPP	public–private partnership
R&D	research and development
SEZ	special economic zone
SME	small and medium-sized enterprise

Executive summary

Investment promotion agencies (IPAs) typically target investors that seek market opportunities, pursue greater efficiencies to lower costs, look for resources, or search for strategic assets. An IPA does this by presenting investors with the location's relative advantages and by providing information and assistance specific to the project which the investor has conceived. Sustainable Development Goal¹ projects – which may include projects in basic infrastructure, food security, climate change mitigation and adaptation, recycling, or health and education – are often government-conceived, and have not historically been promoted by IPAs. Rather, bids for their construction and operation are advertised by the same government offices that design, administer, regulate and contribute public investment into those projects. However, facing an estimated \$2.5 trillion annual global shortfall in investment for the Sustainable Development Goals in developing countries, UNCTAD (2014) suggests that Governments may leverage the marketing capacities of their IPAs to better compete for that scarce investment and increase the pool of available capital, including foreign direct investment (FDI). IPAs could particularly help mobilize underexploited sources of finance and expertise, such as multinational enterprises (MNEs) operating in the development of hard and soft infrastructure, development finance institutions and special development programmes, as well as investment guarantee schemes to mitigate investment risks.

Prerequisites to effectively engaging these new partners in the generation of more Goal-related investment are that IPAs first understand (a) their Governments' objectives for the Sustainable Development Goals and targets, (b) how different types of investment can contribute, and (c) which role the IPAs can play. Where an IPA's Government has yet to declare its own Sustainable Development Goal targets, the IPA should engage with its Government in prioritizing objectives and targets, and articulate Goal-related performance measurement, based on the United Nations agreed provisional indicators. The IPA can then undertake the activities best suited to achieving the Government's targets, understanding that Goal benefits can lie in the nature of a sector, a project, or even one company's individual practices.

With these prerequisites in place, an IPA may undertake an eight-step process to more fully leverage investment promotion for the Sustainable Development Goals:

1. Identify Goal-related sectors where the IPA can have the biggest impact without detracting from the IPA's traditional work, and incorporate them into the agency's strategy.
2. Align the IPA's structure and resources to the IPA's Goal-adjusted strategy.
3. Select individual projects in the portfolio of Goal-related investment proposals according to promotability and desirability for the country.
4. Work with government partners to build a pipeline of Goal-related projects, wherein each project comes with a detailed, written profile that allows promoters to effectively present critical information to potential investors.
5. Identify individual companies that are likely to be interested in investing in these projects and build relationships with potential financing partners, including development finance programmes and institutions.
6. Proactively promote Goal-related projects, both in the traditional manner of investor-targeting and by engaging institutional investors and finance partners.
7. Facilitate project approval and start-up as well as operations through aftercare services to ensure that investments are realized on schedule and as envisioned, keeping government partners in the selection, development and implementation of the Goal projects accountable for commitments made.
8. Provide regular feedback to the various stakeholders in the design, packaging, promotion and facilitation of Goal-related projects to enhance location competitiveness, improve promotional effectiveness, and continue building a marketable portfolio of potential projects

The range of Sustainable Development Goal-related projects which an IPA might find itself promoting is wide, and each one can be complex in its own way, in terms of partners, technical aspects, financial structures and regulations. An IPA with a substantial portfolio of such projects to promote must be able to

systematically collect, store and present data on each project. This guide follows the discussion of the eight-step process above with a project profile template, which allows IPAs to understand, compare, aggregate and quickly analyse projects for the purposes of:

- (a) Organizing their pipeline of projects with Goal benefits;
- (b) Assessing commercial viability and, therefore, promotability;
- (c) Prioritizing projects in the pipeline, using assessed promotability and anticipated Goal impacts; and
- (d) Marketing projects by presenting crucial information to potential investors succinctly and persuasively.

This tool can be used to market an IPA's project portfolio to an expanded group of actors that are interested in participating in Goal-related investments. These include MNEs and institutional investors, such as pension funds and sovereign wealth funds, but also non-equity financiers, such as development finance institutions, private foundations, non-governmental organizations (NGOs) and investment guarantee schemes. Intermediaries, such as outward investment promotion agencies, can also play an important role, since they support their domestic firms to internationalize, thereby creating new sources of FDI.

Introduction

What are the Sustainable Development Goals?

In 2015, the 193 member States of the United Nations, in consultation with global civil society, agreed on a global development agenda and 17 related Sustainable Development Goals to be achieved by 2030, illustrated in figure 1 and summarized in annex I.

Figure 1
The Sustainable Development Goals



Source: United Nations.

The United Nations resolution establishing the Sustainable Development Goal agenda and framework includes 169 targets, against which success is to be measured. FDI can contribute to many of the Goals, including poverty eradication and food security, but there are targets that are directly related to foreign investment or could partly be met through such investments, such as:

- (a) “Increase substantially the share of renewable energy in the global energy mix” (Goal 7, target 7.2);

- (b) “Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors” (Goal 8, target 8.2);
- (c) “Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all” (Goal 9, target 9.1);
- (d) “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle” (Goal 12, target 12.6); and
- (e) “Adopt and implement investment promotion regimes for least developed countries” (Goal 17, target 17.5).²

These targets come with 232 multilaterally agreed indicators (e.g. renewable energy share in the total final energy consumption (7.2.1), annual growth rate of real gross domestic product per employed person (8.2.1), passenger and freight volumes, by mode of transport (9.1.2), number of companies publishing sustainability reports (12.6.1)) and additional indicators chosen by each Member State.

The Sustainable Development Goals are, therefore, well-defined goals with specific indicators, for which individual Governments are clearly designated as monitors and arbiters of their individual success or failure. In this way, the Goals go beyond the loose label of “sustainable”, which is sometimes applied by companies or Governments to their efforts at social or environmental responsibility.

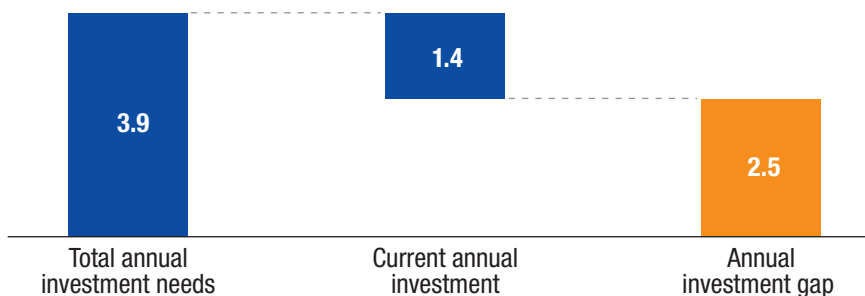
Roles for private investment and its promotion

UNCTAD estimates that an investment of \$3.9 trillion is needed on average each year from 2015 to 2030 to fully meet the 17 Sustainable Development Goals in developing countries alone. It further estimates that only about 36 per cent of this investment need is being met by current public investment plans. The remaining \$2.5 trillion per year represents a gap that the private sector could potentially help address, as illustrated in figure 2.

Figure 2

Estimated annual investment needs in developing countries

(Trillions of United States dollars)



Source: UNCTAD (2014).

Encouraging productive investment from the private sector in a way that advances national development plans is a long-standing policy goal in most countries, with a range of public institutions tasked with one or more aspects of private sector development, including sector analysis, policy formulation, institutional coordination, regulation, procedural administration, stakeholder engagement, service provision and marketing.

Among these, a country's IPA is typically mandated to market the country to investors and champion their needs. The most effective IPAs take responsibility for the proactive conversion of a pipeline of received and IPA-generated leads into actual investment projects and their expansions. They do this by marketing the country's most competitive sectors for FDI, providing investors with the information and assistance needed to confidently select the country over other possible investment locations and start operations, providing ongoing aftercare for investor retention and expansion, and advocating supportive investment climate reforms.

In many countries, the IPA's impact already contributes to the achievement of the Sustainable Development Goals. The greenfield projects that IPAs attract often bring economic growth that supports Goal 8. A renewable energy producer or equipment manufacturer advances Goal 7. A new company locating in a less developed region of a country serves Goal 10. An environmentally responsible fishery project supports Goal 14. This is to be expected, as many, if not most,

IPAs take their lead from government policy objectives, such as those articulated in a national development plan. However, very few IPAs have strategies and systems deliberately designed to maximize their impact on the Sustainable Development Goals.

Meanwhile, there is a major market failure in the Sustainable Development Goal investment and financing space, because of the lack of information on potential projects. Many development finance institutions, investment guarantee schemes and institutional investors report having ample liquidity and a shortage of qualified projects. There are no centralized global databases and very few national databases of available projects that investors and finance partners can use to easily find and screen projects. In short, there is ample demand and ample supply for Goal-related project financing, but there is a gaping disconnect between the two sides, because of how diffuse, patchy and non-uniform the information is across the countless institutions involved.

Good investment promotion and facilitation by IPAs could help address this lack of good investment project proposals, but such work comes with challenges and risks to the IPA, which this guide will address.

Aim of this guide

A Sustainable Development Goal-conscious IPA may leverage its knowledge of investment processes and an extensive private–public network to match government-conceived, Goal-related projects with sources of finance specializing in such projects. And smart IPAs will do this in a way that enhances, rather than detracts from, the other traditional functions of best-practice investment promotion, which are often focused on attracting and enabling firms to realize market-driven projects at their own initiative.

Investors in Goal-related projects will include MNEs, but also non-traditional IPA partners, such as development banks, investment and loan guarantee agencies, grant providers, private foundations, NGOs and outward investment promotion agencies. This will require a knowledge of finance sources that is new for most IPAs and a deeper, more technical level of cooperation with government partners than most IPAs enjoy today. This guide aims to (a) make IPAs and their Governments aware of the potential IPAs have to advance the Sustainable Development Goals, and (b) provide IPAs with guidance and tools to overcome

the knowledge and cooperation challenges standing between them and an optimal Sustainable Development Goal impact of their activities.

Structure of the guide

Chapter 1 presents essential context of investment promotion best practices and how investment sectors, practices and projects can contribute to the Sustainable Development Goals. Chapter 2 provides an operational strategy to market Goal-related sectors and projects. Chapter 3 presents a model Sustainable Development Goal investment project proposal that has been tested in UNCTAD regional seminars and describes outward investment agencies (OIAs) as a new source of investment counterpart for IPAs and how they can contribute to achievement of the Sustainable Development Goals. Chapter 4 presents short case studies of IPA successes in promoting Goal-related projects.

1. Leveraging investment promotion for the Sustainable Development Goals

1.1. Prerequisites for successful investment promotion

Investment promotion is one instrument in a Government's development toolkit. For it to have the intended development impact, it should flow from a clear government vision with corresponding laws and regulations, be informed by sound economic analysis and good planning, be coordinated with the many investment-related institutions, and be executed by an IPA implementing best practices.

Investment promotion is typically undertaken by a number of public institutions with different responsibilities. These institutions include IPAs, sector-focused ministries, public-private partnership (PPP) units, privatization units, special economic zone (SEZ) authorities, and various offices of subnational governments, including city administrations. Each of these institutions performs distinct functions for different (although sometimes overlapping) target groups, requiring specialized expertise and organizational characteristics. National IPAs, for example, tend to work with larger, usually foreign investors, who have succeeded in other markets and seek to expand in new markets, exploit production efficiencies, seek resources or acquire strategic assets. Their investment projects are borne out of a natural evolution of their established businesses, strategies and practices. IPAs market their locations to these investors by promoting competitive sectors and market opportunities. The promotional skills and activities needed for this kind of promotion are substantially different from those needed for the promotion of government-initiated projects, such as those related to infrastructure, to privatizations of State-owned enterprises, or to many PPPs. Within a fully-fledged institutional framework, these types of projects are promoted by institutions with specialized technical capacities specific to the legal framework for their administration, relevant regulations and financing models.

Table 1 provides examples of Sustainable Development Goal-related traditional and non-traditional project types for IPAs. The table indicates that some Sustainable Development Goals are already served by FDI projects of the sort historically associated with best-practice FDI promotion. Section 1.3 offers

guidance on accurately monitoring and measuring the Sustainable Development Goal impacts that FDI attracted by an IPA already has.

Table 1
Examples of Sustainable Development Goal-related projects and promoters

Sustainable Development Goal targets	Examples of relevant projects, involving private investment	Actors often involved in landing investors
Sustainable Development Goal-related traditional project types for IPAs		
1.1. Eradicate extreme poverty	Projects generating high employment	IPAs, SEZs
2.3. Double the agricultural productivity and incomes of small-scale food producers	Distribution of agricultural inputs and services	IPAs, ministries of agriculture
9.2. Promote inclusive and sustainable industrialization	Industry projects	IPAs, SEZs, industrial zones
Sustainable Development Goal-related non-traditional project types for IPAs		
7.2. Increase substantially the share of renewable energy in the global energy mix	Renewable energy generation and distribution	IPAs, ministries of energy, local authorities
9.1. Develop quality, reliable, sustainable and resilient infrastructure	Infrastructure projects	IPAs, PPP units, ministries of finance, energy, health, education and transport
11.1. Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Housing projects	IPAs, line ministries, city governments, NGOs

Source: UNCTAD.

Once this foundation for tracking the IPA's Sustainable Development Goal-related impacts is in place, the IPA may mainstream the Goals into its work through a combination of traditional best practices and some new activities. Traditionally, IPAs have strategies built around priority sectors and target market-

driven projects, including the type highlighted in table 1 of Goal-related projects. Sustainable Development Goals may be given full consideration within the traditional best-practice framework for investment promotion, when the IPA selects its priority sectors and sets its strategy.

Where an IPA may want to undertake new activities is in the promotion of projects such as those mentioned in table 1 under non-traditional Sustainable Development Goal-related project types. These are largely projects in economic, social and environmental infrastructure, such as renewable energy, electricity, water, sanitation, roads, railways, ports, airports, communications, hospitals, schools and so on. These projects often have heavy government involvement, in terms of ownership, financing, technical design, land allocation, regulation, price-setting and the granting of concessions, stakes, and/or contracts to private firms. Government involvement can range from complete, with no involvement from the private sector, to simply regulatory and administrative oversight of a project that was mostly conceived, implemented, operated and owned by the private sector. Wherever a project falls into this spectrum, there will be one or more ministries, departments or agencies with regulatory responsibility for the project. Additional government institutions may be involved, depending on project specifics: for example, in land allocation or the administration of PPP agreements.

“Promotion” of economic, social and environmental infrastructure projects is sometimes limited to getting companies to participate in public tendering processes, and this is normally handled by the lead regulatory agency as a natural outflow of their work. Therefore, it can be misleading to use the word “promotion” both for the work done by IPAs in promoting their traditional project types and for the work done by other investment stakeholders in landing investors for projects that are non-traditional for IPAs. For IPAs, it refers to the search for and facilitation of market-driven, investor-conceived projects. For sector-focused ministries, PPP units and the like, it often refers to finding and engaging investors for projects that are driven, conceived or otherwise include significant involvement by a Government. Both groups may indeed be interested in finding investors, but the government-driven projects tend to require more technical expertise to conceive and administer – from engineering to finance – and less marketing expertise, since the opportunities tend to be larger and the pool of potential investors smaller and more easily identified.

For this reason, most IPAs traditionally have little involvement in government-driven projects. Governments seeking to widen the range of investors to achieve the Sustainable Development Goals should therefore strengthen the capacities

of their IPAs in preparing and promoting Goal-related projects. This guide aims to support IPAs in extending services to this new range of activities, while maintaining their core functions, including the generation of traditional investment projects, image-building, investment facilitation, aftercare and policy advocacy.

1.2. Investments in the Sustainable Development Goals: Sectors, projects and practices

Investment promotion is generally viewed as the promotion of a location's internationally competitive sectors. These are sectors that offer investors efficiencies, markets, natural resources or strategic assets at higher profit, lower risk, and/or greater strategic benefit than what is available in other locations. IPAs pitch their competitive sectors to investors, and the investors devise projects suited to the circumstances, but also to their individual capacities, strategies, finances and competitive positions.

Some sectors already targeted by many IPAs generally bring benefits that are more obviously linked to particular Sustainable Development Goals and their targets than do other sectors. These targets include increase of the share of renewable energy on the global energy mix (Goal 7, target 7.2) and promotion of inclusive and sustainable industrialization (Goal 9, target 9.2). In fact, private investment often benefits Goal 8 “Decent work and economic growth” and Goal 17 “Partnerships for the goals”. In this sense, IPAs are already promoting investment for the Goals, whether they are doing so deliberately or not.

This guide provides advice to IPAs hoping to promote Sustainable Development Goals more fully and, therefore, deliberately. To that end, it is important to understand how investment projects produce Goal benefits and how IPAs can target potentially beneficial investors and projects. Benefits can lie in the nature of a sector, a project or a company's practices. Therefore, even IPAs that are organized around sectors may improve their Sustainable Development Goal impact by expanding their strategies and activities to promote certain types of projects and practices. Expanding the strategic focus of an IPA comes with risks to its effectiveness for its historical core functions. Section 2.2 discusses some measures for mitigating those risks.

Some practices of individual companies that can serve the Sustainable Development Goals include using “green” processes and equipment, striving for gender equity in the workplace, providing decent and safe work conditions,

using environmentally sustainable practices and supply sources, publishing sustainability reports, or even simply encouraging the use of local labour and inputs. High demand of local labour and inputs can be associated with certain sectors, such as garment manufacturing or agro-processing, but the other examples of practices given here may be associated with almost any company. An IPA can fairly easily screen investors with which it is already in contact for their use of these practices, but it can be difficult to target potential investors on the same basis.

A good practice for IPAs is to do an intake evaluation when contacted by an investor with an inquiry, in order to assess the project's potential value to the location and, consequently, how much attention the IPA should give to the project. Screening criteria typically involve project characteristics such as priority level of the sector, capital expenditure, job creation and export potential, but a Sustainable Development Goal-minded IPA can include practices of relevance to its Goals priorities. On the other hand, identifying potential investors for proactive promotion based solely on their Sustainable Development Goal-beneficial practices, poses three challenges: (a) individual practices, such as publication of sustainability reports, may not be sufficient to make a company worth targeting; (b) the track record of best practices may be too short or not clear enough; and (c) there are fewer information sources by which to identify companies on the basis of sustainability practices than on, for instance, sectors. The Newsweek Green Ranking is an example of such a resource (box 1).

Box 1.

Newsweek Green Rankings for publicly listed companies

The Newsweek Green Rankings has two sets of rankings: it assesses the 500 largest publicly-traded companies (by market capitalization) in the world and the 500 largest in the United States. Companies are scored against eight indicators, four having to do with environmental productivity (energy, greenhouse gases, water and waste), the greenness of the company's industries, whether senior executive pay is linked to sustainability, whether the board of directors has a committee on sustainability, and whether the company has audited environmental metrics. However, such resources produce a very limited list of potential investors. For example, the highest rated company in Newsweek's global list had a green score close to 90 per cent, with 44 companies scoring 0 per cent, and only 53 companies – spread across 11 industries – scoring 60 per cent or better.

Source: Newsweek (2017).

Parsing companies on Sustainable Development Goal-related practices of importance to an IPA's Government may substantially shorten the list of attractive companies. Without better public sources of information on potential investors by Goal-related practices, such practices are an inadequate starting point for lead generation, and are generally better applied as a screening criterion for projects already known to the IPA. However, entities that are measuring and monitoring companies' commitment to the Sustainable Development Goals are growing and these should be used in the screening of companies that want to invest.

Projects in large-scale energy generation, energy distribution, transportation infrastructure, housing, hospitals and schools are examples of initiatives that are highly prized by Governments but not traditionally promoted through IPAs, often because FDI is not seen as a potential source of finance for these projects. There are exceptions to this norm, but they tend to occur where there is a unique opportunity or where the specialized technical, financial or administrative functions are not seated in a ministry, but in the same institution as the investment promotion function. This is, for instance, the case with Austrade in Australia, which is responsible for the international marketing and promotion of the Australian education sector (box 2).

Box 2.

Austrade: Promoting investment in education

Australia's education system offers an example of an exceptional opportunity. It is a regional educational hub with a concentration of around 566,000 international students in 2018, which is equivalent to about 2.3 per cent of the national population. The education sector also attracted FDI with 12 greenfield project announcements in the period 2013–2017 (Financial Times Ltd., fDiMarkets, 2018).

Austrade, the national promotion agency for trade, investment and tourism, was involved in the preparation of a government long-term market development road map for the international education sector, which aims to improve its agility and pursue opportunities for sustainable growth in both onshore and borderless education. For Austrade, education is a priority sector, and the agency acts as a one-stop shop for education-related projects, facilitating international investment and partnerships.

Source: Australian Trade and Investment Commission. Available from www.austrade.gov.au/Australian/Education (accessed 7 October 2018).

1.3. Measuring the impact on the Sustainable Development Goals of an IPA's current activities

Table 1 suggests that some Sustainable Development Goals are already directly served by many types of FDI projects. Yet often, IPAs are not set up to measure and report on the impact of their FDI promotion work generally, let alone as it relates to the Sustainable Development Goals specifically. A first step of mainstreaming the Goals in investment promotion is understanding how the IPA's work relates to a country's Sustainable Development Goal targets, and measuring how its existing activities contribute to their achievement. This requires that a country's Government has articulated its Sustainable Development Goal baselines and targets, and that the IPA has a performance monitoring and evaluation (M&E) system in place.

(a) National baseline and targets for Sustainable Development Goals

According to the Leadership Council of the United Nations' Sustainable Development Solutions Network:

Indicators will be the backbone of monitoring progress towards the Sustainable Development Goals at the local, national, regional, and global levels... The mechanisms of Sustainable Development Goal monitoring are still being worked out, but an emerging consensus suggests that the focus of Sustainable Development Goal monitoring must be at the national level.³

In Honduras, for example, the Ministry for General Government Coordination, which has been given responsibility for coordinating that country's Sustainable Development Goal efforts, analysed the Goals against Honduras' various development plans. This resulted in the prioritization of 13 Goals (out of the global 17), 43 targets (out of the global 169) and 62 indicators (out of the global 232).⁴

After identifying the Sustainable Development Goal indicators of most relevance for its country, a Government needs data to establish its current position relative to those indicators as its baseline for assessing progress. Table 2 presents Nigeria's baseline data for selected indicators related to Goals 6 and 7.

Table 2

Nigeria's baseline data on selected indicators

Sustainable Development Goal Indicator number	Sustainable Development Goal Indicator	Baseline (%)
Goal 6 – Ensure availability and sustainable management of water and sanitation for all		
6.1.1	Proportion of population using safely managed drinking water services	69.6
Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all		
7.1.1	Proportion of population with access to electricity	59.3

Source: Government of the Federal Republic of Nigeria (2017).

Table 3 illustrates the next step taken by the Government of Nepal, which set quantitative targets for each indicator in 2030, the year by which the Sustainable Development Goals are to be met, as well as quantitative milestones in four intervening years, so that the Government can determine whether the country is on course to hit the final target. These quantitative targets need to be realistic in order to serve as an operational guideline for IPAs.

When a national Government has thoroughly integrated the Sustainable Development Goals with its other national development visions and strategies in this way, it is more straightforward for an IPA to effectively align its own strategy with them. Without a Government having articulated its Sustainable Development Goals priorities and established a monitoring plan, a Goal-minded IPA misses the guidance and support it needs to engage in this new area of work.

Table 3

Nepal's status and road map on selected Sustainable Development Goals

Targets and indicators	2015	2019	2022	2025	2030
Target 4.1. By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes					
4.1.1. Proportion of children and young people: (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex					
Net enrolment rate in primary education (%)	96.6	98.5	99	99	99.5
Primary completion rate (%)	80.6	90.7	93.1	95.5	99.5
Proportion of pupils enrolled in grade 1 who reach grade 8 (%)	76.6	81.5	92	93	95
Ratio of girls (to boys) enrolled in grade 1 who reach grade 8 (%)	1.04	1.03	1.02	1.01	1
...					
Gross enrolment in secondary education (grades 9 to 12) (%)	56.7	72	90	95	99
Target 17.3. Mobilize additional financial resources for developing countries from multiple sources					
17.3.1. FDI, official development assistance and South–South Cooperation as a proportion of total domestic budget					
Official development assistance as a proportion of total domestic budget (%)	15.1	15.8	16.4	17	18
...					
FDI as a proportion of gross domestic product (inward stock) (%)	4.8	7.3	10.8	14.2	20

Source: Government of Nepal (2017), pp. 49, 76.

(b) IPA M&E systems

An IPA needs to *translate* national Sustainable Development Goals priorities into investment promotion impact and be able to *measure and report* credibly on that impact.⁵ Public IPAs operate in political environments, and M&E reporting is crucial to convincing their governing offices and stakeholders to adequately fund and support them. An IPA with poor M&E practices surrenders ground in debates about whether its work is valuable, about what should be its investment promotion priorities, and about the type of support required from partners for success.

International best practice highlights the importance of measuring impacts rather than activities or inputs. IPAs too often seek to explain their value to stakeholders in terms of the numbers of activities completed (e.g. events organized) or budget spent. However, of much more interest and importance to stakeholders are the impacts achieved as a result of such activities, such as actual capital expenditure or jobs created as a result of their interventions. In the case of an IPA mainstreaming the Sustainable Development Goals in its work, this M&E system likely needs to be both deeper and broader: deeper, in the sense that the same impact indicators must be more detailed, for example capital expenditure and jobs broken down by Goal-related sectors and project types; and broader, in the sense that additional indicators may be needed to align with the Government's Sustainable Development Goals priorities.

For example, one of the global indicators for Goal 12 – Ensure sustainable consumption and production patterns – is the number of companies publishing sustainability reports. If that very specific indicator is adopted as a national one, for example, that would dictate a new, very specific activity for the IPA: encouraging the community of investors to produce sustainability reports. This should be done in partnership with other stakeholders, including national and international business associations.

2. A strategic approach to Sustainable Development Goal project promotion

2.1. An eight-step method to market Sustainable Development Goal projects

Mainstreaming Sustainable Development Goals involves prioritizing Goal-related sectors and projects. This chapter presents eight steps (figure 3) for mainstreaming the Goals at the stages of IPA strategy, structure and operations. Most steps are like those in conventional investor targeting strategies, with steps 2, 4 and 5 being more distinctive.

(a) Identify Sustainable Development Goal target sectors

Government priorities for development are not all equally promotable for FDI, and an IPA's time and resources are limited. IPAs hoping to maximize their attraction of FDI with targeted development impacts prioritize sectors based on three factors: the Government's development goals, competitiveness assessments and stakeholder consultation.

In considering sectors to target, an IPA first needs to identify, based on government priorities, the *desirability* of development of certain Sustainable Development Goal-related sectors, such as renewable energy production, high-tech manufacturing or sustainable harvesting of primary resources such as fish and timber. IPAs then assess the *attractiveness* of the sector based on international competitiveness for FDI as a second-level screening factor to come up with a prioritized list of sectors. Both desirability and attractiveness can be assessed by scoring sectors against criteria selected and weighted in consultation with stakeholders. Criteria for desirability might include anticipated job creation, capital expenditure, value addition, export volumes, import substitution, technology and skill transfer, location in a less developed region of the country, and so on. For assessing attractiveness, criteria typically include the location's past FDI performance, total global FDI in the sector and optimism expressed by sector stakeholders. The IPA would assign scores based on desk research and stakeholder interviews, allowing the IPA to objectively prioritize (sub)sectors in the way depicted in figure 4.

Figure 3

Mainstreaming Sustainable Development Goals in investment promotion

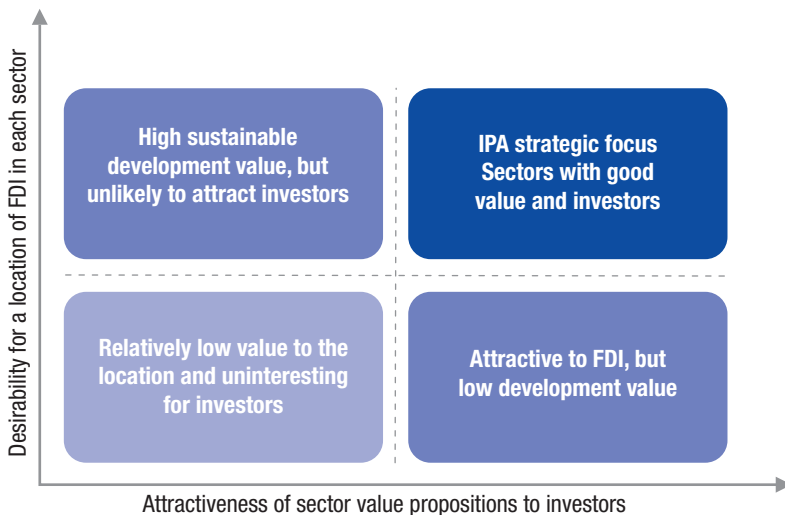


Source: UNCTAD.

This process should yield a manageable number of (sub)sectors for an IPA to promote, while ensuring that government objectives, including the Sustainable Development Goals, are served. An IPA may adjust this traditional prioritization methodology to include government-conceived, Goal-related projects, such as awarding extra points to economic, social or environmental infrastructure projects. Or an IPA that expects to be able to promote five priority sectors can decide to reserve one spot for infrastructure projects and fill the others purely on the objective desirability–attractiveness assessment.

Figure 4

Traditional sector prioritization for an IPA's strategic focus



Source: UNCTAD.

(b) Align the IPA structure

A Sustainable Development Goal-focused investment promotion strategy requires an IPA to mainstream the Goals throughout its activities and make changes in the way it operates internally as well as in how it relates to its external environment. In addition to considering the sustainable development impact of all investments, including those in traditional industries, IPAs need to designate a special team to work on Sustainable Development Goal project preparation. IPAs will require the development of specialized expertise on sustainability and Goal-related sectors, and the capacity to assess projects, prepare high-quality proposals and marketing materials, and seek various forms of financing.

Many IPAs are organized around priority sectors, with account managers assigned by sector. Whether by previous experience or on-the-job learning, these account managers become the IPA's sector experts, able to understand the trends, players, production processes and investment decision drivers, which allow them to speak persuasively to investors. For Sustainable Development Goals

sectors, the same approach should be followed. The number of Sustainable Development Goal projects that an IPA targets will depend on its resources, can start with one sector or activity, and be gradually increased.

Senior IPA staff should be involved in developing new partnerships within government and with private sector organizations, but each sector account manager should be empowered to engage directly with the sector development partners at an ongoing operational level to drive their joint initiatives forward. The same account managers should regularly provide sector-specific observations, analysis and recommendations into the IPA's larger policy advocacy work.⁶

Coordination and cooperation may vary from sector to sector. Sustainable Development Goal-related sectors may often be relatively nascent, particularly in some developing countries (e.g. renewable energy) and are subject to more government support or regulation (e.g. power purchase agreements and subsidies), involve new types of investors and intermediaries (e.g. OIAs), and depend on third parties for guidance and validation. Successful development of these sectors may still be dependent on continued policy improvements and sector development strategies that can adapt to quickly changing circumstances.

There should also be a clear division of work between IPAs and PPP units that implement, facilitate and advise on PPPs. These units are usually based in a ministry of finance or planning, but in some cases in a national IPA, such as in Peru and Senegal. In Australia, where there are national and state government PPP units, the national IPA maintains a sector team focused on infrastructure, but their efforts are fixed on marketing infrastructure opportunities to foreign construction firms as ways of increasing competition in the Australian market.

(c) Select Sustainable Development Goal projects

Following the selection of target sectors, IPAs should contribute with other government bodies to the selection of Goal-related projects for development and promotion. If other institutions are responsible for referring projects, IPAs may advise them on how to undertake preliminary evaluations in order that potentially valuable projects may be retained and recommended.

A minimum level of project desirability is pre-established by the simple fact that the Government has developed the project concept and is seeking funding for it. However, resource constraints mean an IPA will still be limited in the

number of projects it can proactively market. As such, an IPA must still ensure that government-conceived projects are commercially viable. The IPA is best positioned to assess the project’s attractiveness, but the government bodies feeding the IPA’s pipeline should be enlisted to do the homework in assessing relative desirability. Some institutions have decades of experience in conducting risk assessments and implementing projects, and can advise on risk mitigation and the evaluation and selection of projects.

Figure 5 presents an example of standardized criteria that IPA partners could apply to provide the agency with a single pool of projects with methodologically consistent ratings. Requiring this kind of listing of project priorities and a detailed project profile for each (see chapter 3 for a profile template), is helpful in ensuring partner seriousness and an alignment of priorities. After all, an IPA does not want to expend precious resources on the promotion of projects that the responsible officials are not prepared and committed to pick up and shepherd through.

Figure 5
Example criteria for establishing the relative desirability of projects across multiple government bodies

Project type	Rationale	Risk	Bodies involved	Resources to commit	Direct outputs	Outcomes
Scale	Problem to be addressed	Potential risks	Public	Who?	Tangible and intangible results	Longer-term Sustainable Development Goal impacts
Scope			Private	What?		
Size	Why now?	Nature, severity and likelihood of risks	OIAs	When?		
Aims	Relevant Goals		NGOs	How much?		
Stage	Urgency	How can risks be minimized				

Source: UNCTAD.

(d) Develop a Sustainable Development Goal project pipeline

Shortlisted projects may be further grouped based on desirability and the probability that they will be realized, leading to the structuring of a project pipeline with categories such as projects that are highly desirable and highly likely to succeed, projects that are highly desirable but less likely to succeed, and others. This portfolio can then be managed accordingly, with the allocation of suitable resources and made available online (box 3). The portfolio and project assessments and rankings should be reviewed regularly based on experiences gained and feedback over time and the addition and removal of projects. The Sustainable Development Goal-related project pipeline should be continually replenished with high-quality projects, which may originate from the emergence of new priorities, opportunities or contact channels.

IPAs can further elaborate Goal-related projects that have been prioritized in the pipeline using a template that meets the requirements of investors. OIAs, subnational IPAs, local businesses seeking foreign partners, foreign investors, industry associations, relevant ministries and others may be able to provide useful contributions and support in the development and completion of such a template. Chapter 3 provides a Sustainable Development Goal model project template that has been discussed and tested with IPAs and OIAs in UNCTAD regional seminars in Africa, Asia and Latin America.

Box 3.

Invest India turns its project pipeline into a free, searchable online database for investors

Invest India has enlisted more than 1,000 government partners at the national and state levels to jointly compile a pipeline of nearly 4,000 projects in nearly three quarters of India's 686 districts. This pipeline is directly accessible to investors online as a searchable database. The website reveals that the India Investment Grid provides investors the opportunity to view, follow and register interest in projects across states, sectors and government schemes in India. Additionally, project owners get a platform to showcase their projects as viable investment opportunities to investors. The India Investment Grid seeks to facilitate collaboration by enabling investors to search investible projects pan-India, connect with respective promoters and track project status.

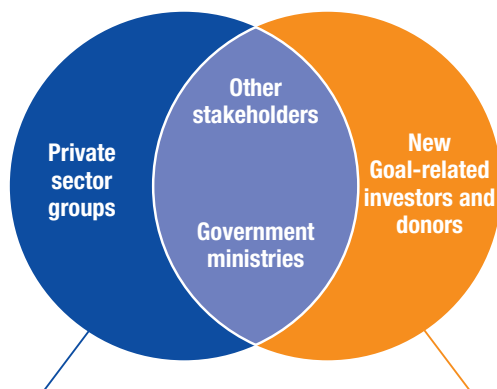
Source: India Investment Grid website. Available from <https://indiainvestmentgrid.com/portal/> (accessed 7 October 2018).

(e) Find and secure partners

New relationships and partnerships with a range of national and international organizations are necessary to identify and deliver Goal-related projects, as well as to review the impact of existing investments and promotion policies on achieving the Sustainable Development Goals. A means for IPAs in this regard is to work with actors that are aware of the key social and environmental needs not fully met by the market, including ministries, local government administrations, NGOs, OIAs and donor agencies, as summarized in figure 6. In addition, IPAs should work closely with the private sector to identify firms that could contribute to the achievement of the Goals. The way such relationships are structured and managed is critical to a Sustainable Development Goal-related investment promotion strategy.

Figure 6

Partners for promoting investment in the Sustainable Development Goals



Traditional partners:

- Ministries of industry, trade, investment and foreign affairs
- Trade promotion organizations, economic development agencies, industrial zones and special economic zones
- Chambers of commerce and manufacturing associations

New Goal-related support partners:

- Ministries of energy, health, education, agriculture and labour
- Local governments
- Non-governmental organizations and informal sector representatives
- Outward investment agencies and donor agencies

Source: UNCTAD secretariat.

Simultaneously, account managers need to be in contact with MNEs that operate in Goal-related sectors. They can play a matchmaking role between these enterprises and finance partners, both of which are critical for the realization of many Sustainable Development Goal projects. Long-term partnerships with in-country stakeholders can enhance the development, packaging and promotion of projects and provide insight on objectives and plans. Other possible partners are OIAs that can support IPAs in promoting Goal-related projects in the home countries of investors. In determining which OIAs to partner with, IPAs should familiarize themselves with the geographic scope, objectives, experience and priorities of OIAs, as well as their resources and criteria for Goal-related projects.

(f) Promote sectors and projects

Priority Sustainable Development Goal sectors should be promoted through investor-targeting, also known as proactive promotion. This is when an IPA proactively identifies desirable investors whose interests and capacities are well aligned with what the IPA's location has to offer, seeks meetings with them, and tries to persuade them to invest in the IPA's location. An IPA would typically target a different pool of investors for each sector and, within a sector, each targeting mission would aim at different investors. This requires the generation of hundreds or thousands of investor leads through databases, their qualification through IPA research, "cold calls" to secure meetings, and missions abroad.

Similarly, priority Sustainable Development Goal projects require proactive promotion. However, in contrast to priority sectors, their IPA account managers will spend more of their efforts engaging a pool of investors and finance partners that is smaller but made of institutions that are each interested in a wider range of project types and are each more eager to have potential deals brought to them than individual commercial investors might be at any given time. IPAs promoting Sustainable Development Goal projects to this pool of investors and finance partners will visit the same institutions repeatedly over the year, presenting each with a portfolio of continuously updated projects. Over time, the IPA's account manager should develop a good sense of what each investor and finance partner is interested in and what their particular requirements are. This will allow the IPA's account manager to provide better feedback to the government partners who design the projects and bring both sides closer together.

(g) Facilitate and provide aftercare

Follow-up is critical after the successful establishment of investments. In fact, Sustainable Development Goal projects may be in need of more support during establishment and operations than traditional projects, since they often require more interactions with government departments and the public. As with all investment projects, bureaucratic difficulties in obtaining required permits and approvals, accessing land or office space or bringing qualified personnel can cause delays, discourage other investors and tarnish the reputation of the IPA and the country as a place in which to do business. However, investment facilitation generally does not entail significant costs, and strong partnerships with key stakeholders for investment facilitation can substantially improve the offering of a location. Successful project implementation can have a positive influence on future project flows.

In many cases, the same government partners who designed the projects will be responsible for certain critical approvals and procedures. The IPA's commitment to promote a government partner's projects should be contingent on the partner's commitment to complete such processes in a timely and transparent manner. There is little point in an IPA allocating resources to the promotion of a partner's project when that partner itself obstructs the project.

It is also important for IPAs to remain in close and regular contact with investors after their establishment. Aftercare services can spur reinvestment and support efforts to identify further potential investments. The monitoring of Goal-related projects against set goals and measurable targets is required to help assess whether outcomes have been achieved. Follow-up can also provide feedback for improvements in IPA services and valuable inputs to policy reviews aimed at improving the investment environment.⁷

(h) Give stakeholders feedback

Providing regular feedback to the various stakeholders in the design, packaging, promotion and facilitation of Sustainable Development Goal-related projects can improve future activities and location competitiveness. Such feedback can guide the fine-tuning or abandonment of policies and procedures, the allocation of resources and the development of new approaches. It can also indicate how to more effectively convert potential investor leads to implemented projects, remind

stakeholders of their roles in promoting Goal-related projects and enlist their continued engagement, suggest means of further mobilizing investment, and ensure that investments have a greater impact on sustainable development.

2.2. Challenges and mitigating measures for IPAs promoting Sustainable Development Goal-related projects

An IPA must consider how any additional mandates being contemplated could imperil the IPA's performance and what mitigating measures might be taken. This section considers such risks from promoting Sustainable Development Goal projects and offers guidance on possible mitigating measures, so that an IPA can actively advance the Goals without compromising its traditional work.

(a) Promotional functions only – no regulatory or administrative functions

The development and implementation of Sustainable Development Goal projects can involve feasibility studies, land management, technical project design, management of financial funds, and other technical aspects of project administration and regulation. These specialized capacities are not typical among IPAs and should remain with the relevant ministries and government agencies, as transferring them to an IPA would demand human resources and budget allocations, which almost certainly undermine the IPA's promotional effectiveness.

Rather, IPA promotion of Goal-related, non-traditional projects should consist of, first, guiding government departments in the preparation of project profiles, and then marketing and facilitating those projects. In this way, IPAs remain as the Government's marketing and facilitation leads, while working in close coordination with government experts to generate Sustainable Development Goal projects.

(b) Coordination with subnational IPAs, overseas representatives and government stakeholders

IPAs do not accomplish development impacts on their own, and comprehensive pipeline management reflects the fact that the greatest control over an investor's experience in a location lies in the hands of the IPA's partners. These may be subnational IPAs, which are better positioned to secure prompt completion of local government procedures; commercial officers of the national Government based overseas; or national regulators.

Effective IPAs make this coordination systematic, engaging partners on a regular basis according to (explicitly or implicitly) shared goals, divisions of labour, dialogue mechanisms, and agreed terms of mutual service. The promotion of Sustainable Development Goal projects will require even deeper commitments from the government partners who are designing projects, preparing project profiles for the IPA to use in its marketing, negotiating with investors and finance partners, and administering or regulating the projects themselves.

New IPA obligations related to Sustainable Development Goal project promotion should therefore be met with adequate commitment from government partners. A measure to secure such commitment would be for IPAs to make their promotional services contingent on their partners signing and upholding detailed cooperation agreements.

(c) Staff with knowledge of priority sectors, a private sector mindset, customer service orientation and project management skills

These staff characteristics are critical for success and may come from previous experience, including from the private sector, but can also be developed through on-the-job learning. Sector-specific knowledge can be obtained during the development of a Sustainable Development Goal project pipeline within teams of IPA staff and outside experts from ministries, specialized agencies or private companies. Although IPA staff promoting Sustainable Development Goal projects will need basic knowledge of the technical, financial and administrative aspects of these projects in their portfolios, expertise should still reside with the IPA's specialized government partners.

3. Tools and partners to develop and market Sustainable Development Goal projects

3.1. A Sustainable Development Goal project profile template

The range of Sustainable Development Goal-related projects that an IPA might find itself promoting is wide, and each one can be complex in its own way and can include partners, technical aspects, financial structures and regulations. An IPA with a substantial pipeline of such projects to promote must be able to systematically collect, store and present data on each project. This allows IPAs to understand, compare, aggregate and quickly analyse projects for:

- (a) Organizing their pipelines of highly diverse projects with benefits for the Sustainable Development Goals;
- (b) Assessing competitiveness and, therefore, attractiveness and promotability;
- (c) Prioritizing projects in the pipeline, using assessed competitiveness and anticipated Sustainable Development Goal impacts; and
- (d) Marketing projects by presenting crucial information to potential investors succinctly and persuasively.

The completed template can take the form of:

- (a) Individual project profiles, for example, in the form of a prospectus or brochure; or
- (b) An entry in an IPA database (as simple as an Excel spreadsheet), which represents the Sustainable Development Goal project pipeline.

Through a customer relationship management system, this can be turned into a powerful tool for strategy-setting, project-specific marketing materials, and pipeline performance reports. A proposed project profile template is presented in table 4 and a more detailed version is given in annex II.

Table 4

A Sustainable Development Goal project profile template

(a) General project information	
An introductory section should provide overall project information that will enable investors to position it in terms of scale, scope, resource requirements, outcomes and relevant Sustainable Development Goals.	Project title
	Relevant Sustainable Development Goal(s) and target(s) addressed
	Sector, subsector, project description
	Estimated financial needs and potential Goal-related financing
	Estimated staffing needs
	Project duration
...	
(b) More detailed project information	
This section should provide practical project details such as rationale, market to be served, suppliers, competition, costs of inputs and their availability, and institutional arrangements.	Target market
	Presence of suppliers, maintenance required
	Detailed information on land and property requirements, labour required, capital needs, technology, business proposition, key assumptions and success factors
	Measures to ensure economic sustainability of the project
	Competitors
	...
(c) Regulatory requirements	
Given the Goals, important regulatory factors may be involved, including arrangements for private contractors to build and operate roads, hospitals or schools.	Is regulatory pre-clearance required? If so, has this been provided?
	Has environmental impact assessment been carried out?
	Requirements such as social impact assessments and corporate social responsibility reporting
	...
(d) Support, incentives and monitoring	
A tailored support package could include Sustainable Development Goal-related incentives.	IPA support with the establishment and operations of investment projects
	Participation of public bodies
	Goal-related incentives, tax incentives, training support
	Export support
	Monitoring mechanisms to optimize environmental and social impact
...	
(e) Contacts	
A full set of relevant contacts should be provided to speed up the project assessment process.	IPA contact
	Other key project-related communication contacts, such as government ministries, local Governments, development organizations, infrastructure providers and research institutions

Source: UNCTAD.

The template should be used as an outline that can be completed gradually with the support of stakeholders, including ministries, and possess enough information to elicit the interest of investors. It includes elements of “requests for proposals” and bid guidelines issued by technical ministries for PPPs, but is more a project snapshot for the purpose of promotion.

IPAs particularly add value to government efforts in attracting interest in Sustainable Development Goal-related projects, but should not get engaged in project or bid evaluation. These evaluations not only require specific technical expertise but could also be in conflict with their own targets to maximize the amount and speed of inward FDI. Below is a closer look at some of the template sections.

(a) General project information

This is the introductory section of the project profile, which enables the IPA to position the project for potential investors and finance partners, in terms of activity scope, scale, resource requirements and anticipated outcomes. It lays out anticipated project costs for start-up and operation, giving investors and finance partners a sense of what kind of funding is required. For investors and finance partners motivated by explicit missions to advance one or more goals in line with the Sustainable Development Goals, this section of the project profile tells them quickly and up front why they should be paying attention to the IPA presenting it. An International Standard Industrial Classification (ISIC) Rev. 4 quickly communicates whether the project involves a business activity that conforms to the investor’s strategy and governance requirements.

All investment projects answer to an executive team and shareholders. With government involvement and possibly other stakeholders, such as intergovernmental and non-governmental organizations, the project’s governance will be more complex than that of a project driven by a single company. This information lays out the interests and governance requirements of all expected investors, finance partners and relevant government offices.

This section of the project profile also provides basic, practical information about the other parties involved and their contact information, the location of a project and any flexibility therein, the stage of the project’s development (feasibility studies completed, partially financed, permits obtained, etc.), and next steps forward. Project profiles should be kept up to date, so that promoters can be certain they are always promoting projects without misleading investors.

(b) More detailed project information

This section should provide practical details such as market to be served, sector drivers, estimated demand, suppliers, competition, and costs and availability of inputs. It should open with a clear business proposition: a boiled-down, persuasive statement of the concrete opportunity the project represents for investors.

Project needs in terms of land, labour, capital and technology are provided here, as well as a frank description of critical success factors and risks. The project's required outputs and outcomes are given in both quantitative and qualitative terms: for example, new school places, hospital beds, kilometres of roads, and their types and minimum technical requirements.

This information benefits from investor feedback as to feasibility and optimal design, and it may be a point of negotiation. This information should be clear and detailed.

(c) Regulatory requirements

Given the context of the Sustainable Development Goals, it is likely that important regulatory factors may be involved in the project, including arrangements for private contractors to build and operate roads, hospitals or schools. This may also include regulatory pre-clearances, environmental impact assessments, and requirements around social impact assessments and corporate social responsibility reporting.

(d) Support, incentives and monitoring

Expressions of government commitment, support and risk-sharing are essential to any project that has the Government as a partner. This may be as simple as IPA support with the establishment and operations of the investment project, or as specific as a tailored support package to include expedited procedures, Goal-related incentives and operational support. This section of the project profile allows the project's promoters to put "the cherry on top" of their pitch.

3.2. OIAs as partners in marketing and financing Sustainable Development Goal projects

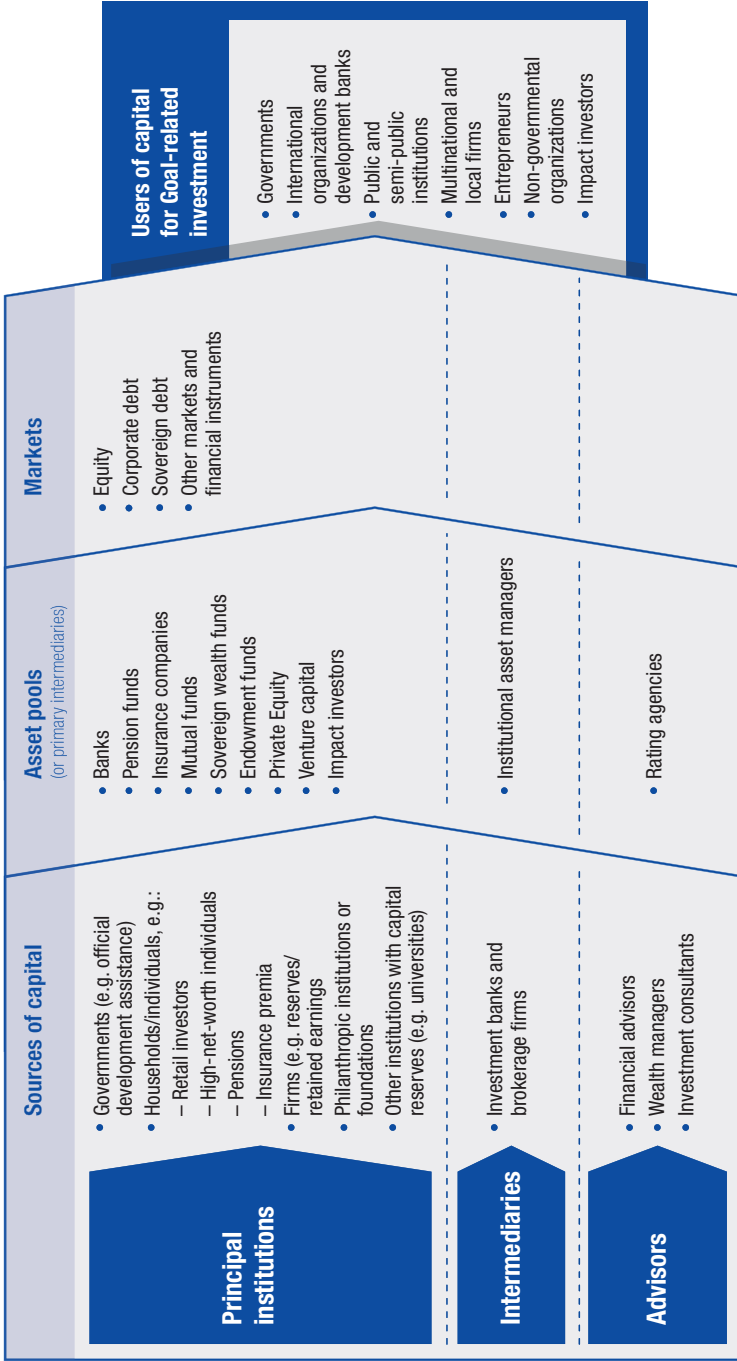
Given the major anticipated shortfall in investment for the Sustainable Development Goals, Governments certainly may feel that they are in competition with one another for the same investment funds. However, they may also be able to expand the pool of available expertise and finance by approaching OIAs, which may include outward investment promotion agencies, development finance institutions and investment guarantee schemes.

There are many actors involved in mobilizing capital for investment in Sustainable Development Goal-related sectors. These are primarily owners of capital, such as individual investors, MNEs, foundations and institutions. As illustrated in figure 7, there are additional important players in the funding of Sustainable Development Goal projects, including banks, pension funds, insurance companies and sovereign wealth funds. MNEs have already invested over \$10 trillion in developing economies (UNCTAD, 2018, p. 188).

A considerable number of OIAs offer and administer special programmes and schemes in support of Goal-related projects in developing countries. In an UNCTAD review of 101 OIAs in 2015, 45 per cent indicated that they provided some level of services and support for Goal-related investment (UNCTAD, 2015). A larger sample of 117 OIAs was reviewed by UNCTAD in 2018 and a similar proportion of 47 per cent offered Goal-related services. In both reviews, most of the agencies were from developed countries, yet a number were from developing and transition economies. Nearly all the regional and multilateral agencies reviewed offered such support. Examples of OIAs with Goal-related services are given in table 5.

Cooperation between OIAs in home countries and IPAs in host countries may be beneficial for both and should be encouraged. Potential benefits include information-sharing on Sustainable Development Goal-related priorities, investment opportunities and investment conditions; technical cooperation in preparing project proposals; marketing Sustainable Development Goal-related investment opportunities through joint promotion campaigns; and cooperating in project monitoring and impact assessment.

Figure 7
Sustainable Development Goals: Investment chain and key actors



Source: UNCTAD (2014), p. 154.

Table 5

Selected OIAs with Sustainable Development Goal-related services

Country/ Region	OIA	Sustainable Development Goal-related services and programmes	OIA website
Africa	Shelter Afrique	Equity investments and joint ventures	www.shelterafrique.org
Asia and Pacific	Asian Development Bank	Private sector operations department	www.adb.org
Canada	Export Development Canada	Green bonds	www.edc.ca
Denmark	Investment Fund for Developing Countries	Danida business finance	www.ifu.dk
France	Proparco	Financial tools and technical assistance	www.proparco.fr
Japan	Japan Bank for International Cooperation	Global action for Reconciling Economic growth and ENvironmental preservation (GREEN)	www.jbic.go.jp
Netherlands	Netherlands Enterprise Agency	Dutch Good Growth Fund (DGGF)	https://english.rvo.nl
South Africa	Development Bank of Southern Africa	Infrastructure Investment Programme for South Africa	www.dbsa.org
Spain	Compañía Española de Financiación del Desarrollo (COFIDES)	COFIDES funds, FINFOOD and Interact Climate Change Facility	www.cofides.es/en
United States	Overseas Private Investment Corporation	Green guaranties	www.opic.gov

Source: UNCTAD.

The success of such cooperation depends on the effectiveness of the partnership with regard to project identification, promotion and implementation. For host Governments and IPAs, knowledge of Sustainable Development Goal-related support programmes offered by OIAs may be critical in sourcing the necessary funding for Goal-related project proposals, as many such projects may not have the risk–return ratio sought by private investors. An example of an OIA that provides Goal-related financing is given in box 4.

Box 4.

Netherlands Enterprise Agency

The Netherlands Enterprise Agency supports companies doing business in international, innovative, sustainable and agrarian activities. It fosters international private sector investments in developing and emerging markets through financial tools and information on markets and regulations, along with the identification of international business partners. Support is not limited to companies in the Netherlands, and the agency has offered several programmes to foster sustainable investments in developing countries.

In 2014, the Dutch Good Growth Fund (DGGF) was established, partly managed by the agency. It is aimed at assisting small and medium-sized enterprises (SMEs) and start-ups in the Netherlands with investments in 68 emerging markets by providing loans, guarantees and indirect participation up to €10 million. Supply chain finance for importing Dutch SMEs is another possibility under DGGF. Technical assistance provided by DGGF helps companies to extend the impact of their investments.

Source: Netherlands Enterprise Agency and DGGF website. Available from <https://english.dggf.nl/> (accessed 8 October 2018).

4. IPAs promoting Sustainable Development Goal-related projects

This chapter illustrates a range of Sustainable Development Goal-related projects and the IPA interventions that have enabled or facilitated their successful attraction and implementation. The cases include those of smart cities in Mauritius, paper and plastics recycling in South Africa, and coffee processing and research and development (R&D) in Colombia. Each case illustrates components of the eight-step approach presented in chapter 2.

The complexity of partnerships and financing varies greatly among the three, but each case touches on five or six Sustainable Development Goals. The projects in Mauritius and South Africa both received considerable government support. The IPAs excelled in their ability to recognize the value in such projects and to react nimbly to these requests, providing dedicated account management and whatever tailored information, advice and advocacy was needed to bring the projects to fruition.

4.1. Mauritius and smart cities

In 2017, UNCTAD awarded the United Nations Award for Promoting Investment in the Sustainable Development Goals to the national IPA of Mauritius, the Economic Development Board (EDB, previously the Board of Investment).⁸ It won based on its experiences working with Medine Limited, a publicly traded multisectoral Mauritian company, in establishing a “smart city” with an international tertiary education hub at its core.

(a) Project description

During the 1970s and 1980s, half of Mauritius’ land was agricultural, and the overwhelming majority of that land was used in sugar production. Over the last several decades, sugar and related products have gone from being Mauritius’ only significant export to accounting for only 12 per cent of total exported value in 2017.⁹ As the sugar industry’s relative significance has waned, and the country’s population has urbanized, sugar planters have diversified their business activities to include electricity production, real estate development and

hospitality. EDB saw an opportunity in this to steer the country's urbanization toward “smart cities”, which could be mutually reinforcing with other EDB goals for development around energy, environmental sustainability, information and communication technology, housing and education.

In 2015, EDB elaborated an incentive-based Smart City Scheme, which it would use to promote the transformation of rural lands into sustainable and innovative mixed-use social hubs, which itself could offer synergies with EDB's targeted economic activities for the country's development. The incentive package includes exemptions from income tax for eight years, value added tax on capital goods, import duties on material for building and infrastructure construction, and assorted land-related taxes, as well as residence permits for purchasers of housing units over a certain value and citizenship for non-citizen residents investing more than \$5 million in Mauritius.

To qualify for these incentives, a smart city developer must undertake a “live–work–play” concept on at least a 21-hectares masterplan with no more than 50 per cent of the land going to housing, which must include affordable housing units for middle-income earners. The rest of the space should include business facilities, with a mandatory innovation cluster, as well as civic centres and leisure amenities with high-quality public spaces. The development should also supply its own power and water, have autonomous waste management systems, and be designed and managed using information and communication technology to sense, analyse and integrate key information for intelligent urban management.

After three years of promoting its smart city programme, EDB has worked with developers to generate 11 projects, with 5 currently under construction and 6 in the licensing phase. These projects cover 3,500 acres and include developments that are meant to become hubs for finance, health and education, and higher value added services targeted by the Government in its Vision 2030. Uniciti, developed with Medine Limited, is one such education-centred initiative, which is expected to generate at least 6,000 direct jobs over a period of 25 years.

Situated in Flic-en-Flac, Western Mauritius, it extends over 800 acres and comprises every aspect of cosmopolitan life: all levels of education from preschool to university, sports and leisure centres, public transport, a courthouse, a hospital, parks, recycling facilities, a solar farm, affordable housing, an arts centre and more. Seven renowned French educational institutions have already

set up in the educational village. This will provide a boost to efforts to bring in more international students, in turn contributing to Mauritius' status as a knowledge hub.

(b) Role of EDB

EDB embarked through most of the steps in this guide's eight-step approach to Sustainable Development Goal promotion. Having identified smart cities as a sector through which it could effectively fulfil its mandates, EDB engaged crucial government partners and led in the elaboration of the Smart Cities Incentives scheme (steps 1 and 5). EDB's real estate and hospitality cluster marketed the scheme to large landholders (steps 2 and 6). EDB has helped developers identify opportunities through committees to provide market analysis, obtain guidance from other government agencies, arrange site visits and assess risks. EDB also makes use of an inter-agency Fast-Track Committee to ensure that bottlenecks related to the project are solved in a timely manner (steps 7 and 8). EDB was instrumental in helping Unicity obtain eligibility certification for the smart city scheme's incentives and the full set of permits and licenses needed for such a complex project. After the project was approved, EDB organized and led roadshows overseas with the developer to market Mauritius as an attractive destination. By ensuring Unicity's success, EDB hopes to incentivize the proliferation of smart city projects throughout the island and is prepared to provide facilitating frameworks and bureaucratic support to all similar projects.

One of the pending tasks for EDB is to ensure that the characteristics for which the project was approved are present in its execution. EDB is monitoring progress against agreed key milestones in order for the project to maintain eligibility for incentives. Features in the Unicity plan include the development of a sustainable drainage system for storm water disposal, urban lighting control, a bicycle-sharing system, a solar farm, water reduction measures, smart metering, water recycling, rain water harvesting and irrigation, storm water management systems, off-grid facilities, a solar and thermal-controlled façade, photovoltaic systems and optimized waste collection. The many social and technological initiatives are innovative and ambitious, and if well-executed, applicable on a larger scale in the country. Thus, the project also serves as a testing ground for new options in sustainability.

(c) Links to Sustainable Development Goals

Uniciti contributes to quality education (Goal 4), economic growth and decent work (Goal 8), industrialization and innovation (Goal 9), sustainable cities (Goal 11), and responsible consumption and production (Goal 12). One of the key features of Uniciti is its “Green by Design” approach, which ensures that energy and water consumption are effectively reduced, reused and recycled. This renders the project more sustainable and cost-efficient, while also improving its inhabitants’ quality of life.

4.2. South Africa and paper and plastics recycling

InvestSA has developed and leveraged a strong network of stakeholders across government departments, regulatory agencies, and the private sector to ensure a seamless investor experience and to fast-track investments with complicated environmental requirements. This corresponds to steps 5–8 of this guide’s eight-step approach to Sustainable Development Goal promotion. Through this network and by applying a strong system of account management, InvestSA was able to promptly facilitate a long-stalled recycling project and unlock a series of expansions and new projects with Mpact Limited, a paper and plastics packaging business in Southern Africa.

(a) Project description

Mpact is one of the largest paper and plastics packaging businesses on the African continent. In Southern Africa, it is the leader in recovered paper collection and corrugated packaging, as well as in the production of recycled carton board and container board, polyethylene terephthalate (PET) preforms, polystyrene trays and plastic jumbo bins. It has 32 operating sites spread over Mozambique, Namibia, South Africa and Zimbabwe, employing more than 4,000 people.

A certain percentage of PET packaging is currently imported into the South African market. Investing in a PET recycling plant enables Mpact to offer customers an alternative local supply, which allows them to reduce their own carbon footprint and stimulate local job creation.

The Mpact plant opened in 2016 processes about 29,000 tons of PET plastic bottles a year, generating 21,000 tons of new raw material directly from what was previously considered waste material that would have occupied new landfill

space equivalent to 75 Olympic-sized swimming pools each year. In July 2017, Mpact made a further investment in the South African recycling economy with a ZAR 46 million (about US\$3.5 million) liquid packaging recycling plant, in collaboration with global packaging company TetraPak. Mpact's 25,000-ton-per-year liquid packaging recycling plant, located at one of the TetraPak's paper mills, will recover fibre from liquid packaging to feed back into the paper mill, thus reducing the need for virgin fibre. With this project, the equivalent of another 27 Olympic-sized swimming pools' worth of space will be saved every year.

Combined, these two projects created more than 1,000 direct and indirect jobs in the South African recycling economy. In addition, Mpact has also supported more than 40 entrepreneurs in starting their own recycling businesses. In addition to the project's immediate impact on demand for virgin materials and landfill space, it supports responsible production and consumption by educating packaging companies and consumers on the need for recycling.

(b) Role of InvestSA

InvestSA has supported Mpact Ltd. since 2013. It has acted as Mpact's guide through the bureaucracy of the Department of Trade and Industry (InvestSA's parent department), unblocking a number of problems with electricity and water connections, and licensing issues that had previously obstructed Mpact's project implementation. In particular, this included a water license that Mpact had not been able to obtain for three years before InvestSA's help. Additionally, InvestSA was instrumental in connecting Mpact to key stakeholders to improve the linkages to local industry and to ensure that the company enjoyed an enabling investment environment.

InvestSA maintains regular contact with the company and other government entities, including the Department of Environmental Affairs and the Department of Science and Technology. This includes regular site visits and feedback on benefits received thanks to the Department of Trade and Industry's tax incentive scheme, which supports capital investment and training.

As a consequence of its effective support, InvestSA has been repeatedly approached by Mpact to assist with expansions and new projects, contributing to its investment pipeline. InvestSA is currently in discussions with large multinationals to look at developing green chemicals in South Africa that will enable companies like Mpact to invest in even more sustainable packaging solutions.

(c) Links to the Sustainable Development Goals

These investments contribute directly to Goals 8, 9, 11 and 12, and to combating climate change (Goal 13). Investing in a PET recycling plant also allows Mpac to introduce local competition to the imported PET, which reduces the carbon footprint and stimulates further economic development and job creation for South Africans.

4.3. Spain and outward FDI in coffee processing and R&D

Supracafé, S.A. is a Spanish SME and signatory of the Global Compact initiative. It specializes in the production and distribution of gourmet coffee. Its slogan is “We are what we sow”, and its company philosophy is that “coffee quality depends on taking care of producers and nature”. The efforts of the Government of Spain to help Supracafé expand internationally won its outward investment agency, COFIDES, the 2017 United Nations Award for Promoting Investment in the Sustainable Development Goals.

(a) Project description

In 2008, Supracafé undertook an international project to integrate its supply chain in Colombia’s Cauca Department, where productive investments had disappeared over the years because of the internal Colombian conflict. Supracafé established a subsidiary to act as a coffee out grower, processor, and R&D facility. It received 50 per cent financing from COFIDES (€300,000) – a public–private Spanish entity providing financial solutions to internationalize Spanish business and support the development of beneficiary countries through private sector investments. Supracafé’s Colombian labour force consists of 35 direct employees and some 200 seasonal workers. They purchase Fairtrade Organic coffee benefitting an association of small coffee producers run by women.

The key feature of the project was to set up Tecnicafé Coffee Technological Park, a research and development centre that generates knowledge and improvements on coffee production. It is the first foreign productive investment in an area where such investments had disappeared during Colombia’s past period of conflict.

In addition to providing farmers with decent incomes in a previously conflict-affected area, the project stands out for its integration in the local community and was set up with the deliberate intent of contributing to female empowerment,

certified agricultural sustainability and technological upgrading. Supracafé sources its beans from women-controlled cooperatives of women-controlled farms, paying a minimum surplus price, and Supracafé's Cauca farm was the first in the region to receive Universal Trade Zone certification.

(b) Roles of COFIDES and ICEX – Spain Trade and Investment

COFIDES is financing the relevant investments that enable the expansion and improvement of Supracafé's processing plant. It also aims to help establish experimental farms, which serve as development centres for research in new processes and testing of coffee varieties. In financing this operation, COFIDES implements the Principles for Responsible Financing of the Association of European Development Finance Institutions. Unlike some financial institutions, COFIDES has the capacity to identify and finance small companies directly in the country of operation. This expedites the process greatly. It encourages all its supported companies to carry out their activity in accordance with Organization for Economic Cooperation and Development Guidelines and the United Nations Global Compact.

Spain's IPA, ICEX – Spain Trade and Investment – has among its mandates the internationalization of Spanish companies, effectively making it an inward and outward IPA. ICEX complemented COFIDES' role in the Supracafé project by offering institutional support and carrying out fast-track due diligence to help clear bureaucratic hurdles efficiently.

(c) Links to the Sustainable Development Goals

The project is bringing sustainable income to an area with victims of displacement due to conflict and endemic poverty (Goal 1). It advances gender equality by purchasing its coffee beans from a woman-run association of small producers (Goal 5) and it introduces innovation in roasting, preparation and packaging techniques (Goal 9). The project also oversaw the first farm in Cauca Department to obtain the Universal Trade Zone certification in sustainable agriculture, and contributes to Goal 17 with PPPs.

Conclusions

Many development finance institutions, investment guarantee schemes and institutional investors report having ample liquidity and a shortage of qualified projects. There are no centralized global databases of available Sustainable Development Goal-related projects, which investors and finance partners can use to easily find and screen projects. India Investment Grid is rare as an example of such a resource, having a national scope across most sectors and levels of government. In short, there is sufficient demand and supply for Goal-related project financing, but there is a gaping disconnect between the two sides, because of how diffuse, patchy and non-uniform information is across the countless institutions involved. An IPA can have a significant impact on its country's Sustainable Development Goal achievements, if it can:

- (a) Establish partnerships on both the demand and supply sides and provide partners with the information they need to understand, assess, and link to projects and partners; and
- (b) Manage the promotion of Goal-related projects in full recognition of how it differs from traditional best-practice investment promotion, setting the IPA's strategy, structure and resources accordingly.

In developing and developed countries, IPAs often struggle to obtain political and financial support from their Governments for their core missions, which can often be traced to a difficulty in reporting tangible results from the work that they carry out. This is partly caused by general difficulties in evaluating results of investment promotion and facilitation, but also by a lack of expertise and tradition in IPAs to evaluate results and impact. In the promotion of investment in the Sustainable Development Goals, the potential and real impact of projects needs to be scrutinized at all stages, from project selection, design and implementation to evaluation. This focus on impact will help IPAs in justifying their work and in mobilizing the additional resources needed to promote Goal-related projects.

Government entities in many countries are actively involved in initiatives that pursue the Sustainable Development Goals and related targets. Mobilization of FDI for the Goals can be done as illustrated in the case studies from Mauritius, South Africa and Spain (in Colombia), but it needs close collaboration between the public and private sector as well as other stakeholders, such as OIAs.

IPAs have traditionally been the go-betweens and often championed such collaboration, but making it happen needs commitment, resources and – as emphasized in this guide – a strategic approach.

Annex I. The Sustainable Development Goals¹⁰

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Annex II. A Sustainable Development Goal project profile template

#	Information	Notes and tips
A	General project information	An introductory section, which should provide overall project information that will enable IPAs to position it for investors and finance partners, in terms of scale, scope, resource requirements, outcome and relevant Sustainable Development Goal.
A1	Project title	
A2	Relevant Sustainable Development Goal(s) and target(s) addressed	For investors and finance partners motivated by explicit missions to advance one or more goals in line with the Sustainable Development Goals, this tells them quickly and up front why they should be paying attention to the IPA presenting this project proposal.
A3	Sector and subsector	This information is based on ISIC Rev. 4 classifications to quickly communicate to potential investors and finance partners what a project is about, using universally understood classifications.
A4	Project description	
A5	Project promoters	These are the contact points for the potential investors or finance partner during their due diligence and negotiation phases, the individuals who can answer any questions about the potential project, either directly or by coordinating with the appropriate partners and authorities.
A6	Proposed project management and governance	All investment projects answer to an executive team and shareholders. With government involvement and possibly other stakeholders, including intergovernmental and non-governmental organizations, the project's governance will be more complex than that of a project driven by a single company. This information lays out the interests and governance requirements of all expected investors, finance partners and relevant government offices.
A7	Partner(s) or organization(s) involved	
A8	Estimated financial needs and potential Sustainable Development Goal-related financing	This lays out anticipated project costs for start-up and operation, giving investors and finance partners a sense of the scale of the project and what kind of funding is hoped for from them. It also includes potential Goal-related financing.

#	Information	Notes and tips
A9	Estimated staffing needs	
A10	Location: fixed or flexible, has it been identified	Most of the government-conceived projects will have some kind of location requirement, from a specific site where a piece of infrastructure, for example, is needed to a general geographic region where a particular market, for example, needs to be served.
A11	Project scalability	
A12	Project duration	
A13	Stage of development of the project: <ul style="list-style-type: none"> • Preliminary • Initial studies completed • Feasibility study completed • Approvals required or obtained 	Investors and finance partners may be sought and brought into the project at different stages of design and implementation. The status of a project at any given point in time affects its perceived feasibility. Project profiles should be kept up to date, so that promoters can be certain they are always promoting projects as they actually stand, avoiding misleading investors when the project is going poorly and presenting valuable information when things are going well.
A14	Project context and rationale	The need or market failure gap that the project aims to address and reason of the timing of the project.
A15	If non-disclosure agreement is required	
A16	Action needed to progress the project	This summarizes the path forward generally, so that investors and finance partners know what to expect, and the specific actions needed from the investors and finance partners, so as to encourage them.
B	More detailed project information	This section should provide practical details such as rationale, market to be served, suppliers, competition, costs of inputs, and their availability and institutional arrangements.
B1	Business proposition	This is a boiled down, persuasive statement of the concrete opportunity provided to the investor.
B2	Key sector drivers (local, national, and/or global)	
B3	Target market	
B4	Estimated demand – intermediate – end users	
B5	Presence of suppliers, maintenance required	

#	Information	Notes and tips
B6	Competitors	This gives investors a sense of their expected market position and likely intensity of competition. It gives finance partners a sense of the likelihood of project success and repayment.
B7	Land and property requirements	This includes: <ul style="list-style-type: none"> • Utilities – water, power, broadband • Parking • Transport access
B8	Labour requirements	This includes: <ul style="list-style-type: none"> • Numbers and type of staff, domestic and foreign • Management • Availability • Union agreements • Legislation on health, safety and the environment
B9	Capital and finance needs	This includes: <ul style="list-style-type: none"> • Shares • Loans • Working capital and cash flows
B10	Technology	This includes: <ul style="list-style-type: none"> • Requirements • Accessibility
B11	Key assumptions	This includes: <ul style="list-style-type: none"> • Requirements, e.g. availability of imported equipment or raw materials, exchange rate assumptions • Access to export market • Weather, climate, rainfall
B12	Key success factors	This includes: <ul style="list-style-type: none"> • Level of turnover • Role of key purchaser • Availability of technology
B13	Measures to ensure economic sustainability of the project	
B14	Project outputs: quantitative and qualitative, e.g. new school places, hospital beds, miles of roads	This information gets at the commitments which the Government expects from the investors. It benefits from investor feedback as to feasibility and optimal design, and it may be a point of negotiation. This information should be very clear and detailed.

#	Information	Notes and tips
B15	Project outcomes: quantitative and qualitative, e.g. supply chains, linkages, health, productivity	This information gets at the commitments that the Government expects from the investors. It benefits from investor feedback as to feasibility and optimal design, and it may be a point of negotiation. This information should be very clear and detailed.
C	Regulatory requirements	Given the context of the Goals, it is likely that important regulatory factors may be involved, including arrangements for private contractors to build and operate roads, hospitals or schools.
C1	Is regulatory pre-clearance required? If so, has this been provided?	
C2	Has an environmental impact assessment been carried out?	
C3	Requirements such as social impact assessment and corporate social responsibility reporting	
D	Support, incentives and monitoring	A tailored support package might include expedited procedures, Goal-related incentives, and expressions of high-level government commitment, for example. This section allows the project's promoters to put "the cherry on top" of their pitch.
D1	IPA support with the establishment and operations of investment projects	
D2	Participation by public bodies	
D3	Sustainable Development Goal-related incentives, tax incentives, training support	
D4	Export support	
D5	Local support	

#	Information	Notes and tips
D6	Monitoring and mechanisms to optimize environmental and social impact	
E	Contacts	A full set of relevant contacts should be provided to speed up the project assessment process.
E1	IPA point of contact	
E2	Other key project-related communication contacts	These may include government ministries, local governments, development organizations, infrastructure providers and research institutions.

Source: UNCTAD.

Endnotes

- ¹ In this publication, we shall also refer to the Sustainable Development Goals simply as the Goals.
- ² United Nations Sustainable Knowledge Platform. Available from <https://sustainabledevelopment.un.org/focussdgs.html> (accessed 7 October 2018).
- ³ United Nations Sustainable Development Solutions Network (2015), p. 2.
- ⁴ United Nations Sustainable Development Knowledge Platform. Available from <https://sustainabledevelopment.un.org/memberstates/honduras> (accessed 7 October 2018).
- ⁵ For more information on good practices in monitoring and evaluating IPAs, refer to UNCTAD (2008a).
- ⁶ For more information on policy advocacy, refer to UNCTAD (2008b).
- ⁷ For more information on investment facilitation and aftercare, see UNCTAD (2007, 2017).
- ⁸ In 2018, Mauritius' Economic Development Board (EDB) was created, by merging the Board of Investment, the Financial Services Promotion Agency and Enterprise Mauritius.
- ⁹ UNCTAD based on UNCTADstat.
- ¹⁰ Available from <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals> (accessed 8 October 2018).

References

Government of Nepal (2017). *Nepal Sustainable Development Goals, Status and Roadmap: 2016-2030*. Nepal National Planning Commission, Kathmandu.

Government of the Federal Republic of Nigeria (2017). *Nigeria: Sustainable Development Goals (SDGs) Indicators Baseline Report 2016*. Abuja.

Newsweek (2017). “Green Rankings 2017”. Available from www.newsweek.com/top-500-global-companies-green-rankings-2017-18 (accessed 7 October 2018).

UNCTAD (2007). *Aftercare: A Core Function in Investment Promotion*. Investment Advisory Series A, number 1. New York and Geneva.

UNCTAD (2008a). *Evaluating Investment Promotion Agencies*. Investment Advisory Series A, number 3. New York and Geneva.

UNCTAD (2008b). *Investment Promotion Agencies as Policy Advocates*. Investment Advisory Series A, number 2. New York and Geneva.

UNCTAD (2014). *World Investment Report 2014. Investing in the SDGs: An Action Plan*. United Nations publication. Sales No. E.14.II.D.1. New York and Geneva.

UNCTAD (2015). *Outward Investment Agencies: Partners in Promoting Sustainable Development*. The IPA Observer, No. 4.

UNCTAD (2017). *Investment Facilitation: The Perfect Match for Investment Promotion*. The IPA Observer, No. 6.

UNCTAD (2018). *World Investment Report 2018: Investment and New Industrial Policies*. United Nations publication. Sales No. E.18.II.D.4. New York and Geneva.

United Nations Sustainable Development Solutions Network (2015). *Indicators and a Monitoring Framework for the Sustainable Development Goals: Launching a Data Revolution for the Sustainable Development Goals*.

UNCTAD publications on MNEs and FDI

For more information on UNCTAD's publications and programme on MNEs and FDI, please visit unctad.org/diae.

Other publications in UNCTAD's *Investment Advisory Series A*

- No. 7. *Promoting Low-carbon Investment* (61 pages)
UNCTAD/DIAE/PCB/2013/2.
- No. 6. *Investment Promotion Handbook for Diplomats* (67 pages)
UNCTAD/DIAE/PCB/2011/2.
- No. 5. *Promoting Investment in Tourism* (68 pages)
UNCTAD/DIAE/PCB/2009/16.
- No. 4. *Promoting Investment and Trade: Practices and Issues* (78 pages)
UNCTAD/DIAE/PCB/2009/9.
- No. 3. *Evaluating Investment Promotion Agencies* (85 pages)
UNCTAD/DIAE/PCB/2008/2.
- No. 2. *Investment Promotion Agencies as Policy Advocates* (112 pages)
UNCTAD/ITE/IPC/2007/6.
- No. 1. *Aftercare: A Core Function in Investment Promotion* (82 pages)
UNCTAD/ITE/IPC/2007/1.

UNCTAD's Investment Advisory Series

The *Investment Advisory Series* provides practical advice and case studies of best policy practice for attracting and benefiting from foreign direct investment, in line with national development strategies. The series draws on the experiences gained in UNCTAD's capacity- and institution-building work in developing countries and countries with economies in transition.

*For more information please visit
unctad.org, e-mail ips@unctad.org or contact
James Zhan, Director, Division on Investment
and Enterprise at +41 (22) 917 57 97*
