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# TRADE AND DEVELOPMENT BOARD 61st Session

Agenda Item 9

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

Statement by
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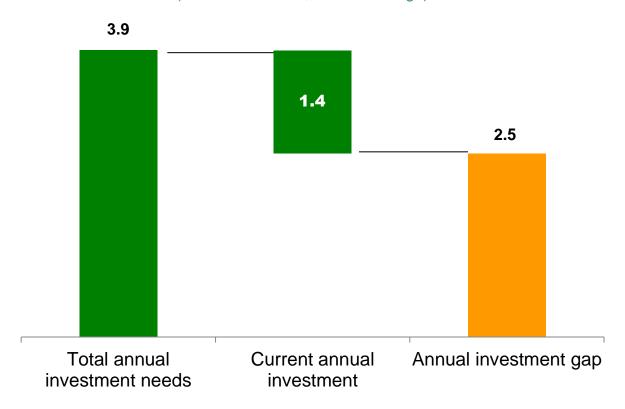




# The United Nations Sustainable Development Goals (SDGs) will need to bridge a large investment gap

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

(Trillions of dollars, annual average)

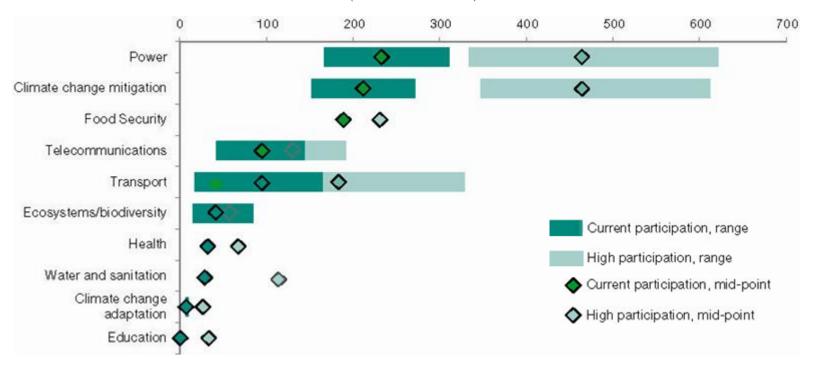




### The potential for private sector investment is significant,

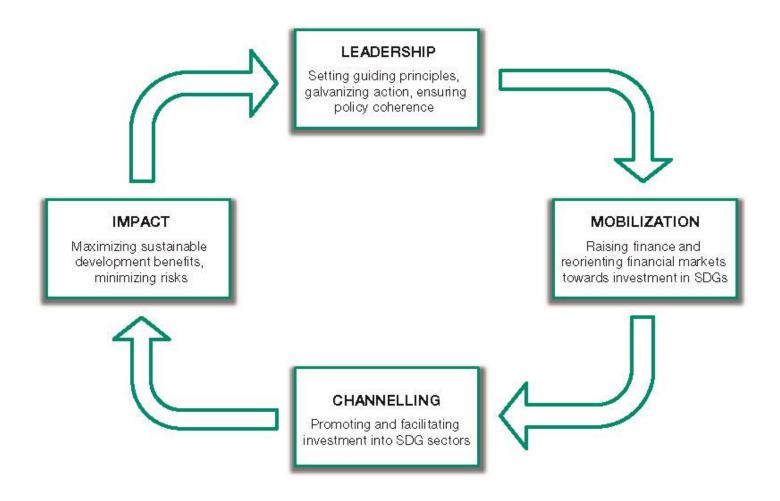
Especially in infrastructure, food security and climate change

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





# Strategic framework for private investment in the SDGs



### Policy options for each element of the framework

#### 1. Leadership

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

#### 3. Channelling

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

#### 2. Mobilization

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

#### 4. Impact

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





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

# New generation of investment promotion strategies and institutions

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

#### New forms of partnerships for SDG investment

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

# Reorientation of investment incentives

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

#### Enabling innovative financing and a reorientation of financial markets

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

#### Regional SDG Investment Compacts

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

# Changing the global business mindset

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

#### **Guiding Principles**

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

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



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





http://unctad-worldinvestmentforum.org/

http://investmentpolicyhub.unctad.org/



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