

Investment, Enterprise and Development Commission

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Second Ambassadors' Roundtable on

Investing in the SDGs

Introductory Remarks

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Co-Chairs,

Excellencies,

Distinguished Delegates

Ladies and gentlemen,

I am honored to have the opportunity to make introductory remarks at the second edition of the Ambassadors' Roundtable. We inaugurated the first edition during last year's World Investment Forum. In our undertaking to put the world on a sustainable growth track, investment is indispensable. Neither public sector funds nor development assistance are adequate to meet this need. Private sector investment constitutes a vital third pillar in these efforts. How to effectively target and unlock investment to achieve Agenda 2030 objectives has therefore become a central prerequisite to successful SDG delivery.

The reason to establish this Roundtable was to leverage Geneva as a hub to advance investment-led sustainable development. Indeed, Geneva Ambassadors are in the best position to mobilize and synergize SDG-related efforts by a myriad of international organizations and businesses located in this international economic and social center. With the roundtable as platform, permanent representatives can thrash out SDG-oriented ideas, solutions and partnerships. It is one of the most exciting initiatives that emanated from the World Investment Forum. It can effectively enable the diplomatic community to take forward investment-development-led solutions, and thereby magnify reach and impact.

The ambitious scope of Agenda 2030 has been amply elaborated. This is the reason why UNCTAD has been advocating for a public-private sector pact to ensure private investment is instrumental in our efforts. Yet, the Development Agenda comes at a difficult time. It is therefore imperative that we garner a coalition to help build a multilateralism to collectively fight the challenges and deliver the solutions.

In our discussions, we can factor in some of the challenges we face on investing in the SDGs. These challenges are threefold, relating to fund mobilization, fund channelling and managing impact. First, to mobilize funds in financial markets we need to address start-up and scaling problems for innovative financing, market failures, a lack of transparency on environmental, social and corporate governance performance, and misaligned rewards for market participants.

Key constraints to channeling funds into SDG sectors include entry barriers, inadequate risk-return ratios for SDG investments, a lack of effective packaging and promotion of SDG projects, and a lack of investor expertise. Lastly, the challenge to manage the impact of private investment in SDG sectors that needs to be addressed are: the weak absorptive capacity in some developing countries, social and environmental impact risks, and the need for stakeholder engagement and effective impact monitoring.

You will agree with me that these challenges are cross-sectoral. This means dialogue between the public and private sectors with the facilitation of international organizations, is crucial to help overcome these challenges.

To further inform this roundtable we have made available three documents that can effectively orient discussions around three elements. The first is the recently-launched *SDG Investment Trends Monitor*. Over the past year we tracked investment in SDG-related sectors to determine whether we have made progress in narrowing the investment gap. This is the most comprehensive research of investment-led progress towards SDG implementation that has been made to date. The monitor's findings show a mixed picture. There is good progress in several SDG sectors, such as climate change mitigation, food and agriculture and health. Overall, however, the monitor shows that the new initiatives and innovative financing mechanisms introduced are far from enough to bridge the investment gap. These findings provide the relevant and necessary context about the actual state of investment in the SDGs for today's dialogue.

The second document is the *Guidance on Core Indicators for Entity Reporting on Contribution towards the SDGs*. It contains a set of reporting benchmarks conceived by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. This provides a concrete standard for companies to report their contribution to the SDGs. It also provides a tangible way to measure SDG implementation from the business perspective.

The third document is entitled *Investing in the Sustainable Development Goals: The Role of Diplomats*. It is our new initiative to equip diplomats with the requisite technical knowhow they can use to facilitate links with potential investors in their home countries, thereby complementing the efforts by investment promotion agencies that cannot afford to locate abroad. In this manner diplomats can contribute to sustainable development-oriented investment: first, by bridging the knowledge gap – that is, to provide information about the investment needs and opportunities that exist in SDG sectors in a particular market – and, second, by providing the requisite information that can facilitate the flow of investment to the desired sectoral destination.

In addition, we have also made available an issues note “Overview of FDI in LDCs: trends and key issues”. It was requested by the UN Chief Executive Board for Coordinators.

These background documents thus provide ample material for reflection and discussion and there will be a lot of ground to cover.

Excellencies, Distinguished Delegates,

Four years into the 2030 Agenda, trillions of dollars are sitting idle with negative returns; too little flows across the Equator. Unless trillions are shovelled in to alleviate poverty of the South, the SDGs will dangle in the air. We need a big push for both public and private investment into the SDGs. It is high time for viable solutions and effective actions.

As UNCTAD secretariat, we look forward to your guidance.