

**Working Party on the Medium-term Plan and the Programme Budget
Seventy-fourth session**

**28 November - 2 December 2016
Subprogramme 2 — Investment and Enterprise**

**Introductory remarks by Mr. James Zhan
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Distinguished delegates,

It is my pleasure to briefly introduce Sub-programme II of the UNCTAD budget submission for the next biennium 2018-2019, and to inform about the adjustments made to our 2017 work programme. These submissions were prepared according to the budget instructions issued by the Controller. Their substantive content also largely reflects guidance received from you at the occasion of the fourteenth Ministerial Conference in Nairobi.

Three main considerations have guided the preparation of the budget for Sub-programme II:

1. Responsiveness to mandates given by member States:

Allow me to start this presentation with a brief analysis of the mandates received in Nairobi in the area of investment and enterprise. The exercise had important implications when we consider the programme of work for the next three years.

The ministerial declaration, the Nairobi Azimio, includes one operational paragraph on UNCTAD's work in the area of investment and enterprise. Its paragraph 17 reads: "We call upon UNCTAD to further develop its activities for promoting and facilitating investment and entrepreneurship for sustainable development."

Between the Azimio and the Maafikiano we further identified over 50 operational paragraphs that — directly or indirectly — relate to UNCTAD's work on investment and enterprise. Indeed, all current mandates resulting from the Accra Accord or the Doha text have been extended and reinforced and a number of new mandates added.

Three specific areas were not covered by previous mandates — although they have for long time been a major consideration for our work and carried out based on the availability of *ad hoc* resources. These relate to:

- i. Responsible investment and sustainable business practice, with paragraphs 55p and 76n calling for support to these initiatives, including in countries facing particular challenges;
- ii. Investment for the Sustainable Development Goals, with paragraphs 55y and 100a calling for strengthening and implementing results from the pioneering analysis of the World Investment Report 2014;
- iii. The World Investment Forum, with paragraph 100c, calling for the use of the World Investment Forum to serve as a platform for the exchange of experiences and best practice among investment-development stakeholders, including to review progress made on the implementation of the SDGs.

A number of other traditional work areas of the Division have received additional emphasis. These include:

- i. Investment promotion and facilitation, with paragraph 55q and 76i requesting UNCTAD to develop and promote a new generation of investment promotion and facilitation strategies, and also to report on the progress made in structurally weak and vulnerable economies;
- ii. International Investment Agreements, with paragraph 38l directly referring to paragraph 91 of the Addis Ababa Action Agenda, requesting UNCTAD to maintain its role as a forum for international discussion on IIAs.
- iii. Entrepreneurship policies, with paragraph 76w requesting UNCTAD to further develop and disseminate its Entrepreneurship Policy Framework;

- iv. Accounting and Reporting, with the paragraph 82y asking the organization to advance its work on international standards of accounting and reporting.

Meanwhile, the Nairobi Maafikiano acknowledges all the core products and services developed by the Division and calls for their continuous implementation. This is the case in particular for the World Investment Report (100c), Investment Information (38g and 76z), investment policies, the Investment Policy Framework for Sustainable Development and the Investment Policy Reviews (55r), International Investment Agreements (55hh), Business Facilitation, Enterprise Development and Empretec (55r and 76u), and lastly, Corporate Governance and Corporate Social Responsibility (55p and 38q).

This analysis guided our review of the programme of work for 2017 and the preparations for the 2018-2019 programme budget.

2. Application of Result-Based Management principles

For the year 2017, outputs were scrutinized to establish — within the perimeter of the existing budget — their suitability and whether they correlate to the mandates received in Nairobi.

As you are aware, the subprogramme has over the past few years successfully developed six policy instruments in support of its work in investment and enterprise for development. These instruments are the Investment Policy Framework for Sustainable Development (version 2.0), the Roadmap for IIAs reform, the UNCTAD Action Plan for Investing in the SDGs, the Global Action Menu for Investment Facilitation, UNCTAD's Entrepreneurship Policy Framework, and the Accounting Development Tool. Thanks to the development of these tools, which are embedded in all core products and services delivered by the Division and are widely acknowledged in the Nairobi Maafikiano, no major structural change was required for 2017.

However — as highlighted in the document before you — the Division will mainstream its work in support of the achievement of the goals, emphasizing the impact of international investment, entrepreneurship and accounting on the SDG agenda, and

enacting this approach across the three pillars of UNCTAD's work. This will serve to align efforts with the outcomes of the SDGs Summit and will resonate with the Nairobi Maafikiano. Another area that will immediately receive increased emphasis relates to our work on Responsible Investment and sustainable business practice, with current initiatives being strengthened. Lastly, and building on the work of the World Investment Report 2013, the subprogramme will continue to examine the impact of non-equity modes of international production on development.

For 2018 and 2019, the proposed modifications are at two levels:

First, the Strategic Framework has been slightly amended to mainstream our work on investment and enterprise development in support of Agenda 2030, through direct references in the expected accomplishments of the subprogramme and their indicators of achievements. Similarly, the emphasis on responsible investment and sustainable business practice is also embedded in expected accomplishment 2.a.

Second, the outputs narrative has been amended to reflect the direction provided by the Nairobi outcome documents:

- i. The subprogramme responded to the call for further development of activities in support of investment and enterprise development by increasing the number of projected outputs for 2018/2019. This assumes that our resources are not further curtailed.
- ii. The increased number of outputs relate mainly to substantive outputs and to capacity-building activities with the number of advisory services increased by nearly 10%. Additional substantive outputs respond to the call for work on responsible investment and sustainable business practice, promotion and facilitation of investment, including through intellectual property for development and international investment agreements for development. Advisory services to developing countries will be increased in the following areas:
 - economic diversification and structural transformation;

- policies and strategies to enhance the contribution of FDI to inclusive growth and the SDGs, and assessing its impact, and
- responsible investment and sustainable business practice.

The number of outputs referring to consensus building remains stable, reflecting the agreements of the Accra Conference and your decision to utilize the World Investment Forum for the regular exchange of experience and best practice in the area of investment and enterprise policies for development.

iii. Lastly, the list of outputs illustrates a renewed focus on research and analysis in areas related to:

- international investment;
- investment policies, (including through Investment Policy Reviews and international investment agreements-related work);
- investment facilitation and enterprise development;
- micro, small and medium enterprise development, including by refining the Entrepreneurship Policy Framework to earmark vulnerable groups, such as refugees; and
- accounting and reporting.

3. Commitment to higher standards of delivery, quality and impact

Allow me to conclude my presentation by emphasizing the Division's commitment to continue ensuring the relevance, efficiency, effectiveness and impact in its programme delivery. The document A/71/75 before you, entitled "Programme performance report of the United Nations for the biennium 2014-2015", further documents these achievements. During the previous biennium, in an overall context of zero growth or an even reduced budget, the Division delivered 97% of the originally planned outputs and an additional 55 outputs.

I am also pleased to inform that the Division is very well positioned to fully meet its targets at the end of the current biennium and indeed, I have presented to you the week

before last, in the context of the Investment, Enterprise and Development Commission, an advanced version of our 2016 Results and Impact Report.

The Division remains committed to further increase its delivery through enhanced efficiency and synergies. Most of the new additional outputs will be delivered thanks to the strategic reorientation adopted early in 2010, which consists of a core product-oriented approach, an IT-based approach and a networking/partnership approach. This has led to the development of electronic outputs delivered at the request of member States and responding to new needs arising from key and emerging development challenges. We also strive to maximize existing synergies through enhanced coordination within the Division, within UNCTAD and through close cooperation with other organizations dealing with investment and enterprise development.

The independent evaluation of the subprogramme carried out in 2014 confirmed the "strong relevance, significant impact, broad sustainability, and effective and efficient delivery of the work undertaken". This evaluation also attested to the fact that the development of globally recognized policy tools contributed to enhance our delivery to the benefit of ever more member States.

However, the marginal efficiency of any managerial tool — including the systematic implementation of RBM — is decreasing over time and the subprogramme will not be for long in a position to deliver more and more with less and less. For this reason, I renew my call to those in a position to do so, to support the subprogramme with funding that is commensurate with the ambition expressed in the Nairobi Azimio to strengthen our activities.

I am happy to have your comments or questions.

Thank you for your attention.