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**Report of the Investment, Enterprise and Development
Commission on its thirteenth session**

Held at the Palais des Nations, Geneva, from 14 to 18 November 2022



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Introduction

The thirteenth session of the Investment, Enterprise and Development Commission was held at the Palais des Nations, Geneva, from 14 to 18 November 2022, with physical and remote participation.

I. Action by the Investment, Enterprise and Development Commission

A. Leveraging new technologies' impact through technology assessments

Agreed conclusions

The Investment, Enterprise and Development Commission

1. *Reaffirms* the key role of research and development, technology and innovation and skills development, and related international cooperation as key drivers of structural transformation that contribute to a competitive, sustainable, inclusive and resilient economy;

2. *Recognizes* that developing countries require support to design and implement appropriate and effective policies that foster innovation, harness data and enable these countries to effectively participate in the digital economy, reap the developmental benefits of digitalization and mitigate risks;

3. *Stresses* the importance of building national capacities to facilitate the development, dissemination, adoption and use of frontier technologies, including those associated with the digital economy, and innovative solutions for achieving global and national development goals;

4. *Stresses* the need to facilitate women's access to science and technology and participation in processes leading to the definition of science, technology and innovation agendas, policy decisions and priority setting, including through the implementation of inclusive technology assessment exercises;

5. *Expresses satisfaction* with UNCTAD research and technical cooperation work supporting developing countries in their understanding of policy options to steer innovation in ways that are inclusive and aim at leaving no one behind, and looks forward to continued work in this area;

6. *Requests* the secretariat to continue to provide analysis on the implications of frontier technologies, including digital technologies and data, which can bring significant opportunities to accelerate progress towards the Sustainable Development Goals, along with challenges on labour markets, social divides and ethical questions;

7. *Encourages* knowledge sharing and the promotion of cooperation and partnership in the areas of science, technology and innovation between stakeholders, notably between Governments, the private sector and civil society, including academia, to facilitate technology development to support the achievement of the Sustainable Development Goals;

8. *Commends* UNCTAD for its support and guidance to developing countries in designing effective national policies for science, technology and innovation;

9. *Invites* the secretariat to explore ways to mobilize additional resources to further its work on science, technology and innovation policies and the digital economy;

10. *Invites* UNCTAD to continue its role in supporting developing countries to harness digitalization and science, technology and innovation for development and be part of the international debate on frontier technologies, which are expected to increasingly impact their development trajectories.

*Closing plenary meeting
18 November 2022*

B. Scaling up the mobilization of public and private finance towards investing for the Sustainable Development Goals

Agreed conclusions

The Investment, Enterprise and Development Commission,

Acknowledging the contribution of the UNCTAD programme on investment and enterprise to the achievement of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals,

1. *Notes with concern* the consequences of the cascading crises on investors' confidence, the resulting current downward trend of foreign direct investment and the negative impact on the levels of investment required to achieve the Sustainable Development Goals;

2. *Expresses satisfaction* with the in-depth research and policy analysis conducted by the UNCTAD secretariat on investment and enterprise development, in particular the *World Investment Report 2022: International Tax Reforms and Sustainable Investment*, including the chapter on capital markets and sustainable finance;

3. *Expresses satisfaction* with the presentation by the UNCTAD secretariat of the most recent global trends and policies in the area of investment for development, in particular through its Global Investment Trends Monitor and Sustainable Development Goals Investment Trends Monitor, and calls on the secretariat to continue reporting and monitoring investment trends and policies and their impact on development;

4. *Further commends* UNCTAD for the successful development and launching of the online platform of its Global Sustainable Finance Observatory, and encourages the secretariat to further develop the initiative and to continue working with key stakeholders from the public and private sectors to make the financial system more sustainable and global in reach, including for the benefit of developing countries;

5. *Commends* the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its thirty-ninth session, underscores the pivotal role played by sustainability reporting in achieving the Sustainable Development Goals, and acknowledges the work of UNCTAD in supporting its members in promoting reliable and comparable disclosures on financial and sustainability performance, including through the establishment of regional partnerships;

6. *Commends* the UNCTAD secretariat for organizing the single-year Expert meeting on revisiting development strategies for small island developing States in the post-pandemic competitive landscape, and encourages UNCTAD to continue promoting the resilience of small island developing States by supporting their structural economic transformation;

7. *Requests* UNCTAD to continue supporting the exchange of national experiences and dissemination of best practices in investment promotion, including through awards for promoting investment in the Sustainable Development Goals.

*Closing plenary meeting
18 November 2022*

C. Other action taken by the Commission

(a) Reports of expert meetings

(Agenda item 3)

1. At its (morning) plenary meeting, on 16 November 2022, the Investment, Enterprise and Development Commission considered two reports under the agenda item.

Report of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development

2. On behalf of the Chair of the ninth session of the Multi-year Expert Meeting on Commodities and Development, the Vice-Chair-cum-Rapporteur presented the report.

3. The Investment, Enterprise and Development Commission took note of the report, as contained in document TD/B/C.I/MEM.4/26.

Expert meeting on revisiting development strategies for small island developing States in the post-pandemic competitive landscape

4. The Chair of the Expert meeting on revisiting development strategies for small island developing States in the post-pandemic competitive landscape presented the report.

5. The Investment, Enterprise and Development Commission took note of the report, as contained in document TD/B/C.II/EM.6/3.

(b) Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

6. The Vice-Chair-cum-Rapporteur of the thirty-ninth session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting presented the report.

7. The Commission took note of the report, as contained in document TD/B/C.II/ISAR/103, and endorsed the agreed conclusions and approved the provisional agenda of its fortieth session as contained therein.

II. Chair's summary

A. Opening plenary meeting

Opening statements

8. The Secretary-General of UNCTAD opened the session. The following speakers made opening statements: the representative of the United Republic of Tanzania, speaking on behalf of the Group of 77 and China; the representative of Haiti, on behalf of the Group of Latin American and Caribbean Countries; the representative of Morocco; the representative of Pakistan; the representative of the Russian Federation; the representative of the State of Palestine; the representative of Zimbabwe; the representative of Trinidad and Tobago; the representative of Egypt; the representative of Peru; the representative of the European Union, on behalf of the European Union and its member States; and the representative of the Islamic Republic of Iran.

9. In her opening statement, the Secretary-General of UNCTAD noted that the UNCTAD was striving to implement the Bridgetown Covenant in the context of the current cascading crises, marked by vicious cycles, cascading inequalities and chronic instability. The coronavirus disease (COVID-19) pandemic was not over, and climate change was hitting harder every year. A cost-of-living crisis was increasing poverty and hunger alarmingly. Rising interest rates were depleting liquidity in the developing world at record pace, leaving limited room for investment in the future.

10. She underscored the downward trend in foreign direct investment, reflected in the UNCTAD *Investment Trends Monitor*. While rapid growth in foreign direct investment

flows in 2021 were maintained until the first quarter of 2022, in the second quarter, they went down 31 per cent, to \$357 billion. That was 7 per cent less than the equivalent in 2022, reflecting a shift in investor sentiment due to the multiple crises and fears of recession. The \$2.5 trillion shortfall in Sustainable Development Goal investment for developing countries, estimated by UNCTAD in 2015, had swelled to \$4.3 trillion in the wake of the pandemic and the war in Ukraine. Scaling up mobilization of public and private finance to bridge that gap was needed urgently. UNCTAD promoted a global approach, engaging the entire spectrum of investment–development stakeholders. Capital markets in particular could have a decisive impact. According to the *World Investment Report 2022*, sustainability-themed financial products reached \$5.2 trillion in 2021, a more than sixfold jump from \$800 billion in 2017. Sustainable bonds issued in 2021 by developing economies alone reached \$130 billion, more than tripling the 2020 level. Those products helped to channel greatly needed capital into sustainable infrastructure, sustainable housing, renewable energy and other sectors that were critical for achieving the Sustainable Development Goals.

11. Those developments showed that institutional investors had started to act on climate, environmental, social and public health challenges, increasingly integrating sustainability into investment decisions. Developed and developing economy Governments were also stepping up efforts to support the growth of sustainable finance, through regulatory frameworks, standards and sustainability disclosure requirements. Nonetheless, the full potential of capital markets in financing sustainable development had not yet been realized. Despite rapid growth, sustainable finance was still at an early stage. Most products were self claims, without widely accepted standards and third-party verification, and faced severe greenwashing and credibility challenges. Developing economies, particularly the least developed countries, remained largely absent and had yet to benefit from the sustainable finance market. UNCTAD had been working closely with upstream players from the investment value chain to create an enabling global financial ecosystem to support the growth of sustainable finance and bring greater credibility, accountability and consistency to the market. As part of those efforts, the Commission would see the launch of a platform for the Global Sustainable Finance Observatory, to address challenges arising from the fragmentation in sustainability standards, complexity in disclosure, proliferation of benchmarks and self-declared sustainability. Thus, the aim was to contribute to building a global financial ecosystem in which sustainable development, defined through the Sustainable Development Goals, was fully embedded into business models and investment culture.

12. She noted that science, technology and innovation were an integral part of the Commission. The pandemic had revealed the critical role, and the widening gaps, of science, technology and innovation globally. The pandemic also showed how access to the Internet became a major dividing line in the fate of billions of people around the world. For example, according to the United Nations Children’s Fund, 1.2 billion children had no Internet at home when COVID-19 hit and therefore lost access to education almost completely.

13. Technological divides revealed that digital and socioeconomic inequalities were becoming increasingly intertwined. The war in Ukraine exposed geopolitical challenges concerning technology and trade, as well as food and energy security. The *Technology and Innovation Report 2021* found that each wave of technological change had brought inequality in new shapes. That was the case of data. Data were becoming an increasingly important economic and strategic resource. Well managed, data could help to overcome some global development challenges, such as climate change and pandemics. Badly handled, they could lead to infringements of human rights, generate unequal development outcomes and undermine the functioning of the Internet, leading to its fragmentation. Many developing countries were concerned that they would become mere raw data providers to global platforms, while having to rely on the foreign knowledge and digital intelligence obtained from their data. The data governance context was an area of tension and high fragmentation. A more balanced approach to global data governance was needed to find common ground for data to work for people and planet. Ultimately, the goal should be to enable, as possible and necessary, the free flow of data, while being able to address development objectives.

14. In the *Digital Economy Report 2021*, UNCTAD had stressed that the United Nations needed to play a key role in that process. All people on the planet had a stake in the outcome of science, technology and innovation efforts. Not all countries or population groups were participating equally, though, in defining the path that was taking, as often poor communities and countries were left behind. As UNCTAD had long advocated, countries should set up the required institutions and create the necessary incentives for strong, development-oriented national innovation systems to emerge that could lead to more prosperous, inclusive and sustainable societies.

15. The representatives of some regional groups and many delegates acknowledged the *World Investment Report 2022: International Tax Reforms and Sustainable Investment*, highlighting the forward-looking analysis of international investment trends and policies that made the report a valuable decision-making tool. Some regional groups and one delegate pointed out that the chapter on capital markets and sustainable finance was a key response to United Nations-wide efforts to implement the 2030 Agenda for Sustainable Development and implementation of the General Assembly resolution on promoting investment for sustainable development. One of the regional groups and the delegate outlined the need of developing countries for UNCTAD assistance in a rapidly evolving sustainable finance market. The regional group and some delegates highlighted the forward-looking approach used, which consisted of broadening the investment chain, including by mobilizing the upstream part (comprising key long-term players such as stock exchanges, pension and sovereign wealth funds) through high-performing initiatives such as the Sustainable Stock Exchanges initiative, sustainable institutional investment facilitation and accounting and reporting. One regional group and another delegate also acknowledged the Global Observatory for Sustainable Finance as an important tool to overcome sustainable finance concerns. Many delegates expressed concern regarding insufficient sustainable finance and investment in the Sustainable Development Goals; one delegate advocated bolder policies. Some delegates expressed concern regarding the potential impact of recently adopted restrictive policies on achieving the Sustainable Development Goals.

16. Several delegates recognized the work of UNCTAD in investment and climate change, but pointed to the urgent need to increase investment for climate resilience and address the growing imbalance between investment in climate change mitigation and in adaptation, including through the promotion of targeted policies. Several delegates also highlighted UNCTAD work on international taxation in relation to investment policies and requested that UNCTAD conduct further analysis on the implications of reforms and support developing countries in the modernization of their investment policy schemes and frameworks. Several delegates noted the continuous need to reform, modernize and upgrade the international investment regime and further alignment with sustainable development objectives. They acknowledged the substantive contribution of UNCTAD in providing assistance in the area and backstopping reform of the international regime. Some delegates highlighted the UNCTAD World Investment Forum as a multi-stakeholder dialogue for promoting investment for sustainable development. One regional group and another delegate underscored the role that the Investment, Enterprise and Development Commission would play in the revitalization of the intergovernmental machinery of UNCTAD.

17. The representative of one regional group underscored the importance of incorporating science, technology and innovation policy issues in discussions of the Commission. Science, technology and innovation had a crucial role in structural transformation towards achieving sustainable development. Technology should therefore be highly integrated into national development strategies. UNCTAD policy support in shaping science, technology and innovation policy in the least developed countries was thus appreciated. He noted the delivery of science, technology and innovation policy reviews in Angola and, a recently completed review in Botswana and a forthcoming review in Seychelles. He commended other UNCTAD efforts, including a programme to build scientific research capacities that focused on young scientific researchers, as well as UNCTAD research, such as the *Technology and Innovation Report*, current studies and policy briefs. He noted that technology and skills development through international cooperation supported structural transformation and was pivotal in science, technology and

innovation and sustainable development. He also noted that technology should be developed alongside trade to facilitate electronic commerce (e-commerce).

18. The representative of another regional group reiterated the importance of science, technology and innovation in driving development and structural transformation, and its crucial role in national development strategies and in pursuing the Sustainable Development Goals.

19. One delegate deplored the multiple crises that were exacerbating inequalities, social vulnerabilities and financial constraints. He further described the floods that had recently afflicted his country and cited a joint preliminary assessment that estimated a need for \$40 billion to recover losses. He commended UNCTAD work on science, technology and innovation and on technology assessments, underscoring their valuable contribution to technical assistance. The COVID-19 pandemic exposed systemic gaps in the production and distribution of technologies and the constraints posed by intellectual property that hindered the achievement of universal health goals. Science, technology and innovation were integral to solutions to countering inequality and vulnerability and achieving the Sustainable Development Goals. A dedicated international mechanism on technology development and transfer for the global South was required to ensure that developing countries could harness the benefits offered by advances in science, technology and innovation on an equal footing with the developed world, with a particular focus on research and development ecosystems.

20. Another delegate expressed appreciation for the UNCTAD work undertaken on science, technology and innovation and called for further international cooperation and UNCTAD support through its three pillars.

21. Another delegate expressed appreciation towards UNCTAD and Switzerland for assisting in the development of a programme to invest in electronic trade, a critical project that would help overcome the digital divide and absorb investments.

22. Another delegate echoed the importance of the Commission's focus on investment and science, technology and innovation. The areas were important to efforts for structural transformation and diversification of the economy in the pursuit of economic growth and sustainable development. She discussed the Caribbean Investment Forum 2022 and the emphasis on the building of resilience, through digitalization and technology, and transportation and logistics. She underscored international cooperation and technology transfer to reduce the digital divide and to better position developing countries to leverage technologies as they pursue economic development. She said that investments in frontier and green technologies could have positive effects (such as mitigating the environmental impact of industrialization) as well as negative effects and that technology assessment was critical to provide policymakers with insights on the impacts of the adoption of new technologies.

23. The representative of one regional group described the hard and soft investments of the Global Gateway initiative in digital and green transformation, as well as accomplishments in digital connectivity in Latin America and transport corridors and technology transfer in Africa.

24. One delegate stressed the need to scale up public and private finance, with targeted policies on investment in climate change. He called for renewed efforts to review outdated bilateral investment treaties and emphasized the need to enhance research and development and innovation in developing countries.

Other business

Latest developments in trends and policies in the area of investment and enterprise development

25. The Director of the UNCTAD Division on Investment and Enterprise presented recent developments in international investments, including a recovery of global foreign direct investment in 2021, though it was unequally distributed geographically. Moreover, investments in productive capacities had not recovered, unlike mergers and acquisitions,

infrastructure project finance and profit reinvestment in developed countries. The current outlook was bleak. High levels of debt, inflation and interest rates suffocated new investments. Foreign direct investment flows had dropped in the second and third quarters of 2022 and would continue to remain weak for the rest of the year and possibly also in 2023, due to the increase in restrictive investment measures and in investor–State disputes and the aggravation of geopolitical tensions and realignment of global economic governance. Against that backdrop, three investment opportunities were in the areas of sustainability-related sectors, particularly in infrastructure, health, agribusiness (for food security) and climate change; global value chain restructuring (diversification, new nearshoring and regional hubs); and technology-driven transformation, including in offshoring of high value added services and servicification of manufactures.

26. One delegate asked about any efforts to quantify the impact of restrictive investment measures on foreign direct investment. Another delegate, commending the efforts of UNCTAD in investment, science and technology, viewed the downturn in foreign direct investment since the second quarter of 2022 as another negative global impact of the war in Ukraine. He enquired about the magnitude of potential for private finance in the area of adaptation to climate change. He also pointed out that the risks of investor–State disputes around environmental and climate change policies proved the need for reform initiatives, such as those from the International Centre for Settlement of Investment Disputes, United Nations Commission on International Trade Law and the Organisation for Economic Co-operation and Development, in relation to the regime for international investment agreements to make it more independent, transparent and legitimate.

27. The Director replied that the reforms mentioned by the delegate focused on procedural steps, whereas reforms were also needed in the substance of investment treaties. Most agreements in force made no mention of sustainable development. Even a few modern treaties lacked provisions to encourage sustainable development. Those were areas in which UNCTAD could add more value. He further elaborated on the key role played by UNCTAD in modernizing the current regime of investment treaties and ensuring that they worked for sustainable development. He detailed the current situation and opportunities for public and private investment in financing climate change adaptation and mitigation. He spoke on the impact of the global tax reform for developing countries, highlighting the need for coherent tax and investment policies. The division provided support to regional processes, in particular relating to the investment chapter of the Agreement Establishing the African Continental Free Trade Area, and would continue work on investment and climate change and international investment agreement reform.

28. The Director of the UNCTAD Division of Technology and Logistics underscored recent patterns of technology adoption, particularly in the context of developing countries, and solutions to ensure the productive use of technologies for tackling sustainable development challenges, as described in the most recent editions of the UNCTAD *Technology and Innovation Report* and *Digital Economy Report*.

29. The recent wave of technological progress had been characterized by the uneven diffusion and use of frontier technologies. Inequality originated at the source, as production of technology was limited to a handful of countries and largely concentrated in China and the United States of America. Moreover, the connectivity divide was being matched by an ever-widening data divide.

30. Acquisition of technology required preparation, while most of the countries that were the least ready were in sub-Saharan Africa. Relevant challenges faced by developing countries included lower technological capacities, a dearth of public and private resources to fund research and innovation, and insufficient human capital.

31. Thus, UNCTAD strove to build capacity through initiatives such as technology assessments, eTrade readiness assessments, e-commerce strategies the empowerment of women.

32. The Director recommended strong leadership and proactive Governments to shape frontier technologies and steer economic development, while mitigating harmful outcomes. Equitable outcomes required visionary social policy supported by citizen social activism and grassroots innovation. She called for international cooperation and an inclusive

dialogue to address frontier technologies issues such as the lack of consistent ethical frameworks, as even though not every country was participating in the development of frontier technologies, all countries would be affected by such developments.

33. One delegate asked whether there was any research on rules and regulations for e-commerce, as well as on data governance. The Director replied that, while desirable, there was no agreement on data governance and international agreement was lacking even on statistics, taxonomy, ethics and regulatory aspects. She expressed hope that the sixth session of the intergovernmental Group of Experts on E-commerce and the Digital Economy, in May 2023, would contribute to building consensus in those areas.

B. Leveraging new technologies' impact through technology assessments

(Agenda item 5)

34. The Head of the Technology, Innovation and Knowledge Development Branch presented the background document prepared by the secretariat to facilitate the discussion by the Commission of the agenda item on leveraging new technologies' impact through technology assessments. Although science, technology and innovation had been central drivers of the improvement of living standards over time, the deployment of new technologies typically raised new challenges, and policies were needed to harness progress in favour of sustainable and inclusive development. Technology assessments constituted a useful tool to that end and, while technology assessments had been mainstreamed in developed countries, their deployment in the developing world was still lagging. The Commission on Science and Technology for Development of the United Nations had identified technology assessments as an area in which low-income and middle-income countries should build capacity to manage the development, adoption and implementation of science, technology and innovation in order to address socioeconomic challenges and achieve the Sustainable Development Goals. UNCTAD had implemented pilot projects in three African countries in the areas of agribusiness and energy, which had enabled the institution to sharpen its technology assessment methodology for developing countries.

35. A four-member panel consisted of the Chief Executive Officer, National Institute for Science, Technology and Innovation of Seychelles; Assistant Director, Science and Technology, Department of Science and Technology, Ministry of Technology and Science of Zambia; Independent Consultant, South Africa; and Senior Researcher, Programme Transformation of Economic and Social Systems, German Institute of Development and Sustainability, Germany.

36. One panellist shared experiences in Seychelles of a 2017 technology needs assessment and an ongoing technology assessment with UNCTAD. Given the demographic challenge of the country's small population, the availability of qualified human resources was an important bottleneck.

37. Another panellist spoke of the marginalization of Africa in the development of technologies and called for renewed support from international organizations in terms of financial resources and capacity-building. He also shared his country's experience in an ongoing technology assessment with UNCTAD.

38. Another panellist explained the experience and preparedness of South Africa in conducting research, as well as on the state of the energy and agricultural sectors and sustainable development. He described the country's national system of innovation and policy environment and progress on an UNCTAD technical assessment project. He advocated for a sustainable constant capital rule to ensure intergenerational solidarity.

39. The last panellist shared technical assessment examples from Germany and how they spurred public discussion and advanced the discourse on the application of and threats from technologies. He also noted the creation of ad hoc national research programmes and regulation by the authorities. As decisions on technologies in one jurisdiction could have global impacts, he called for formal technology assessments with a multilateral dimension in which UNCTAD could play a role to ensure a globally equitable and effective legislative process.

40. One delegate called for the highest standards of ethics to ensure impartial assessment of technologies. Technology assessment, particularly in the energy sector, should comply with the principle of technological neutrality to reflect that Sustainable Development Goal 7 was a high priority for developing countries.

41. Another delegate, thanking UNCTAD for research and technical assistance made available to developing countries, noted the limited progress of developing countries in attaining the Sustainable Development Goals due to recent global crises. He called for a change in power relations and a shift in focus of old development strategies.

42. Another delegate welcomed the technology assessment guidance. Technological change benefited developed countries and some developing countries, but the remaining countries needed to analyse social and environmental impacts, before deploying new technologies, and to introduce measures to mitigate negative impacts. His country did not support the introduction of technology that infringed on citizens' privacy, exposed people to cybercrime or exacerbated inequality. He complimented the UNCTAD technology assessment methodology, particularly its user friendliness. He expressed concern about a lack of funds undermining UNCTAD work with developing countries and urged developed countries in a position to do so to provide funding, particularly for equitable vaccine distribution and resilience-building. His country was preparing a request for UNCTAD to provide technical assistance to review the country's 2013–2022 science, technology and innovation policy and related information and communications technology strategies. Finally, he noted the linkages between UNCTAD work on technology for development and the Commission on Science and Technology for Development.

43. Another delegate commented on her country's efforts to diversify the economy away from the energy sector and the unpreparedness of many firms in developing countries to take on manufacturing technology. She would particularly welcome technology assessment in that sector. She asked what a multilateral technology assessment would look like and the possible role of UNCTAD.

44. Another delegate described his country's efforts in undertaking health technology assessment since the foundation of the Technology Information, Forecasting and Assessment Council as a global leader in coalitions for vaccine research. Particularly successful areas included technology-led growth by fostering many start-ups and bridging gender divides, especially in rural areas by increasing employment for women. Already home to 100 "unicorns", he was confident his country's digital economy would reach \$1 trillion in 2025. He also discussed the rapid growth of the national biotechnology sector. He stressed the importance of science, technology and innovation for inclusive and sustainable development.

45. Another delegate highlighted the recent establishment of a new technology assessment institution in response to the fact that her country's healthcare needs had expanded beyond capacity. The new institution had made improvements in technology assessment thanks to a multidisciplinary team. She asked about how to cope with human resource scarcity and about precautionary principles in technology assessment. She also requested clarification on creating multilateral guidelines and on institutional alignment for technology assessment, given the lack of resources available to developing countries and risk variance from one country to another.

46. Another delegate highlighted the priority currently given by his country to research and development, particularly for the scaling up of manufacturing and trade, while making responsible use of raw materials. He asked how developing countries could contribute to multilateral work on technology assessment, and what other factors for technology assessment were important apart from public engagement and capacity-building for developing countries.

47. Another delegate recognized the importance of technology assessment for his country due to the positive outcomes that could be achieved through artificial intelligence in the agricultural sector, job creation, the pursuit of food security and poverty reduction.

48. The Chair of the session enquired asked to what extent UNCTAD took into account gender issues in its technology assessment methodology. One delegate asked about the role

of the Technology Bank for the Least Developed Countries in the deployment of technology assessment in those countries.

49. The Branch Head responded that the gender perspective in technology assessment was of fundamental concern for UNCTAD work. The secretariat was acutely aware of the impact of inequalities in technology implementation. Inclusive methodologies, including gender-inclusive ones, were of the utmost importance. He noted that the Technology Bank was currently engaged in a strategic refocusing of what the main contributions of the Bank towards the achievement of the Sustainable Development Goals would be. Technology assessment methodologies were key to that refocusing as it was the mandate of the Technology Bank to support the deployment of technologies in the least developed countries. Thorough consideration of all possible impacts was needed. Finally, he agreed with the importance of the principle of technological neutrality and avoiding preconceived notions that certain technologies were good or bad.

50. One panellist explained that, in his view, multilateral technology assessment mechanisms were necessary. Three reasons for them were variances in effects and costs of the same technologies being deployed across a globalized world; opportunities and risks could differ significantly in different regions, particularly in the context of climate change; and developing countries had a right to know how technology could affect them. Hydrogen was one topic that should be discussed internationally.

51. Another panellist stressed the importance of fostering South–South and North–South collaboration, and discussing multilateral cooperation, for the benefit of small countries with limited resources. The science, technology and innovation ecosystem could be strengthened through a science, technology and innovation policy review. Science, technology and innovation diplomacy played a crucial role for small island developing States in the pursuit of accelerated economic development, which should be put at the centre in achieving the Sustainable Development Goals.

C. Scaling up the mobilization of public and private finance towards investing for the Sustainable Development Goals

(Agenda item 6)

52. The Director of the UNCTAD Division on Investment and Enterprise presented highlights from the *World Investment Report 2022*. The report pointed to recent growth in the sustainable finance market, even though still well below its full potential, and the increasing materiality of sustainability risks for investors. Among other issues, the Director introduced the newly launched online platform for the Global Sustainable Finance Observatory. The aim of the tool was to address the challenges of fragmentation in sustainability standards and complexity in disclosure (improving access to data and information on sustainable finance) and to address concerns regarding sustainability greenwashing. The Director also commented on the Sustainable Stock Exchanges initiative, which had 113 member stock exchanges. Under the initiative, capacity-building and a platform for dialogue on corporate sustainability were provided. Through the Sustainable Stock Exchanges initiative, and other initiatives, UNCTAD monitored sustainable investment regulations and vehicles.

53. A seven-member panel was comprised of the Permanent Representative of South Africa to the World Trade Organization; Chair of the European Long-Term Investors Association; Senior Policy Adviser of the International Organization of Securities Commissions; Deputy Chief Executive Officer of Swiss Sustainable Finance; Integration Director of the International Financial Reporting Standards Foundation; Senior Corporate Governance Officer of the International Finance Corporation; Director of Policy of Principles for Responsible Investment; and Head of Sustainable Finance Strategic Initiatives and Partnerships of the London Stock Exchange Group.

54. Serving as respondents, the Permanent Representative of South Africa to the World Trade Organization and the Chair of the European Long-Term Investors Association commended the usefulness of the observatory for the sustainable investment community and endorsed its activities. The Chair of the European Long-Term Investors Association

considered that the observatory could contribute to building trust, as the full disclosure of information would fail to mobilize financing as long as trust in such disclosed information was lacking.

55. Several panellists and some delegates underscored the initial challenge that faced investors seeking sustainable investment opportunities: the lack of a common language to accurately describe sustainable investments. They cited the role of taxonomies as an essential building block, as well as use of the Sustainable Development Goals as a benchmark and design criteria for ensuring the sustainability of investments.

56. All panellists drew attention to the importance of sustainability disclosure by entities and institutional investors, such as pension funds. Many listed companies, though, still did not disclose basic sustainability information, such as on greenhouse gas emissions, which could hold back a transition to net zero. One panellist indicated that, in the absence of disclosed information, investors assumed performance was poor in terms of sustainability. Another panellist said that only 5 per cent of the global economy was in line with the goal of keeping global warming under 1.5°C above preindustrial levels. In that regard, she indicated that there was a need not only for more transparency, but also for improving the sustainability performance of investments. Another panellist indicated that, initially, the financial sector had tended to believe the sector had little relevance for the fight against climate change. However, there was currently much more awareness that the financial sector was in fact crucial in terms of the investment decisions taken. Several panellists raised concerns about two challenges. The first was the question of metrics, for example, the quantification of greenhouse gas emissions and agreeing a common standard; the second, the need to move from voluntary to mandatory standards. One panellist commended efforts concerning the observatory for promoting a greater granularity in sustainability disclosure, through the provision of two new databases, and noted the importance of third-party data and evaluation. In addition to action on disclosure, another panellist referred to the need for stewardship codes to promote engagement on, for example, climate change.

57. Several panellists highlighted the need for greater harmonization of sustainability reporting globally. They cited the work of the International Financial Reporting Standards Foundation, through the International Sustainability Standards Board, and UNCTAD. A lack of consistent and comparable standards prevented investors from making accurate assessments of sustainability risks across markets and countries and could exacerbate the problem of greenwashing. One panellist stressed the role of international organizations to build trust and credibility through their support of specific standards, such as the International Sustainability Standards Board, which benefited developing countries that did not necessarily have the resources to evaluate sustainability risks in financial markets themselves.

58. Several panellists emphasized the need for global cooperation and partnership to help accelerate the pace of change in financial markets and achieve widespread recognition of definitions and the interoperability of standards around sustainability risk. That could, in turn, help address the imbalances in sustainable finance between developed and developing markets. Some panellists underscored the role of public institutions and blended finance mechanisms to help mitigate risk perceptions in emerging markets and sustain long-term investments in an environment of falling investment returns. They commended UNCTAD work in facilitating long-term institutional investment in Sustainable Development Goal-related sectors in developing countries.

59. Many panellists signalled the need for model guidance, training and capacity-building in developing countries on sustainability risk assessment and the implementation of reporting standards and policy reforms, including for Governments, capital markets, institutional investors and issuers. They called for technical assistance to help adapt sustainable finance to local conditions in less mature markets. They also recognized the work of UNCTAD in several areas, including updating training for issuers on the implementation of standards S1 and S2 of the International Sustainability Standards Board and collaboration in support of other reporting standards.

60. Several panellists noted UNCTAD support and guidance provided to capital markets on the issue of sustainable investment, including through the Sustainable Stock Exchanges initiative and the work of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on sustainability reporting.

61. One delegate commented on the inefficiencies caused by the lack of consistency in the criteria regarding sustainable investments and the need for common taxonomies with strict technical thresholds and how criteria were being developed in the region of his country,

62. Another delegate described his country's efforts in sustainable finance. Efforts involved aligning investment promotion with the Sustainable Development Goals, after having identified 11 priority sectors with direct impact on the 2030 Agenda. There was work with subnational governments to turn the strategies into concrete projects. He also advocated for simplifying the investor-State resolutions framework, which he considered too costly and cumbersome.

63. Thanking participants, the Director highlighted the role of UNCTAD as a facilitator of standard-setting processes and provider of data and platforms for consensus-building.

D. Progress report on promoting and strengthening synergies among the three pillars

(Agenda item 7)

64. The Director of the UNCTAD Division of Technology and Logistics presented the highlights of progress over the previous year in relation to the three pillars of research and analyses, technical cooperation and consensus-building.

65. Research and analysis informed publications, including the flagship *Technology and Innovation Report* and *Digital Economy Report*, alongside normative and analytical outputs. The next edition of the *Technology and Innovation Report* would focus on windows of opportunity for green innovations for people and planet. The division hosted a technical cooperation programme that included the Automated System for Customs (ASYCUDA), a cross-cutting project involving technology and logistics that fostered technology transfer. ASYCUDA was often mentioned in the analytical products of other divisions. In consensus-building, the division was responsible for the Commission on Science and Technology for Development of the Economic and Social Council and had multiple other commitments on intergovernmental work. Discussions at the next session of the Commission would be on green technologies and ensuring safe drinking water and sanitation for all.

66. The impact of the division could be seen in all three pillars. For example, the *Digital Economy Report* had informed intergovernmental deliberations, such as the fifteenth session of the United Nations Conference on Trade and Development, the Intergovernmental Group of Experts on E-commerce and the Digital Economy and the digital economy working group of the Group of 20. Under the upcoming Group of 20 Presidency, to be held by India, UNCTAD participation had already been requested in the development working group. The *Digital Economy Report* tapped into technical cooperation work, such as eTrade readiness assessments and e-commerce strategies. The *Technology and Innovation Report* fed into intergovernmental deliberations such as the Commission on Science and Technology for Development and the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals. In turn, deliberations of the Commission on Science and Technology for Development shaped research, as seen in the series on current studies on science, technology and innovation. Technical cooperation work drew on the other two pillars, such as the eTrade for women project, which mentored and trained female digital entrepreneurs and also aimed at bringing them into their country's policy discussion. The project on measuring e-commerce and the digital economy was built on synergies among the pillars, with working group activities supporting consensus-building. The project also brought about normative work. Paragraph 166 had recently come under the division's technical cooperation efforts, while ASYCUDA remained a major programme.

67. The Vice-Chair of the Commission, who was presiding over the meeting on the agenda item, enquired about partnerships that could be created and feed into similar efforts on e-commerce, as those being undertaken at the World Trade Organization. In response, the Director said that partnerships were achieved through the collaboration of various stakeholders, including different UNCTAD divisions, as well as external partners and other international agencies. She also noted that eTrade readiness assessments were closely linked with negotiations on trade facilitations at the World Trade Organization.

68. One delegate asked about the role of UNCTAD in closing the gaps identified in his country's eTrade readiness assessment. The Director responded that assessments were followed by a phase 2 that dealt with implementation. In some countries, that had led to the drafting of e-commerce legislation.

69. The Director of the UNCTAD Division on Investment and Enterprise presented a progress report on the promotion and strengthening of synergies across the three pillars of UNCTAD work. He highlighted facts and figures relating to activities carried out over the past year that showed the impact of division activities and responsiveness to the Bridgetown Covenant. On the World Investment Forum 2021, he noted the role of the forum as a multi-stakeholder dialogue centred on the investment–development community. He provided updates on stakeholders, partners and the Global Sustainable Finance Observatory, which had been launched at the forum. The next edition of the forum would be held in October 2023 in Abu Dhabi. He emphasized the division's partners globally, including through the Sustainable Stock Exchanges initiative, the international investment treaty network, the investment promotion agency network and the family business for sustainable development network. He pointed to synergies created through cooperation with other UNCTAD programmes, notably in the area of gender in cross-border trade, competition policies, least developed countries and special programmes, technology and logistics through the joint servicing of key intergovernmental meetings, participation in paragraph 166 training and support to the trade facilitation programme, as well as the Statistics Service.

70. The Director described work done by the division, in response to a call for investing in climate resilience and providing specific support to the most vulnerable countries in relation to the adverse impact of climate change. He mentioned the issuance of in-depth analysis of investment trends and policies in climate change sectors, and spoke about the interaction between the international investment regime and climate action, different capacity-building programmes, including a series of workshops on the role of stock exchanges in promoting innovative climate solutions, and consensus-building initiatives, such as the UNCTAD–World Trade Organization high-level forum on global investment and trade for climate transformation at the twenty-seventh Conference of the Parties.

71. One delegate commended the division's work across all three pillars and suggested furthering research on trade in services and entrepreneurship towards the strengthening of start-up ecosystems. The presiding Vice-Chair of the Commission requested information on special economic zones. Another delegate suggested that the war in Ukraine could have consequences on impact investment. In response, the Director spoke on conditions for benefiting from the UNCTAD capacity-building programme in support of special economic zones, emphasized the diverse determinants of foreign direct investment, as well as the increasing role of services driven by technological innovation in the global value chains of manufactured goods, and highlighted the role of the division in promoting investment for development.

III. Organizational matters

A. Opening of the session

72. The thirteenth session of the Investment, Enterprise and Development Commission was opened at the Palais des Nations, Geneva, on 14 November 2022, Mr. Omar Zniber (Morocco), Chair of the Commission at its twelfth session.

B. Election of officers

(Agenda item 1)

73. At its opening plenary meeting, on 14 November 2022, the Commission elected the following officers to serve on its Bureau:

Chair: Ms. Aurora Díaz-Rato Revuelta (Spain)

Rapporteur: Mr. Peter Nalanda (Kenya)

Vice-Chairs: Ms. Violeta Fonseca Ocampos (Bolivarian Republic of Venezuela)

Mr. Kassem Aldarwish Fakhroo (Qatar)

Mr. Salman Khalid Chaudhary (Pakistan)

C. Adoption of the agenda and organization of work

(Agenda item 2)

74. Also at its opening plenary meeting, on 14 November 2022, the Commission adopted its provisional agenda as contained in document TD/B/C.II/47. Accordingly, the agenda was as follows:

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. Reports of expert meetings:
 - (a) Report of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development;
 - (b) Expert meeting on revisiting development strategies for small island developing States in the post-pandemic competitive landscape.
4. Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.
5. Leveraging new technologies' impact through technology assessments.
6. Scaling up the mobilization of public and private finance towards investing for the Sustainable Development Goals.
7. Progress report on promoting and strengthening synergies among the three pillars.
8. Other business.
9. Adoption of the report of the Commission to the Trade and Development Board.

D. Other business

(Agenda item 8)

75. There were no other pending issues before the Commission.

E. Adoption of the report of the Commission to the Trade and Development Board

(Agenda item 9)

76. At its closing plenary meeting, on 18 November 2022, the Investment, Enterprise and Development Commission authorized the Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting. The report would be submitted to the Trade and Development Board.

Annex

Attendance*

1. Representatives from the following States members of the Conference attended the session:

Albania	Madagascar
Algeria	Mexico
Argentina	Morocco
Bangladesh	Mozambique
Bolivia (Plurinational State of)	Nicaragua
Botswana	Nigeria
Brazil	Pakistan
Burundi	Panama
Cambodia	Peru
China	Republic of Korea
Congo	Russian Federation
Costa Rica	Seychelles
Egypt	South Africa
Eswatini	Spain
Ethiopia	Sri Lanka
France	Sudan
Gambia	Trinidad and Tobago
Germany	Tunisia
Guatemala	Uganda
Guyana	United Arab Emirates
Haiti	Uruguay
India	Venezuela (Bolivarian Republic of)
Iran (Islamic Republic of)	Viet Nam
Jamaica	Yemen
Kenya	Zambia
Lesotho	Zimbabwe

2. The following intergovernmental organizations were represented at the session:

Common Fund for Commodities
European Union
Organization of Islamic Cooperation

3. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
United Nations Industrial Development Organization
World Bank Group
World Trade Organization

4. The following non-governmental organizations were represented at the session:

General category

International Network for Standardization of Higher Education Degrees
International Organization for Standardization
World Federation of Trade Unions

* This attendance list contains registered participants. For the list of participants, see TD/B/C.II/INF.13.