



## United Nations Conference on Trade and Development

Distr.: General  
20 July 2016

Original: English

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### Fourteenth session

Nairobi

17-22 July 2016

## High-level event: Transforming economies for sustainable and inclusive growth

### Summary prepared by the UNCTAD secretariat

1. Speakers and discussants identified a number of premises for effective economic transformation for the purpose of sustainable development, as follows:

(a) Responsibility of Governments. Governments needed to take responsibility for creating an enabling environment for growth. Good governance and the rule of law were necessary preconditions for successful industrialization and the creation of high-value jobs. More effective tax systems were needed for domestic resource mobilization to build the framework conditions for economic transformation;

(b) Responsibility of the private sector. Promoting responsible business conduct for international investors was important, including the payment of taxes and support for the long-term development prospects of economies in which investors operated;

(c) Social cohesion, including well-structured and institutionalized industrial relations, were also important preconditions for attracting investment for economic transformation.

### I. Investment

2. Participants agreed that Governments could not mobilize on their own all the resources required for successful and sustainable economic transformation in line with the Sustainable Development Goals; the role of the private sector in financing sustainable development and economic transformation was indispensable. Recognizing that many countries had set up schemes to promote investment – especially incentives – participants suggested that UNCTAD should help countries and firms facilitate investment and make it easier to invest. UNCTAD could support developing countries in building agencies with the skills and authority to effectively promote and facilitate investments.

3. While investment promotion remained important for economic transformation and industrialization, investment facilitation constituted a policy gap in which UNCTAD could provide valuable support – for example, through such instruments as the UNCTAD action menu on investment facilitation – especially in the least developed countries and countries

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that had recently graduated from the least developed countries category. Moreover, UNCTAD work on enhancing transparency and predictability in policy development and efficiency in administrative procedures for business and investors was a key area for attracting investment and maximizing its development impact.

4. The international policy regime for investment was also an important framework condition for the promotion of productive investment to support economic transformation. One discussant provided the example of the recently adopted non-binding Group of 20 Global Principles on Investment Policymaking, which should be followed by South-South principles on investment. The discussant also called for a United Nations resolution on investment, the first in 20 years, to provide further impetus to the continuous improvement of the investment environment, and called on UNCTAD to support both endeavours.

## **II. Trade and global value chains**

5. Acknowledging the nexus between trade and investment, and the role that the international production networks of multinational firms played in driving trade, contributing to productive capacity and facilitating the spread of technological and managerial innovation, there was broad agreement that UNCTAD should continue to support developing countries in their efforts to upgrade along global value chains, which was the main economic transformation that developing countries needed, moving from the production and exports of basic commodities to parts of the value chain with higher value added and greater opportunities for income generation.

6. UNCTAD should also continue to provide guidance to policymakers and support to Governments and the private sector, to build linkages between the domestic economy and the global value chains of multinational firms.

## **III. Technology**

7. Taking note of the important role of technology in raising productivity – in particular, labour productivity – contributing to innovation and boosting growth and competitiveness, participants suggested that UNCTAD should promote the positive technological spillovers that could ensue from international production and investment, while ensuring the maximum developmental impact of the dissemination of technology, technical expertise and know-how. Innovation was also key to working towards the Sustainable Development Goals and, as a first step, could make a contribution in generating and exploiting better data. Open access to data was important to provide visibility on what was needed and to show where opportunities could be found.

## **IV. Enterprise development**

8. Affirming the key role of domestic enterprise development in building a healthy private sector and contributing to growth and job creation, participants discussed how UNCTAD should continue its efforts to support entrepreneurship and boost resource mobilization for enterprise development and economic diversification. Supporting countries in building enabling policy frameworks for entrepreneurship and providing assistance on business facilitation needed to be a priority; key areas of support could include the promotion of better access to finance for new businesses, and networking. Also important was working with educational institutions to bring them closer to the needs of the private sector and improve the way technology was taught, focusing on market opportunities.

9. Furthermore, facilitating business registration and other aspects of e-governance were important to help businesses develop and grow. Showcasing, celebrating and sharing best practices in this area, such as through the Global Enterprise Registration, was very important. UNCTAD could also develop its policy frameworks, tools and support to increase and enhance the participation of women, youth and other marginalized groups in the economy, which could bring an important contribution to sustainable economic transformation. Promoting green enterprise development was a further opportunity.

## **V. Public–private partnerships**

10. Some participants suggested that public–private partnerships had been under exploited. UNCTAD could explore how they could be used more effectively to identify priorities to create a better enabling environment for business and investment and to jointly finance projects that were key for sustainable economic development, for example, in infrastructure, through blended finance mechanisms.

## **VI. International cooperation**

11. Participants agreed that international solidarity, and international cooperation and coordination, were needed to boost the development impact of policies aimed at building productive capacities to transform economies. Some participants observed that the United Nations in general, and UNCTAD in particular, should consider how to better engage the private sector in collaborative work towards sustainable development, for example, in United Nations–private sector partnerships for development.

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