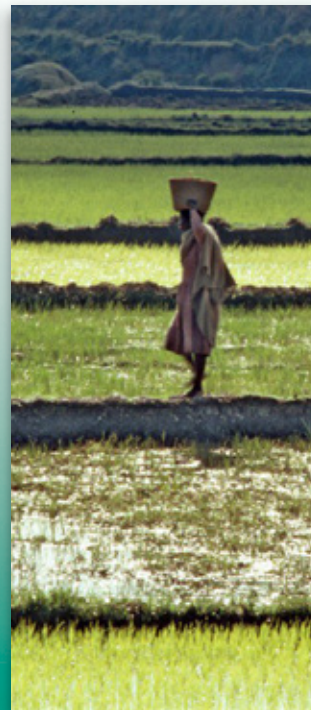




INVESTMENT & ENTERPRISE A COMPACT TO DELIVER THE SDGs



UNITED NATIONS



INVESTMENT & ENTERPRISE

A COMPACT TO DELIVER THE SDGs



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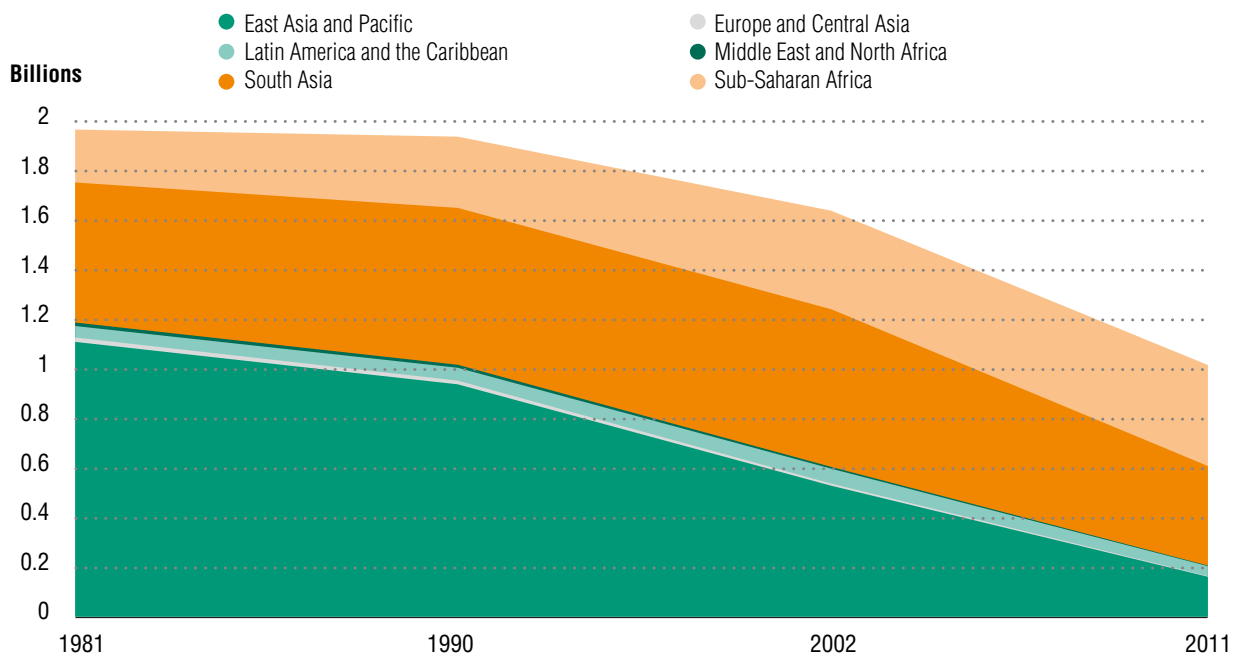
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I. Background

By the end of 2015 — the sunset date of the Millennium Development Goals — many countries had made strong progress on the MDGs. In 1990, nearly half of the population in the developing world lived on less than \$1.25 a day; that proportion had dropped to 14 per cent by 2015. This means more than 1 billion people have been lifted out of extreme poverty. Since 1990 the proportion of undernourished people in developing regions has been almost halved. In the same period 1.9 billion people have gained access to piped drinking water, bringing the total number of people with access to clean water to 4.2 billion people. Infant mortality has been more than halved . . . By all measures meaningful progress has been made in the fight against poverty during the lifespan of the MDGs.¹

The number of people living in extreme poverty, 1981–2011

"Extreme poverty" is living on less than \$1.25 USD per day in 2005 International Dollar



Source: World Bank, Our World in Data.

As the international community embark on the implementation of Agenda 2030 and its set of Sustainable Development Goals (SDGs) there is a solid enough base to increase ambition. Under the SDGs – the development targets that replaced the MDGs – the development community hopes to steer the entire globe onto a more sustainable growth track.

¹ MDG Report 2015

II. UNCTAD's Investment & Enterprise programme and the SDGs

The new set of goals is vastly ambitious. To achieve Agenda 2030, UNCTAD has calculated, will cost between \$3.3 trillion and \$4.5 trillion² a year – in *developing countries* alone. These calculations take into account needs such as basic infrastructure (roads, rail and ports; power stations; water and sanitation); food security (supporting agriculture and rural development); climate change; and health and education. But current rates of investment in SDG-related sectors are much lower than this level, leaving an annual investment shortfall of some \$2.5 trillion that needs to be plugged. This is a hole that the public sector and official development assistance alone cannot fill. Without the involvement of private sector investors – both domestic and foreign – the international community cannot hope to successfully deliver the SDGs. To bring the business sector on board will therefore be an important requirement in the implementation process.³

The shortfall in investment on the part of private sector investors and firms is not due to a shortage of money. Multinational firms collectively have between \$5 and 7 trillion in savings among them. To get them to invest these funds will require a business environment investors feel confident to operate in, where they understand the risks, and where they see opportunities. It is therefore important to set up an attractive business environment if investment for the SDGs is to be mobilized. Several obstacles could be tackled to achieve this. For instance, unnecessary and burdensome regulations and administrative procedures could be removed or streamlined; institutions serving the private sector should operate more effectively, and information that affects business operations should be readily and freely available. In addition, the business opportunities offered by the SDGs should be made obvious to convince investors that their participation in the goals' implementation will present a win-win – that will benefit both business operators and society. And, importantly, public-private sector links should be built to more effectively channel business and investment towards responsible and sustainable investment.

It is not only large investors operating across borders who should be involved in SDG-related investment. The manifold and diverse sectors in which small businesses operate mean they have the potential to contribute equally powerfully to multiple SDG targets across sectors. This makes the SDG and SME development agendas complementary and mutually reinforcing and provides a compelling reason to strengthen the SME sector and harness it for the delivery of the SDGs⁴.

² World Investment Report 2014 – *An Action Plan for Investing in the SDGs*

³ The United Nations International Conference on Financing for Development (held in Addis Ababa, Ethiopia) reiterated this need when it pinpointed the need to tap adequate financing streams to fund sustainable development at its meeting in July 2015 – one of the nodal meetings in the build-up to Agenda 2030. The Conference in particular recognized foreign investment as a major potential contributor to Agenda 2030.

⁴ The strategic importance of entrepreneurship in development efforts has been acknowledged by the United Nations General Assembly, in resolution on “Entrepreneurship for Development” (General Assembly resolution A/RES/69/210), which recognizes MSMEs for their key contribution to economic growth and social development, and therefore their central role in attaining the Development Agenda.

Efforts⁵ to build strong and healthy micro, small and medium-sized enterprises (MSMEs) could be fruitful to give small businesses the firepower to increase their contribution to the SDGs.

UNCTAD’s Investment & Enterprise programme contributes to:

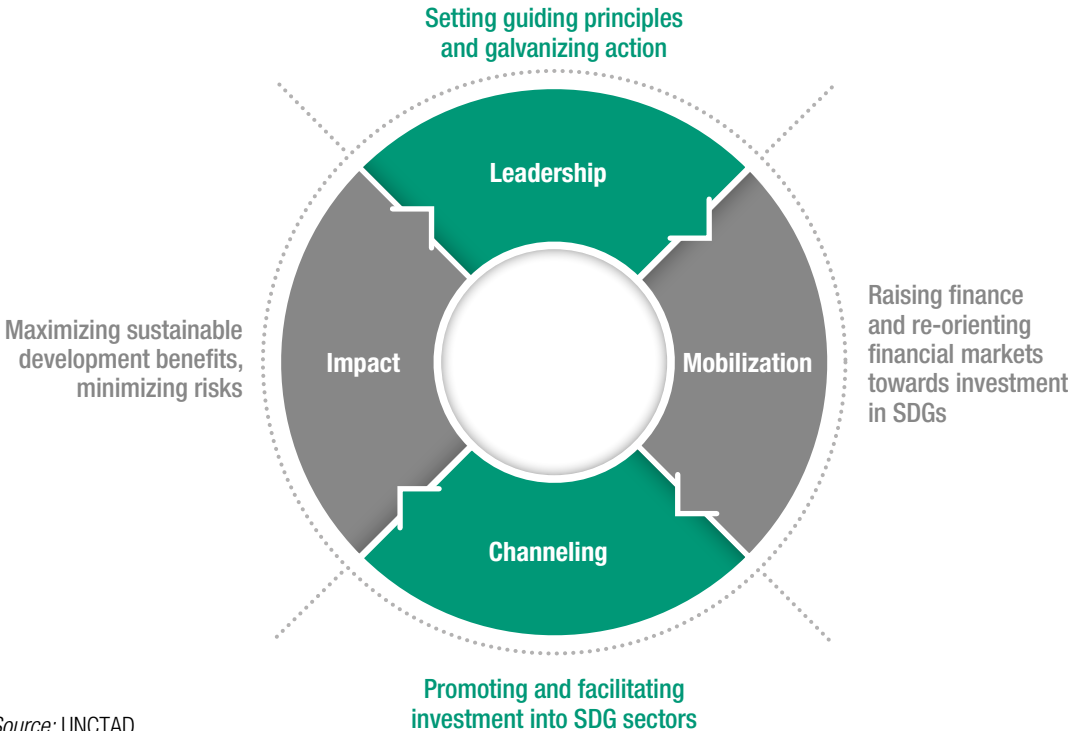


“The DIAE has a critical role to play in discussions on the contribution of FDI and private sector for investment to development in the post-2015 SDGs”.

2014 independent external evaluation of Subprogramme 2, Investment and enterprise for development (TD/B/WP264)

In all these operational areas UNCTAD offers an innovative and complementary set of products and services. The schematic presentation below shows the virtuous cycle along which investment for development can logically unfold. The schema also represents a strategic framework in terms of which UNCTAD proposes to engage with countries and the private sector to ensure more investment in SDG-relevant sectors that has a positive impact.

UNCTAD’s Strategic Framework for the SDGs



Source: UNCTAD.

⁵ In particular, General Assembly resolution A/RES/69/313 emphasizes the commitment to support MSMEs in the areas of access to finance and skills development (paragraphs 16, 33, 38 and 81), building regional linkages to benefit MSMEs and assist them to integrate into global value chains (paragraphs 45, 87, 88), and knowledge and technology transfer (paragraph 116 and 117)

UNCTAD also advanced the *Action Plan for Investing in the SDGs* in its World Investment Report of 2014. The plan encompasses a “big push” for private investment in the SDGs, and outlines six action packages that present a systematic, comprehensive guide to channel investment towards Development Agenda priorities. (See next page)

UNCTAD’s Action Plan for Investing in the SDGs

1  **New generation of investment promotion and facilitation**

- **At national level:**
 - ✓ New investment promotion strategies
 - ✓ New investment promotion institutions: SDG investment development agencies
- **New generation of IIAs:**
 - ✓ Pro-active SDG investment promotion
 - ✓ Safeguarding policy space

2  **Reorientation of investment incentives**

- **SDG-oriented investment incentives:**
 - ✓ Targeting SDG sectors
 - ✓ Conditional on sustainability performance
- **SDG investment guarantees and insurance schemes**

3  **Regional SDG Investment Compacts**

- **Regional cross-border SDG infrastructure**
- **Regional SDG industrial clusters, including for regional value chains**
- **Regional industrial collaboration agreements**

4  **New forms of partnerships for SDG investment**

- **Home-host country IPA networks**
- **Online pools of bankable projects**
- **SDG-oriented linkages programmes**
- **MDB-TNC-SVE partnerships**

5  **Enabling a re-orientation of financial markets**

- **SDG investment impact indicators and INDEX**
- **Integrated reporting and multi-stakeholder monitoring**
- **Sustainable Stock Exchanges (SSEs)**

6  **Changing the global business mindset**

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

Guiding Principles

Balancing liberalization and regulation

Balancing the need for attractive risk-return rates with the need for accessible and affordable services

Balancing the push for private funds with the continued fundamental role of public investment

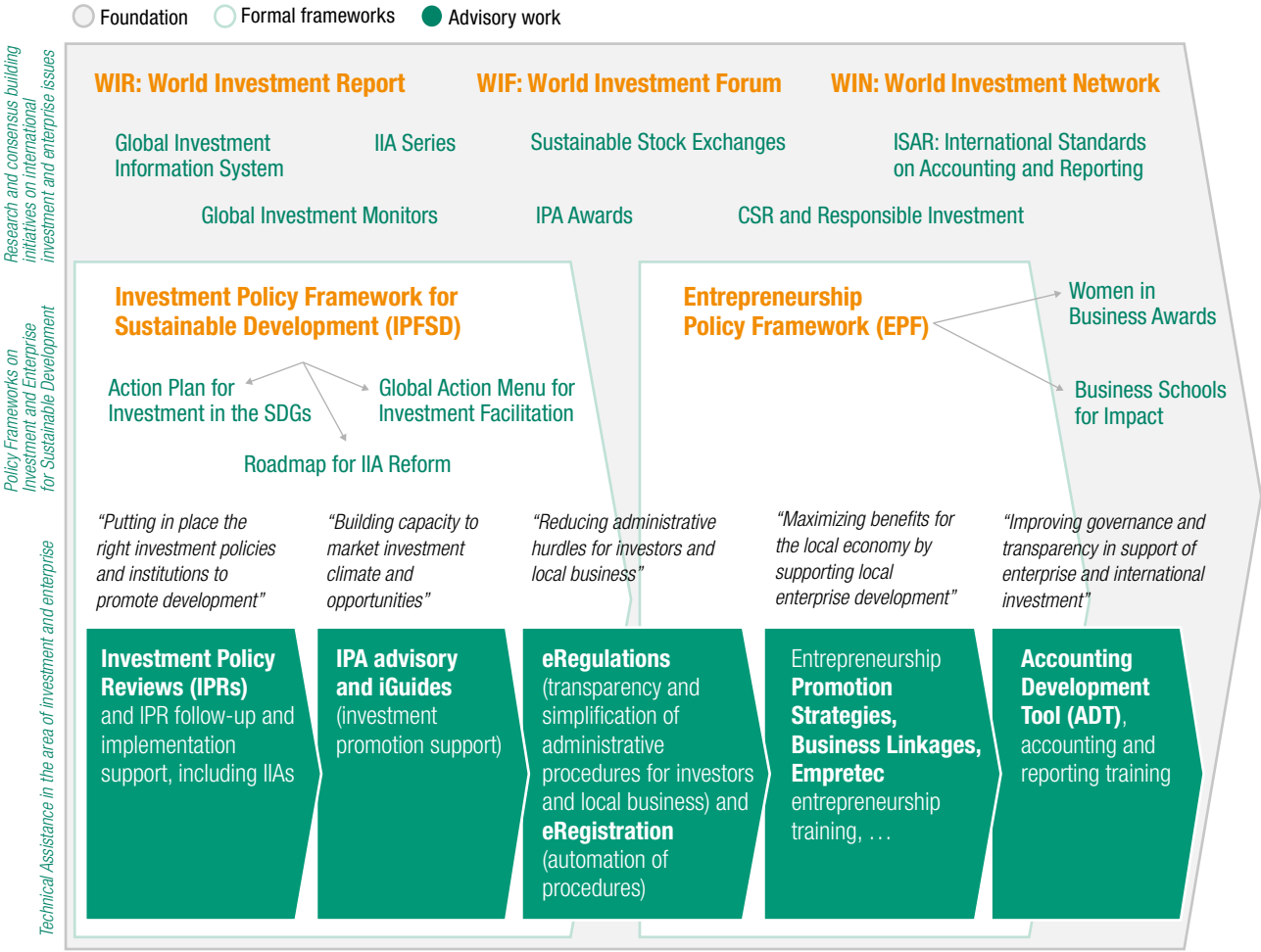
Balancing the global scope of the SDGs with the need to make a special effort in LDCs

Source: UNCTAD.

As the acknowledged UN focal point⁶ for investment and enterprise development, UNCTAD’s work programme in this area presents a comprehensive and interlinked package that seeks to facilitate investment in the SDGs. The point of these efforts is to contribute to sustainable development in three areas — economic, environmental and social — with the overall idea to improve the private sector’s contribution to development. In this way UNCTAD supports efforts that can help: end poverty and hunger; reduce inequalities; create jobs; raise productivity; improve resource and energy use; cut pollution and limit climate change; see to it that skills and technology are widely distributed; improve infrastructure; boost exports; and support the long-term prospects of developing countries.

In all its activities, UNCTAD takes into consideration the policy objectives of developing countries on issues such as private sector development, trade and investment facilitation and participation in Global Value Chains (GVCs) – following the principles and methods in a set of frameworks that guide various aspects of policy making. These are the **Investment Policy Framework for Sustainable Development**, the **Action Plan for Investing in the SDGs**, the **Global Action Menu for Investment Facilitation**, the **Entrepreneurship Policy Framework**, and the **Accounting Development Tool**.

Value-chain of Products and Services in Investment and Enterprise



⁶ UNCTAD was designated as the focal point within the United Nations system on all matters related to investment and enterprise development. This role was reaffirmed in 2014 when member States underlined the importance of the work and the relevance of the organization, through the activities of the Division on Investment and Enterprise, as “the focal point in the United Nations system for all matters related to investment for development”. [Working Party on the Medium-term Plan and the Programme Budget Sixty-ninth Session (1-6 December 2014)].

III. Products and Services

A. Investment

1. World Investment Reports, Investment Trends and Policy Monitoring

For 25 years, the WIR has published comprehensive and up-to-date data and research on investment and the activities of large multinational enterprises (MNEs). The report analyses the trends and examines how the activities of large corporations affect development. Based on its findings the report then puts forward policy recommendations that can help improve the positive contribution of large firms' operations on development, and minimize their negative impact on communities and the environment.

Cutting-edge analysis

Described as a “must read” and praised for “breakthrough research methodologies”, the World Investment Report receives on average 1.5 million downloads per year.

The report and its accompanying products – the investment trends and investment policy monitors – are widely seen as the authoritative sources on the subject of investment and MNE activity. The analysis and policy recommendations have been used widely by developing countries to put in practice their development plans.

The WIR series closely follows unfolding developments in the investment field. Through intensive consultations with experts and stakeholders, relevant and topical issues are pinpointed and investigated at an early stage. In this way the report provides research, insights and recommendations in a timely manner. This includes identifying best practice in investment policies to create the conditions for foreign investment to map onto development aims. Some of the issues tackled in past WIR editions are very relevant to the sustainable development Agenda, such as, public-private partnerships in infrastructure development [WIR 2008]; responsible investment in agriculture [WIR 2009]; investment and the low-carbon/energy-efficiency transition [WIR 2010], non-equity forms of MNE activity [WIR 2011], and Global Value Chains [WIR 2013]. The WIR 2012 launched the Investment Policy Framework for Sustainable Development (IPFSD) – a tool to develop rules and institutions that can stimulate investment and ensure that such investment is sustainable. The IPFSD has rapidly become a trusted reference guide and more than 100 countries have used its recommendations to review their laws or make new regulations.

Since 2014 the WIR has intentionally been planned around Agenda 2030 priorities and the report has been used to inform countries on how to harness investment for the Agenda's execution. The WIR 2014 put forward an *Action Plan for Investing in the SDGs*, which is regarded as the pioneering guide on the topic as the international community looks to the practical implementation of the SDGs. The Action Plan outlines a comprehensive strategy to channel resources towards the SDGs, thereby providing guidance under:

- **SDG 1 target a** to ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.



- **SDG 17 target 3** to mobilize additional financial resources for developing countries from multiple sources



The Action Plan also serves as a map for UNCTAD’s investment-related work in line with Agenda 2030. The *WIR 2015* brought an institutional perspective to Agenda 2030, arguing that the governance of international investment needs to be reformed to support sustainable development. This includes reforming investment agreements, as well as strengthening the coherence between investment and tax policies. The report provides concrete options on how to improve the regulation and monitoring of global financial markets and institutions.

The *WIR 2016* put forward an *Action Menu for Investment Facilitation*, to unlock more investment and maximize its contribution to the SDGs. The menu focuses on an area of investment policy making that has been somewhat neglected until now, but where low-cost action can bear fruit, for example through improvements in transparency and information available to investors, and efficient administrative procedures for investors.

Recent reports have spawned dedicated capacity-building projects to stimulate investment in SDG-specific sectors, including:

- Agriculture to support food security, promote sustainable agriculture and enhance agricultural productive capacity (**SDG 2**);
- Infrastructure, including regional and trans-border infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all (**SDG 9**); and
- Green sectors to facilitate action against climate change (**SDG 13**), and ensure access to sustainable energy (**SDG 7**) and clean water for all (**SDG 6**).



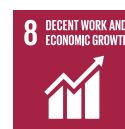
2. Investment Policy Reviews

The Investment Policy Reviews (IPRs) are conducted at the request of countries and comprise a review of all the policies, regulations, institutional and operational requirements a country has in place that can affect investment. The evaluations also consider a country’s overall development strategy and recommendations seek to ensure more quality investment is attracted that can help create jobs, reduce poverty and contribute to development. In this sense the IPRs are excellent vehicles to transmit SDG-oriented policy making. The reviews all include an action plan that spells out short, medium and long terms objectives tailored to the specific needs of the country. Consistent with the SDGs, these reviews encourage official development assistance and financial flows, including foreign direct investment, to countries where needs are greatest and in line with the countries’ national plans. In this way the IPRs directly contribute to:

- **SDG 1 target b** to create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions;



- **SDG 8 target 2** to achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors; and
- **SDG 10 target b** to encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.
- **SDG 17 target 3** to mobilize additional financial resources for developing countries from multiple sources



The reviews draw on the experiences of other countries and, where possible, tap into suitable regional best practice in policy making and investment promotion. The policy recommendations are designed to suit beneficiaries' special needs. Since the introduction of the IPFSD all IPRs are conducted with reference to the framework. The process includes an intergovernmental peer review, to which the private sector and civil society members are also invited. The IPRs as a rule enjoy the buy-in from government at the highest level, which means the implementation rate of the reviews is very high.

3. IPR Implementation and Follow-Up

a) Implementing IPR recommendations

Once the reviews are completed, UNCTAD helps countries to implement the recommendations through technical assistance programmes. Advisory services and training are given on several topics, for example how to draw up new investment rules and tax policies; how to design schemes to attract and build up skills; and how to collect and analyse investment data.

b) Capacity building in collecting FDI data

FDI statistics and information on the activities of big companies are important information for countries to enable them to draft the right kind of investment policies. UNCTAD provides the technical knowhow to help government agencies collect and analyse data on FDI and MNE activities accurately, and by using internationally recognized methodologies. In this way the programme directly supports:

- **SDG 17 target 19** to build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity building in developing countries.



c) Investment promotion and facilitation

UNCTAD also gives training to government agencies in the area of investment promotion, to improve the ability to attract and benefit from foreign investment. This area is especially important because a carefully construed investment promotion plan and action points can help steer foreign investment to sustainable development in countries and regions where needs are greatest, thereby contributing to:

- **SDG 10 target b** to *encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.* and
- **SDG 17 target 5** to *adopt and implement investment promotion regimes for least developed countries*



UNCTAD helps to rewire investment promotion thinking to consider how investment facilitation measures can be fashioned with SDG priorities in mind; or initiatives can be designed that maximize investors' positive impact in implementing aspects of the SDGs. The programme also helps investment promotion agencies (IPAs) to design and market concrete, bankable SDG projects. The work in this area targets not only IPAs at the national level, but also at the sub-regional and regional levels. A project dedicated to *Promoting green FDI*, furthermore specifically seeks to advance low-carbon investment, thereby contributing to:

- **SDG 7 target b** to *expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support*



The Investment Promotion Awards annually award IPAs for excellence in investment promotion work. The awards now forefront the promotion of investment linked to sustainable development under a new banner from 2017 – the United Nations Awards for Promoting Investment in the SDGs.

An UNCTAD survey of investment policies has identified investment facilitation as a largely neglected policy making area. This means a relatively inexpensive, yet potentially potent, policy fix is mostly not used. To fill this gap UNCTAD compiled the *Global Action Menu for Investment Facilitation*, which systematically signposts policy options that can be adopted and adapted by countries at the national and international level to create a better operating environment for investment. The overarching rationale is to unlock investment flows, particularly in productive sectors, and contribute towards the SDGs.

4. International Investment Agreements

The International Investment Agreement (IIA) regime is at a critical juncture. The body of treaties that governs the investment environment between countries has grown complex and controversial. The body of IIAs keeps growing (currently their number exceeds 3,300). At the same time the number of disputes brought by investors against States under so-called investor-State dispute settlement (ISDS) is also increasing. The disputes are costly and can put countries' rightful policy concerns in peril. Important concerns exist about the rights these treaties give investors without imposing any equivalent obligations on the investors.

The situation is especially complex because no central international body governs investment, as does, for instance, the WTO for trade and the IMF for finance. To fill this gap, UNCTAD has for many years backstopped

Facilitating SDG-oriented investment rules

Since 2012 some 135 countries have reviewed their investment policies, in many instances to align policies with sustainable development priorities. Of these 100 countries used UNCTAD's Investment Policy Framework for Sustainable Development to design treaty clauses

policy dialogue on the IIA regime⁷, particularly to strengthen its development dimension. UNCTAD also helps States to review existing IIAs and design new ones that allow more policy space and are better aligned with development objectives. Finally, UNCTAD trains investment policy makers and IIA negotiators on sustainable development aspects of investment treaties and their use. In this way the programme contributes to social well-being and environmental goals, such as:

- **SDG 1 target b** to create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions,
- **SDG 16 target 10** to ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements; and
- **SDG16 target b** to promote and enforce non-discriminatory laws and policies for sustainable development;
- **SDG 17 target 14** to enhance policy coherence for sustainable development;
- **SDG 17 target 15** to respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development; and
- **SDG 17 target 16** to enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources).



5. Good Governance, Accounting and Reporting

High-quality accounting standards and reporting practice is crucial to cement the credibility of a country's corporate environment, and therefore also a key element for attracting investment and promoting financial stability. Accountable and transparent institutions are important to create stability and predictability and to prevent illicit financial flows, thereby combatting organized crime and terrorism. UNCTAD developed the Accounting Development Tool (ADT) to help build capacity and spread best practice in the area of corporate reporting. An ADT assessment can identify weaknesses in a country's accounting infrastructure, while the tool also provides a strategy and road map to improve the accounting environment.

UNCTAD helps countries to build strategies and identify priorities to promote greater uniformity in international accounting and reporting practice. A dedicated programme helps SMEs to comply with international reporting standards, which is an excellent bridge to help informal businesses graduate to the formal sector. The programme is also working to establish accounting benchmarks to enable the measurement of actual progress with the implementation of the SDGs. In this manner, the activities directly contribute to:

- **SDG 12 target 6** to encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

⁷ The third Financing for Development Conference also acknowledged UNCTAD's programme on international investment agreements, calling on UNCTAD to continue its meetings and consultations with Member States on investment agreements. (Addis Ababa Action Plan, paragraph 91)

- **SDG 16 target 6** to *develop effective, accountable and transparent institutions at all levels;* and
- **SDG 16 target (a)** to *strengthen relevant national institutions, including through international cooperation, for building capacity at all levels).*



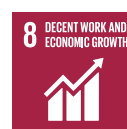
6. Responsible Investment and Impact Investing

UNCTAD has for long used a range of programmes to promote responsible investment and good corporate governance, as well as impact investing – which combines a return on investment with positive social and/or environmental impact. These programmes are detailed below. The organization also uses the World Investment Forum as a platform to advocate for and promote sustainable development through investment and enterprise; it also seeks to create links and partnerships between public and private sector actors to make this happen.

a) World Investment Forum

The biennial World Investment Forum⁸ exists as a platform for high-level interaction between government heads, private sector CEOs, civil society leaders and academic experts on how to leverage investment for sustainable development. It has become the largest event of its kind on the investment-development calendar, as attested by rising attendance numbers and the profile of Forum speakers. The last Forum, held in July 2016 in conjunction with the UNCTAD14 ministerial conference in Nairobi, Kenya, drew more than 3,000 participants from 137 countries, almost 40 per cent of whom were women. Some 220 top speakers addressed the event's 38 interactive sessions. The Forum seeks to directly support:

- **SDG 8 target 3** to *promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;*
- **SDG 10 target 6** to *ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions' and*
- **SDG 17 target 16** to *enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.*



Building on UNCTAD's long experience in the investment and development fields the Forum has established itself as a pillar of global investment governance. The event has also become a valuable launch pad for new ideas, initiatives and practical tools that support governments and businesses globally to leverage

⁸ The UNCTAD 14 Ministerial Conference formally mandated UNCTAD to organize the Forum in the Maafikiano, calling on UNCTAD to “[u]tilize the World Investment Forum for the regular exchange of experiences and best practices in the area of investment and enterprise policies for development, involving the widest possible range of stakeholders and providing for a universal, inclusive and transparent review of progress towards implementation of the Sustainable Development Goals at the highest level”. (TD/519/Add.2)

investment for development. The Forum offers opportunity for synergies and partnership with likeminded organizations and businesses. The sixth edition of the World Investment Forum will take place in October 2018 in Geneva.

b) Corporate Social Responsibility and the Sustainable Stock Exchange Initiative (SSE)

Stock exchanges are powerful vehicles to reach those businesses listed on them and influence their behaviour. The SSE membership currently counts 60 Partner Exchanges from every continent, representing about \$58 trillion in market capitalisation and almost three-quarters of all listed companies worldwide. The SSE initiative earmarks the catalysing potential of stock exchanges through listings requirements to improve corporate transparency among listed firms on environmental, social and corporate governance issues, thereby improving their performance in the long-term. This contributes to:

SSE member bourses lead sustainability reporting

A third of stock exchanges member to the SSE have already committed to introduce standards on sustainability reporting. The SSE Initiative is helping to spread corporate sustainability reporting by distributing model guidelines for use by stock exchanges and listed companies.

- **SDG 10 target 5** to improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations
- **SDG 12 target 6** to encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle



c) Principles for Responsible Agricultural Investment

UNCTAD, together with the FAO, IFAD and the World Bank, developed a set of principles for responsible agricultural investment (PRAI) that respects rights, livelihoods and resources in this sector that is vital for food security and forms a significant component of the overall economy of many low-income countries. The seven principles cover all kinds of investment in agriculture, including business models that involve contract farmers. The PRAI was formulated at the request of the United Nations General Assembly, in light of the analysis on investment and agriculture in the World Investment Report 2009. A major element of the PRAI work is to provide first-hand, practical knowledge of the approach, behaviour and experience of agricultural investments in developing countries, their relationships with surrounding communities and the consequent positive and/or negative outcomes for these communities, host countries and the investors themselves, contributing to:

- **SDG 2 target a** to increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries.



d) Business Schools for Impact

The poorest countries and communities have specific needs related to investment and enterprise development. The investment climate in these countries might be difficult and investors may lack knowledge of these markets. The Business Schools for Impact (BSI) initiative was set up to encourage the creation of more for-profit business activity intended to tackle poverty. To achieve this, the project provides educational materials to motivate and equip more business students to deploy their skills in low-income regions. The long-term objective is to help alleviate poverty and deliver social benefits, and encourage the emergence of a new generation of impact-oriented business managers, investors and entrepreneurs. The initiative resonates with:

- **SDG 1 target b** to create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies;
- **SDG 4 target 7** to ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development;
- **SDG 8 target 3** to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of MSMEs, including through access to financial services

However, the initiative cuts across the entire SDG agenda, because multiple facets of the project – from the choice of course modules and case studies, to the selection of enterprises where students can do ‘impact internships’ – are designed around SDG priorities. The project also prioritizes women and the youth interests.

7. Intellectual Property for Development

Access to affordable medicine is a pressing concern for many developing countries. The Intellectual Property for Development programme helps developing countries – particularly least-developed countries (LDCs) – to establish domestic intellectual property regimes that can facilitate better access to cheaper medicines. At the World Investment Forum, held in July 2016 in Nairobi, UNCTAD – in collaboration with the African Union and UNAIDS – signed the Nairobi Statement, which commits the parties to facilitate increased investment in local pharmaceutical production in Africa. Where possible, the programme also helps developing countries to set up local or regional pharmaceutical production and supply capacity. UNCTAD gives workshops to train national policy makers, judges and other IP stakeholders to support this endeavour, thereby directly contributing to:

Helping a girls school in rural Uganda

In 2015, Business Schools for Impact arranged a six-month internship at the Lira Integrated School for Girls in a rural village in Uganda for Antoinette de Hennin, a Masters graduate at the Vienna University of Economics and Business. Ms. De Hennin described the opportunity as life changing: “It was valuable to have the opportunity to gain experience working with a school that truly benefited the local women community. The freedom to make decisions, and space for creativity made the work all the more rewarding.”



- **SDG 3 target b** – *to provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all.*

B. Enterprise Development

The Enterprise Development programme helps countries build a healthy and resilient small business sector and thereby leverage the potential of small business to contribute to the SDGs. Entrepreneurship is supported at two levels: that is, through capacity building at the government level – supporting national initiatives to build an enabling environment that will help enterprises to develop and flourish – and by training entrepreneurs directly, thereby strengthening local enterprises, boosting their competitiveness and helping them expand. In this way enterprises are strengthened, which improves their ability to contribute to development. The intention is to build strong, healthy and growing enterprises that can help economies generate productive employment and decent work.

In line with the key components that comprise the Entrepreneurship Policy Framework (EPF), UNCTAD's own enterprise development work is organized along a value chain of priorities that span policy making, regulation, training and capacity building, facilitating technology exchange and promoting awareness and networking.

1. Entrepreneurship strategy and policy making

Entrepreneurship Policy Framework and Implementation Guide

Government officials increasingly understand the need for a comprehensive approach to entrepreneurship policies to ensure coherence between different priorities. This prompted UNCTAD to develop the Entrepreneurship Policy Framework (EPF), which guides the work to help countries develop and implement entrepreneurship policies. The framework helps policy makers identify, formulate and implement policy measures on entrepreneurship and MSME promotion in line with national priorities, directly supporting:

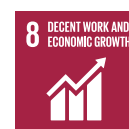
- **SDG 4 target 4** to *increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.*
- **SDG 8 target 3** to *promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.*



Advancing special groups' involvement in entrepreneurship

Poverty, youth unemployment, large-scale forced migration, low economic activity in rural and peri-urban areas, and other social challenges in many countries highlight the need to find enterprise development solutions to assist these groups. Involving special groups in enterprise development activities could be a powerful way to make them economically active and at the same time harness their potential to help alleviate social problems in their communities. In line with these objectives, UNCTAD has developed a Policy Guide for Youth Entrepreneurship in partnership with the Commonwealth Secretariat as well as a guide catering for the particular need of women entrepreneurs. Plans are afoot to develop more such guides earmarking other special groups, such as migrants. These efforts support:

- **SDG 5 target c** to adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels; and
- **SDG 8 target 6** to substantially reduce the proportion of youth not in employment, education or training.

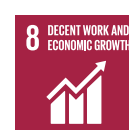


2. Optimizing the regulatory environment

Business and investment facilitation

Easy access to relevant information and streamlining of relevant administrative procedures for businesses and investors are some of the most powerful keys to help small businesses thrive. Under UNCTAD's business facilitation programme a series of web-based e-government systems have been developed to help developing countries improve their investment and business climates through transparency, simplification and the automation of rules and procedures relating to enterprise creation and operation. The eRegulations programme helps countries introduce tangible ways of making business establishment and operation procedures easier, quicker and less expensive, and brings these requirements all together under one umbrella (a one-stop online shop), which can be enormously beneficial to resource-constrained MSMEs. What is more, through increased transparency and simplified and published regulations, the tools contribute to good governance and anti-corruption efforts. The guiding ethos of the eGovernance system programme is to increase transparency and foster greater efficiency and improved governance in public service to the MSME sector. In this manner it contributes directly to:

- **SDG 8 target 3** to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services;
- **SDG 16 target 5** to substantially reduce corruption and bribery in all their forms ;
- **SDG 16 target 6** to develop effective, accountable and transparent institutions at all levels.



Cutting costs for SMEs

Thirty countries have implemented the eRegulations programme since inception. The system has been significant for many countries, with vast improvements in key indicators for small business. For example, through the eRegistrations system, the costs and time it takes to set up a small business has been cut by up to 80 per cent.

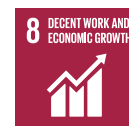
3. Capacity Building and Training

Empretec

Work in the policy advice and regulatory realm is complemented by UNCTAD's grassroots enterprise capacity-building programme, Empretec. Since its inception in 1988 Empretec has effectively gained a global foothold, with training centres set up in countries across Africa, Latin America and Asia, establishing

the programme as an exemplar for development-oriented entrepreneurship training. In 29 years of activity more than 340,000 entrepreneurs have benefited from some 10,000 Empretec entrepreneurship training workshops and follow-up support services from the centres. Through the certification of Empretec national trainers the cost of Empretec training is lower, ensuring greater affordability and enhancing the sustainability of these activities. The Empretec programme currently operates in 40 countries and contributes to:

- **SDG 4 target 4** to increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship; and
- **SDG 8 target 3** to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



Business Linkages

UNCTAD helps entrepreneurs through the business linkages programme, which builds links between transnational corporations and local suppliers to help them establish stable offset points for their products or services, enabling them to benefit from international trade and investment opportunities. These links are enormously useful to spur on the transfer of technology, knowledge and skills to developing countries. At the core of successful business linkages strategies is the need to build strong domestic productive capacity through enterprise support and enhancing the bargaining power of local firms. The linkage programme therefore goes beyond mere matchmaking to include regular monitoring of suppliers' operations and encourages continuous learning and innovation through specialized seminars and workshops. This work supports:

- **SDG 9 target 3** to increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.



4. Promoting Awareness and Networking

The Entrepreneurship Policy Framework points out that negative attitudes to entrepreneurship can bedevil efforts to build a strong enterprise sector. For instance, negative perceptions about entrepreneurship in some societies act as a big barrier to enterprise creation and can even make policies to support entrepreneurship ineffective. The impact of regulatory reforms in support of start-ups or to facilitate access to finance for entrepreneurs will be unsuccessful if people do not consider entrepreneurship as a viable and rewarding option, in other words, if they consider it only as an option if they are forced by necessity. UNCTAD therefore tries to promote an “entrepreneurial culture” that attributes positive values to entrepreneurs and entrepreneurship. To raise awareness about the value of entrepreneurial activity for wider economic and social good, UNCTAD leverages its Empretec network. Events are organized for the benefit of Empretec entrepreneurs, through networking, global contact expansion, and opportunities to showcase their expertise to a global audience. Apart from the objective to stimulate greater global awareness and positive mindsets towards entrepreneurship, these networking and awareness-raising activities, in equal measure, help to build capacity at various levels and further other SDG objectives, such as women and youth interests.

The Women in Business Awards

The Empretec Women in Business Awards are made by UNCTAD every two years to women entrepreneurs, who have benefited from Empretec training and excelled in their business ventures. The awards have a proven impact in creating business opportunities for nominees and setting up positive role models for other aspiring women entrepreneurs, supporting the objectives of:

- **SDG 5 target 5** to *ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life*



Over and above the women empowerment dimension of the awards, the event also builds on the general sustainable development angle that underpins UNCTAD's programmes, through the introduction of additional awards that raise awareness about green and social entrepreneurship.

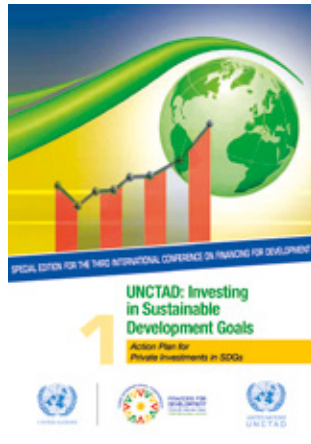
Investment & Enterprise – Compact for the SDGs at a Glance

Goal	Product	Ways and Means
 <p>1 NO POVERTY</p>	<p>World Investment Report</p> <p>Investment and Enterprise Policy and Capacity Building Package</p>	<ul style="list-style-type: none"> • A package that helps developing countries design and implement policies that can advance job creation and enhance productive capacity, industrialization and economic diversification through investment, thereby promoting inclusive growth and development.
 <p>2 ZERO HUNGER</p>	<p>Responsible Investment in Agriculture</p>	<ul style="list-style-type: none"> • UNCTAD's Principles for Responsible Agricultural Investment (first launched in the WIR 2009) provides a framework for national regulations, international investment agreements, CSR, and individual investor contracts. • FDI trends and analysis in agriculture in the WIR 2009, which was dedicated to the theme <i>Transnational Corporations, Agricultural Production and Development</i>.
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Access to Medicines</p>	<ul style="list-style-type: none"> • Intellectually Property Rights-oriented programme that seeks to promote local pharmaceutical production to improve access to medicines in low-income countries.
 <p>4 QUALITY EDUCATION</p>	<p>Empretec</p> <p>Business Schools for Impact initiative</p>	<ul style="list-style-type: none"> • Entrepreneurship training. • Inculcating an SDG-oriented approach in business management education through the provision of teaching materials, case studies and internships, with aim to encourage a proportion of graduates to deploy their skills in low-income markets.
 <p>5 GENDER EQUALITY</p>	<p>Programme on FDI and Gender</p> <p>Women in Business Awards</p>	<ul style="list-style-type: none"> • Assessing the impact of FDI on Gender and supporting policymakers with the design of initiatives and institutions to empower women through investment. • Rewarding women entrepreneurs for excellence in business practice; in this manner also inspire and motivate other women.
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Investment Promotion</p> <p>World Investment Report</p>	<ul style="list-style-type: none"> • Advisory services on investor targeting in utilities, recycling and waste management industries. • The WIR 2008 was dedicated to the theme <i>Transnational Corporations and the Infrastructure Challenge</i>, which had a section dedicated to water and sanitation.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Investment Promotion</p> <p>World Investment Report</p>	<ul style="list-style-type: none"> • Promote specific types of investment, such as "green FDI", and provide technical assistance in the development of bankable renewable energy projects. • The WIR 2010 was explored the theme <i>Transnational Corporations and the Infrastructure Challenge</i>, which had a section dedicated to electricity infrastructure

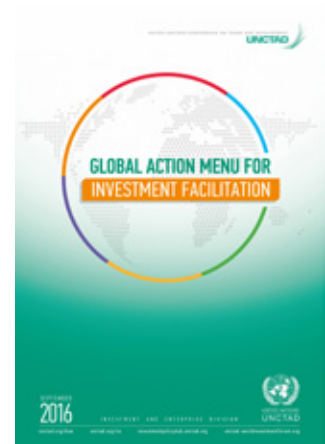
Goal	Product	Ways and Means
	Programme on Private Investment and Job Creation World Investment Report	<ul style="list-style-type: none"> Advisory services on enhancing private investment for employment creation. The WIR 2001 was dedicated to the theme Promoting Linkages, which explored policy options for linking domestic firms and suppliers with foreign companies to boost local incomes and employment creation.
	World Investment Report Investment Promotion	<ul style="list-style-type: none"> Infrastructure FDI trends analysis WIR 2008, which was dedicated to the theme <i>Transnational Corporations and the Infrastructure Challenge</i> Promote private sector involvement in essential infrastructure industries and support development of bankable SDG projects
	IPFSD Investment and Enterprise Policy and Capacity-building package	<ul style="list-style-type: none"> Assistance with the design and implementation of policies that can promote industrialization, economic diversification and productive capacity, thereby enhancing inclusive growth and reducing inequality.
	Sustainable Stock Exchanges	<ul style="list-style-type: none"> Encouraging responsible business practice among listed companies by advocating for the adoption of sustainability reporting requirements by the stock exchanges they are listed.
	World Investment Report Investment Promotion	<ul style="list-style-type: none"> Renewable energy-related FDI analysis in WIR2010, which was dedicated to the them Investing in a Low-Carbon Economy Capacity-building in Green FDI promotion.
	ISAR Sustainable Stock Exchanges eRegulations	<ul style="list-style-type: none"> Support the promotion of the rule of law at national and international level and provide assistance with the implementation of best practice in corporate transparency and accounting in order to facilitate investment flows and economic development. Facilitate ease and cost of doing business thereby promoting conditions for increased investment in essential infrastructure
	World Investment Forum International Investment Agreements	<ul style="list-style-type: none"> The WIF provides a global platform for dialogue on “investment for development” to promote investment flows that can contribute to sustainable and inclusive development. UNCTAD backstops the IIA regime, through a comprehensive programme of policy analysis, technical assistance and consensus building among member States on IIA-related issues.



Investment Policy Framework
for Sustainable Development



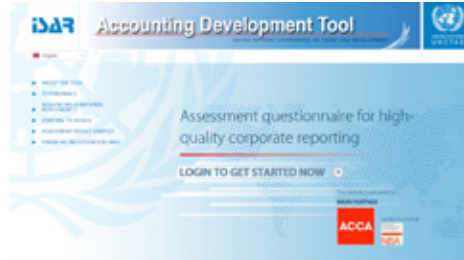
Action Plan for Private Investments
in Sustainable Development Goals



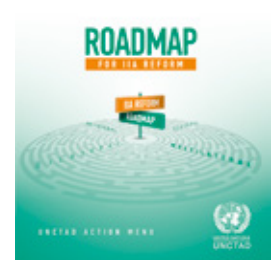
Global Action Menu
for Investment Facilitation



Entrepreneurship Policy Framework



Accounting Development Tool



Roadmap for IIA Reform

For the latest investment trends and policy developments,
please visit the website of the UNCTAD Investment and Enterprise Division

 unctad.org/diae

 investmentpolicyhub.unctad.org

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For further information, please contact
Mr. James X. Zhan
Director
Investment and Enterprise Division UNCTAD

 james.zhan@unctad.org

Tel.: +41 22 917 57 60 | Fax: +41 22 917 04 98

