

SECOND AMBASSADORS' ROUNDTABLE ON INVESTING IN THE SDGs

Monday, 11 November 2019, 15:00 – 18:00
Room XVIII

CHAIRS' SUMMARY

The Second Ambassadors' Roundtable on Investing in the SDGs was opened by the Director of the Investment and Enterprise Division, Mr. James Zhan. He stressed that through this gathering Geneva-based Permanent Representatives could take full advantage of their strategic positioning to effectively promote private sector contributions to the SDGs and spearhead the role of Geneva as a global SDG implementation hub. Against the background of continued SDG investment gap, documented by the Secretariat's new [SDG Investment Trends Monitor](#), he pointed to the recent Secretariat work on [Guidance on Core Indicators for Entity Reporting on Contribution towards the SDGs](#) and the new UNCTAD initiative, [Investing in the Sustainable Development Goals: The Role of Diplomats](#), as contributions towards tackling the issue.

Mr. M. Schneider, Chief Executive Officer of Nestlé, provided an introduction stressing the importance to business of contributing to sustainable development. He explained the concept of creating shared value for firms, communities and the environment.

Referring to UNCTAD's *SDG Investment Trends Monitor*, Ambassadors noted that the importance of promoting and facilitating investment in sustainable development has risen since the time of the first Roundtable during the World Investment Forum 2018. Across all SDG sectors, investment growth is not enough to bridge investment gaps. Some Ambassadors emphasized to the need to channel more investment into specific areas, including water and sanitation, health, and education, as well as climate change mitigation and adaptation. Investment in the SDGs should specifically help structurally weak economies accelerate their structural transformation and benefit vulnerable groups and young people.

Ambassadors welcomed the Roundtable as a valuable initiative and a useful platform to exchange ideas on how to stimulate investment in sustainable development. They stressed the importance of continued dialogue among all stakeholders and the engagement of private sector representatives, as business involvement in achieving the SDGs is crucial. They noted that the joint initiative of permanent representatives in Geneva, international organizations and private sector actors can consolidate the Geneva ecosystem as a global SDG implementation hub – better exploiting the tools that different organizations have to offer.

The Roundtable was also considered useful for preparations for UNCTAD 15 and WIF 2020. It was stressed that investment in sustainable development should be an important part of discussions on the activities and mandate of UNCTAD and should be addressed in the concept note for the Conference, including definitions sustainability criteria for relevant programmes

and investment and financial instruments. UNCTAD's *Guidance on Core Indicators for Entity Reporting on Contribution towards the SDGs* can be a useful tool for this purpose.

Ambassadors expressed appreciation for the work of UNCTAD's Investment and Enterprise Division, including its data and analysis in the *World Investment Reports* and *Trends Monitors* and work on the ground to improve the investment climate, good governance and strong institutions in developing countries, including through national assistance (portals, single windows) and regional programmes and workshops.

Ambassadors especially commended the timeliness and high quality of UNCTAD's *SDG Investment Trends Monitor*. They also pointed at the important role of the WIF in providing the opportunity for countries to explore ways to harness investment policy to support sustainable development and encouraged intersessional events. Tailor-made research – such as on investment in healthcare in the ASEAN Investment Report – was also mentioned.

Ambassadors noted the importance of modernizing International Investment Agreements, putting more emphasis on sustainable development, e.g. by supporting adherence to national and international labour and environmental norms and regulations, or balancing the regime to provide a stable environment for investment while ensuring the right to regulate for the achievement of the SDGs. They acknowledged UNCTAD's central role in backstopping the reform process through its data and policy analysis and its policy frameworks, as well as through the consensus building platform it provides, including the annual IIA Conference.

Among other international policy initiatives, it was suggested that the plurilateral initiative on investment facilitation can play a role in promoting increased investment for sustainable development.

Investment does not have to be SDG-sector-specific to achieve the SDGs; creating shared value in all value chains contributes to sustainable development and inclusive growth. Thus, policy initiatives affecting the general climate for investment at the national and international levels are important to support investment flows in infrastructure, including digital infrastructure, and in industrial development crucial for developing countries to undertake FDI-driven structural transformation, as the necessary context for promoting investment in SDG-specific sectors and in the green transition. Regional initiatives to support industrial development, including regional infrastructure investment plans and special economic zones (SEZs) can also support these objectives.

Ambassadors noted that investment cuts across multiple policy areas, including trade, labour and decent work, intellectual property, human rights, health, climate change, migration, etc., with many interlinkages. These issues are being dealt with by numerous international organizations in Geneva and beyond, making coordination and cooperation important. One area of cooperation could be in measuring not only the quantity of investment but also the quality, e.g. through indicators that measure the sustainable development impact of foreign direct investment in host countries. In that regard, Ambassadors pointed at the need for better data on sustainable development impacts of investment – including on climate, gender

equality, and other environmental, social and governance issues – again referring to UNCTAD’s “Guidance on Core Indicators for Entity Reporting on Contribution towards the SDGs” as a tool.

Ambassadors noted the need for transformative initiatives and scaling up successful schemes to promote investment in the diverse SDG sectors. Beyond the SDG sectors analysed in UNCTAD’s *Monitor*, participants referred to areas such as micro-finance, social housing, gender equality initiatives, migrant and social entrepreneurship and business linkages. They also noted that many of the ideas in UNCTAD’s *Action Plan for Investment in the SDGs* are worth pursuing; it was suggested the Secretariat revisit and update it for discussion by and support from delegations.

Some Ambassadors conveyed ideas and good practices for the promotion of sustainable investment or referred to those in the Action Plan that should be prioritized. These included linking investment incentives (including preferential access to government or UN procurement) to sustainability criteria. It was also suggested to develop such incentives with a specific focus on small and medium-sized enterprises. It was furthermore suggested that a review of best practices in applying sustainable investment incentives could feed into the 2020 World Investment Report. Together with the definitions and sustainability criteria for relevant programmes and investment and financial instruments, such inputs could form the basement for a global dialogue on sustainable investment under the aegis of UNCTAD, aimed at creating of a list of International Financial Institutions, private companies and governments committed to sustainable investment.

Another priority that was highlighted is the greater use of Public-Private Partnerships (PPPs). It was suggested UNCTAD pursue more research and policy analysis, technical assistance and capacity-building, as well as sharing of good practices on the use of PPPs for SDG investment, including in the context of SEZs. Other actions highlighted included improving the sustainability of the operations of multinationals and combating tax avoidance. Tapping new sources of investment flows, such as South-South investment, were also mentioned.

Many Ambassadors stressed the importance of mainstreaming investment in the SDGs in national development plans, to ensure coordinated implementation efforts and to align initiatives with home-grown economic reform programmes building sound investment climates for the private sector, including anti-corruption efforts. To that end, partnerships and cooperation between the multiple institutions and levels of government in each country responsible for the investment climate and for investment facilitation efforts is crucial.

Ambassadors made a link to voluntary national plans on SDG implementation, which should emphasize concrete action to promote and facilitate investment. Similarly, national SDG financing strategies can help bring together various financing policies and instruments, e.g. in “Integrated National Financing Frameworks” (INFFs).

Ambassadors highlighted the importance of links between promotion of private sector investment in SDGs and international public financing commitments. Official development

assistance (ODA) can support increased private investment in SDGs, e.g. through blended finance. Blending helps crowd in private sector investment by reducing risk and by supporting business and investment climate reforms.

Ambassadors noted the urgency and critical nature of the SDG investment and financing gap for LDCs. They welcomed the idea for countries with limited resources for investment promotion to synergize with the work of diplomats on SDG investment promotion and expressed appreciation for UNCTAD's initiative to update the training course and handbook on investment promotion for diplomats.

A concluding statement by the International Chamber of Commerce confirmed the critical role of business and confirmed the availability of practical solutions to some of the SDG financing issues.

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