UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Eleventh session of the Investment, Enterprise and Development Commission

(11 November 2019)

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Second Ambassadors' Roundtable on Investing in the SDGs

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Intervention by the European Union Ambassador to the UN and other international organisations in Geneva

Geneva, 11 November 2019

- CHECK AGAINST DELIVERY –

- Dear Director for Investment Division James Zhan, CEO of Nestle Ulf Mark Schneider, dear Excellencies.

- First of all, let me thank UNCTAD and extend my appreciation for the work of its Investment Division in organising this second roundtable as well as other activities in the framework of the 11th session of the Investment, Enterprise and Development Commission. **Investments are at the core of global attainment of SDGs**. They need to remain central in our multilateral efforts.

- Five editions back, UNCTAD's World Investment Report identified an annual **SDG investment gap of USD 2.5 trillion** – a figure so vast, that it appears almost incomprehensible to an individual. A figure that is around 17 times the amount of all global ODA today. A figure that is barely scratched by current investment trends, as presented by the SDG Investment Trends Monitor. A figure that confirms that **traditional development assistance cannot do the work alone**.

- Recent examples show that developing an **SDG financing strategy can help** a country better achieve its development objectives by bringing together various financing policies and instruments. This is why the EU – jointly with the UN and other multilateral entities – is supporting partner countries in developing their own "Integrated National Financing Frameworks" or INFFs.

- **INFFs bring together**, in a comprehensive manner, the **entire landscape of financing modalities**. In this way, INFFs identify a country specific and country appropriate financing strategy to implement the country-identified policies and reforms for reaching SDGs.

- On the other side of the equation, **development partners need to explore different tools for delivering ODA**, thus complementing the "financing menu" for the INFFs.

- Being the largest provider of ODA for decades, the **EU and its Member States have a long track record and ample experience in development cooperation**. Our ODA instruments adjust through time, build on past experience and look for a sensitive balance between predictability and flexibility.

- In its **proposal for the future central EU external financing instrument**, the European Commission tabled a 27% increase compared to the current period. This amounts to almost EUR 90 billion for external financing! 92% of the total of the instrument will have to be eligible as ODA, which represents a major increase in the EU's ambition in that regard. It puts together a combination of modalities, such as budget support, project grants, blending mechanisms, budgetary guarantees and rapid response actions, **making sure that aid is delivered where it is needed, when it is needed and how it is needed**.

- But as noted in the beginning – **traditional ODA mechanisms alone will not suffice to reach SDGs**. We must bring into the equation also the private sector. In the EU, we have been developing many good practices through different investment initiatives. Since as early as 2008, we have rolled out 9 blending investment facilities or funds to cover essentially all developing countries, learning and improving them ever since. **Today, blending represents a crucial component of EU development aid delivery**. The European External Investment Plan goes one step further in helping to crowd in private sector investment thanks to a new guarantee to reduce risk and actions in support of business and investment climate reforms.

- The **results speak for themselves**. The focus and the major beneficiaries are countries most in need. For example, LDCs systematically benefit from higher concessionality, with particular attention given to debt sustainability. In 2017-2018, LDCs benefited from about a quarter of all amounts mobilised through the EU blending facilities. This blending modality is effectively complemented by budget support implemented in 89 developing countries, and specific project grants.

- We should, however, not forget the need, but also desire of, **businesses to contribute to SDGs** through their investment decisions, as well as through their day-to-day business. As consumer preferences evolve, this simply makes good business strategy. For similar reasons, outside investors and shareholders are increasingly looking for evidence of SDG action in companies' business models. This was very evident during last week´s UNCTAD organised expert meeting on accounting and reporting.

- While still in its early days, **business can and will play a crucial role if we are to deliver on SDGs**. And one cannot but commend UNCTAD for supporting this inevitable trend. The developed “Guidance on core indicators for entity reporting on contribution towards implementation of SDGs” represents an essential stepping stone for countries and businesses to embark on the necessary transformative path in becoming truly responsible, transparent and accountable actors for the future sustainable economies.

- **Only together can we deliver on the Agenda 2030** and beyond. The EU, for its part, remains firmly committed to deliver. I trust I can count on us all to do our bits!

- Thank you.