

Partners for Investment in the
Sustainable
Development Goals

A strategic approach



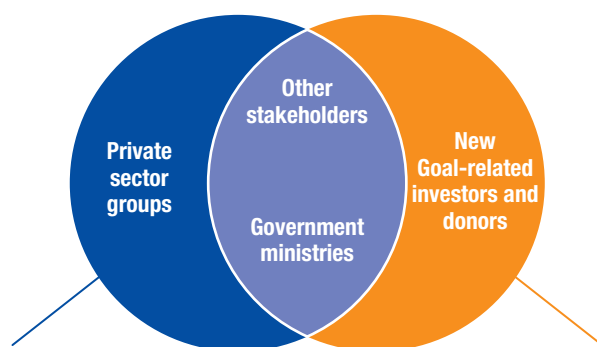
Investment in the Sustainable Development Goals

The Sustainable Development Goals and their related targets cover a wide range of social, economic and environmental objectives to be achieved by 2030. Trillions of dollars will be needed to advance the Goals through projects in renewable power generation and electricity supply, transport, telecommunications, water and sanitation, food security, climate change mitigation and adaptation, health care and education. Countries, particularly developing countries, will struggle to mobilize the necessary funding for these projects. UNCTAD estimates that developing countries alone will need US\$2.5 trillion annually to achieve the Sustainable Development Goals.

Foreign direct investment (FDI) could supplement public investment in Sustainable Development Goal sectors. To mobilize FDI into Goal-related projects, public institutions need to promote and facilitate such investment, maximizing their impact on sustainable development and minimizing possible drawbacks and risks. In both developing and developed countries, investment promotion agencies (IPAs) have traditionally been key players in attracting FDI. To channel investment in Sustainable Development Goal sectors, the IPA's role needs to adapt and requires new relationships to assess the impact of existing investments, to identify Goal-related projects, to review policies on FDI in these sectors, and to prepare pipelines of bankable project proposals.

Partners for promoting investment in the Sustainable Development Goals include traditional allies and a range of other stakeholders such as national and international organizations, including line ministries, local government administrations, outward investment agencies (OIAs), non-governmental organizations and donor agencies. IPAs should also work closely with the private sector to identify firms that could contribute to the Goals. The way such relationships are structured and managed is critical to a Goal-related investment promotion strategy.

Partners for promoting investment in the Sustainable Development Goals



Traditional partners:

- Ministries of industry, trade, investment and foreign affairs
- Trade promotion organizations, economic development agencies, industrial zones and special economic zones
- Chambers of commerce and manufacturing associations

New Goal-related support partners:

- Ministries of energy, health, education, agriculture and labour
- Local governments
- Non-governmental organizations and informal sector representatives
- Outward investment agencies and donor agencies

Source: UNCTAD.

A Sustainable Development Goal project profile template

This template is a starting point for developing a pipeline of bankable Sustainable Development Goal project proposals. A more detailed template can be found in the UNCTAD publication “Promoting Investment in the Sustainable Development Goals”, Investment Advisory Series A, number 8.

A. General project information

<p>An introductory section should provide overall project information that will enable investors to position it in terms of scale, scope, resource requirements, outcomes and relevant Sustainable Development Goals.</p>	Project title
	Relevant Sustainable Development Goal(s) and target(s) addressed
	Sector, subsector, project description
	Estimated financial needs and potential Goal-related financing
	Estimated staffing needs
	Project duration

B. More detailed project information

<p>This section should provide practical project details such as rationale, market to be served, suppliers, competition, costs of inputs and their availability, and institutional arrangements.</p>	Target market
	Presence of suppliers, maintenance required
	Detailed information on land and property requirements, labour required, capital needs, technology, business proposition, key assumptions and success factors
	Measures to ensure economic sustainability of project
	Competitors

C. Regulatory requirements

<p>Given the Goals, important regulatory factors may be involved, including arrangements for private contractors to build and operate roads, hospitals or schools.</p>	Is regulatory pre-clearance required? If so, has this been provided?
	Has an environmental impact assessment been carried out?
	Requirements such as social impact assessments and corporate social responsibility reporting

D. Support, incentives and monitoring

<p>A tailored support package could include Sustainable Development Goal-related incentives.</p>	IPA support with the establishment and operations of investment projects
	Participation by public bodies
	Goal-related incentives, tax incentives, training support
	Export support
	Monitoring and mechanisms to optimize environmental and social impact

E. Contacts

<p>A full set of relevant contacts should be provided to speed up the project assessment process.</p>	IPA contact
	Other key project-related communication contacts, such as government ministries, local governments, development organizations, infrastructure providers and research institutions

IPAs targeting Sustainable Development Goal projects

The targeting of Sustainable Development Goal projects by IPAs requires a strategic approach that involves several steps starting with the identification of priority Goal sectors and concluding with the improvement of locations' competitiveness for Goal-related investment, based on feedback from stakeholders. Some intermediary steps are typical for any investment targeting strategy and others are unique to Goal-related targeting.

The eight-step strategy pictured below shows three distinctive Goal-related steps. These are: aligning the IPA structure with a special team for Sustainable Development Goal project preparation with a clear division of work between IPAs and other government departments, including Public-Private Partnership Units; the development of a Sustainable Development Goal project pipeline; and the creation of new partnerships with a range of Goal-related stakeholders inside and outside the country.

Mainstreaming Sustainable Development Goals in investment promotion



Source: UNCTAD.

OIAs as partners in promoting Goal-related projects

Many actors are involved in mobilizing capital for investment in Goal-related projects. Primary actors are owners of capital such as individual investors, multinational enterprises, foundations and institutions. Other important players in the Sustainable Development Goal investment chain include banks, pension funds, insurance companies and sovereign wealth funds. OIAs, which may include outward investment promotion agencies, development finance institutions and investment guarantee schemes, also market and finance Goal-related projects and are natural partners for IPAs.

Cooperation between OIAs in home countries and IPAs in host countries may be beneficial for both agencies. Possible areas of collaboration include information exchange on Goal-related priorities, investment opportunities and investment conditions; technical cooperation in preparing project proposals; the marketing of Goal-related investment opportunities through joint promotion campaigns; and cooperation in project monitoring and impact assessment.

Selected OIAs with Sustainable Development Goal-related services

Country/Region	OIA	Sustainable Development Goal-related services and programmes	OIA website
Africa	Shelter Afrique	Equity investments and joint ventures	www.shelterafrique.org
Asia and Pacific	Asian Development Bank	Private sector operations department	www.adb.org
Canada	Export Development Canada	Green bonds	www.edc.ca
Denmark	Investment Fund for Developing Countries	Danida business finance	www.ifu.dk
France	Proparco	Financial tools and technical assistance	www.proparco.fr
Japan	Japan Bank for International Cooperation	Global action for Reconciling Economic growth and ENvironmental preservation (GREEN)	www.jbic.go.jp
Netherlands	Netherlands Enterprise Agency	Dutch Good Growth Fund (DGGF)	https://english.rvo.nl
South Africa	Development Bank of Southern Africa	Infrastructure Investment Programme for South Africa	www.dbsa.org
Spain	Compañía Española de Financiación del Desarrollo (COFIDES)	COFIDES funds, FINFOOD and Interact Climate Change Facility	www.cofides.es/en
United States	Overseas Private Investment Corporation	Green guaranties	www.opic.gov

Source: UNCTAD.

UNCTAD Programme on Investment and Enterprise: Compact for the Sustainable Development Goals at a glance

Goal	Product	Ways and means
 <p>1 NO POVERTY</p>	<p><i>World Investment Report</i></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, e.g., Investment Policy Reviews
 <p>2 ZERO HUNGER</p>	<p>Responsible investment in agriculture</p>	<ul style="list-style-type: none"> UNCTAD's Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources (launched in <i>World Investment Report 2009: Transnational Corporations, Agricultural Production and Development</i>) provide a framework for national regulations, international investment agreements (IIAs), corporate social responsibility and individual investor contracts
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Access to medicines</p>	<ul style="list-style-type: none"> Intellectual property rights-oriented programme that seeks to promote local pharmaceutical production to improve access to affordable 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 programme based in 40 developing countries and economies in transition Inculcating a Sustainable Development Goal-oriented approach in business management education to encourage graduates to deploy their skills in low-income markets
 <p>5 GENDER EQUALITY</p>	<p>Programme on FDI and gender equality</p> <p>Women in Business Awards</p>	<ul style="list-style-type: none"> Assessing the impact of FDI on gender equality, and supporting policymakers with the design of initiatives and institutions to empower women through investment Rewarding women entrepreneurs for excellence in business, thereby inspiring and motivating other women Joint activities with UN Women
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Investment promotion</p> <p><i>World Investment Report</i></p>	<ul style="list-style-type: none"> Advisory services on investor targeting in utilities, recycling and waste management industries The <i>World Investment Report 2008</i> was devoted to the theme <i>Transnational corporations and the infrastructure challenge</i>, incorporating a section on water and sanitation
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Investment Promotion</p> <p>sustainableFDI.org</p>	<ul style="list-style-type: none"> Technical assistance with the development of bankable renewable energy projects An online resource repository on green investment

Goal	Product	Ways and means
	Programme on private investment and job creation <i>World Investment Report</i>	<ul style="list-style-type: none"> • Advisory services on enhancing private investment for employment creation, e.g., the Global Action Menu on Investment Facilitation and the Entrepreneurship Policy Framework • The <i>World Investment Report 2001</i> was devoted to the theme <i>Promoting linkages</i>, which explored policy options for linking domestic firms and suppliers with foreign companies to boost local incomes and employment creation
	<i>World Investment Report</i> Investment promotion	<ul style="list-style-type: none"> • Infrastructure FDI trends analysis in <i>World Investment Report 2008 on Transnational corporations and the infrastructure challenge</i> • The promotion of private sector involvement in essential industries, including R&D, and the support for the development of bankable infrastructure projects
	Investment Policy Framework for Sustainable Development 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
	World Investment Forum Partnerships with UN Habitat	<ul style="list-style-type: none"> • The organization of dedicated sessions on urban development at the World Investment Forum • Cooperation with UN-Habitat in promoting investment in sustainable urban development
	Sustainable Stock Exchanges International Standards of Accounting and Reporting Responsible Investment	<ul style="list-style-type: none"> • Encouraging responsible business practice among listed companies by advocating the adoption of sustainability reporting requirements by the stock exchanges on which they are listed • The formulation of core SDG indicators to harmonize sustainability reporting and the integration of sustainability information into companies' reporting cycles
	<i>World Investment Report</i> Investment promotion	<ul style="list-style-type: none"> • Renewable energy-related FDI analysis in <i>World Investment Report 2010</i>, devoted to the theme <i>Investing in a low-carbon economy</i> • Capacity-building for FDI promotion for sustainable development
	World Investment Forum IIAs eGovernance system (eRegistration and eRegulations)	<ul style="list-style-type: none"> • The World Investment Forum 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 • The eGovernance system facilitates the ease of doing business and reduces regulatory-related costs, thereby promoting conditions for increased investment
	World Investment Forum Partnerships for investment in the SDGs	<ul style="list-style-type: none"> • The Forum provides a global platform for dialogue on investment for development to promote investment flows that can contribute to sustainable and inclusive development • Support partnerships between inward and outward investment promotion agencies to facilitate investment in SDG projects



Mukhisa Kituyi,
Secretary-General of UNCTAD

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Partnerships are critical for facilitating investment in the SDGs and IPAs often forge such ties. Our work at UNCTAD seeks to help these agencies realize their mission optimally.

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