

Investment Policies and Promotion for Sustainable Development

Promoting Investment in the SDGs

WAIPA World Investment Conference

Milan, Italy

15 June 2015

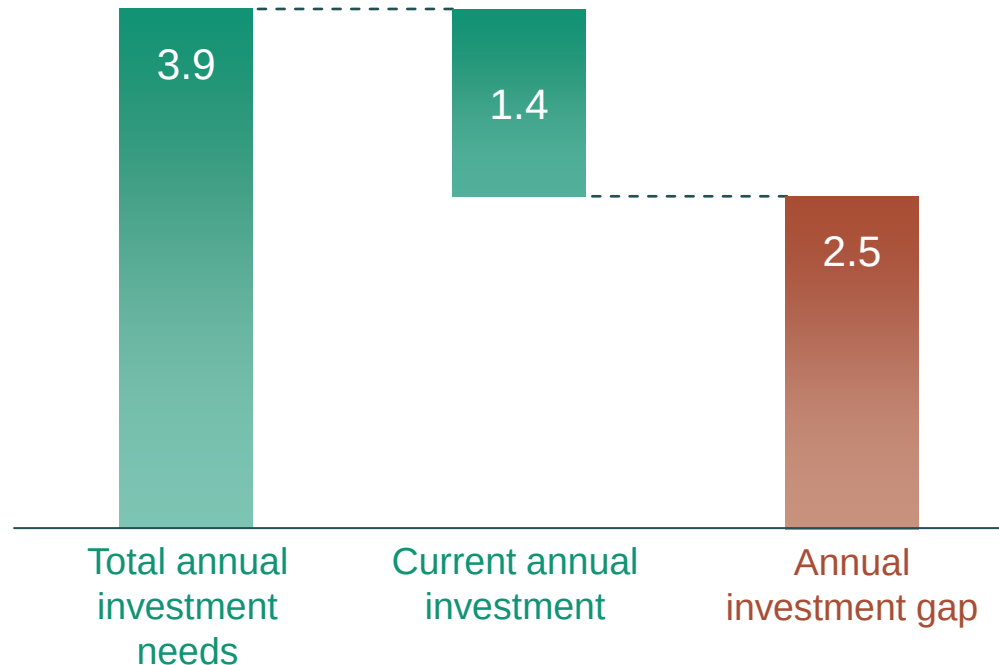
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UNCTAD

The SDGs will need to bridge a large investment gap

Estimated annual investment needs in key SDG sectors in developing countries,
2015–2030 (trillions of dollars, annual average)



Source: UNCTAD World Investment Report 2014

A Big Push for private investment in the SDGs: Action Packages (1/2)



Source: UNCTAD World Investment Report 2014

A Big Push for private investment in the SDGs: Action Packages (2/2)



Source: UNCTAD World Investment Report 2014

A Big Push for private investment in the SDGs: A need for guiding principles

Balancing liberalization and
regulation

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

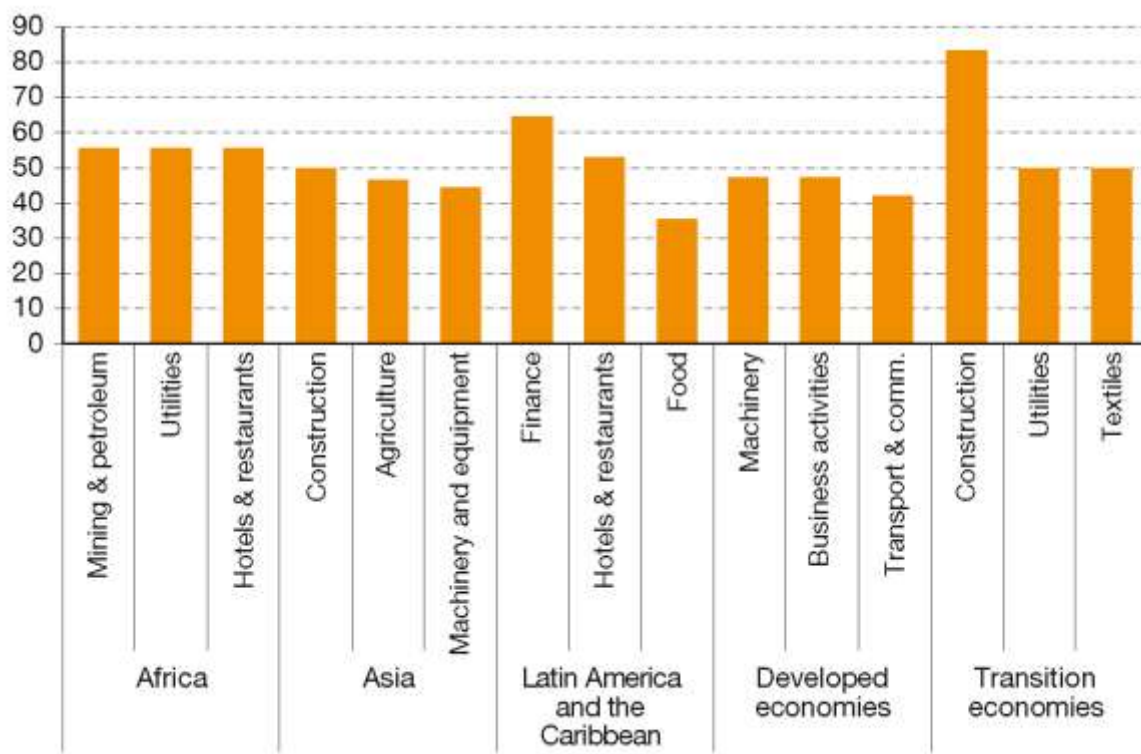
Balancing a push for private funds
with the push for public
investment

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

Source: UNCTAD World Investment Report 2014

IPAs may not yet fully recognize and target investment opportunities in SDG sectors

IPAs' selection of most promising industries for attracting FDI in their own country
(per cent of IPA respondents)



Source: UNCTAD survey (2014), based on responses from 80 IPAs

Promoting SDG projects

New targets – new approaches - new challenges for IPAs

Broaden IPA's network of in-country partnerships

Develop pipelines of bankable SDG projects

Broaden contacts with potential investors

Regional cooperation between governments and their IPAs

Develop in-house expertise

Build partnerships with outward investment agencies (OIAs)



Targeting

low-carbon investment

What is low-carbon foreign investment?

It is the **transfer of technologies, practices or products** by TNCs to host countries, so that their own and related operations and the use of their products and services generate significantly **lower GHG emissions** than in a business-as-usual scenario.

Low-carbon processes
investments



to reduce GHG emissions related
to how products or services are
produced

Low-carbon products and
services investments



to lower GHG emissions through
their use

Types of low-carbon investment

Investment in production processes with a reduced GHG impact

- Implementation of energy-saving processes
- Introduction of processes and equipment that reduces GHG emissions
- Use of green construction techniques in building

Investment in clean energy generation

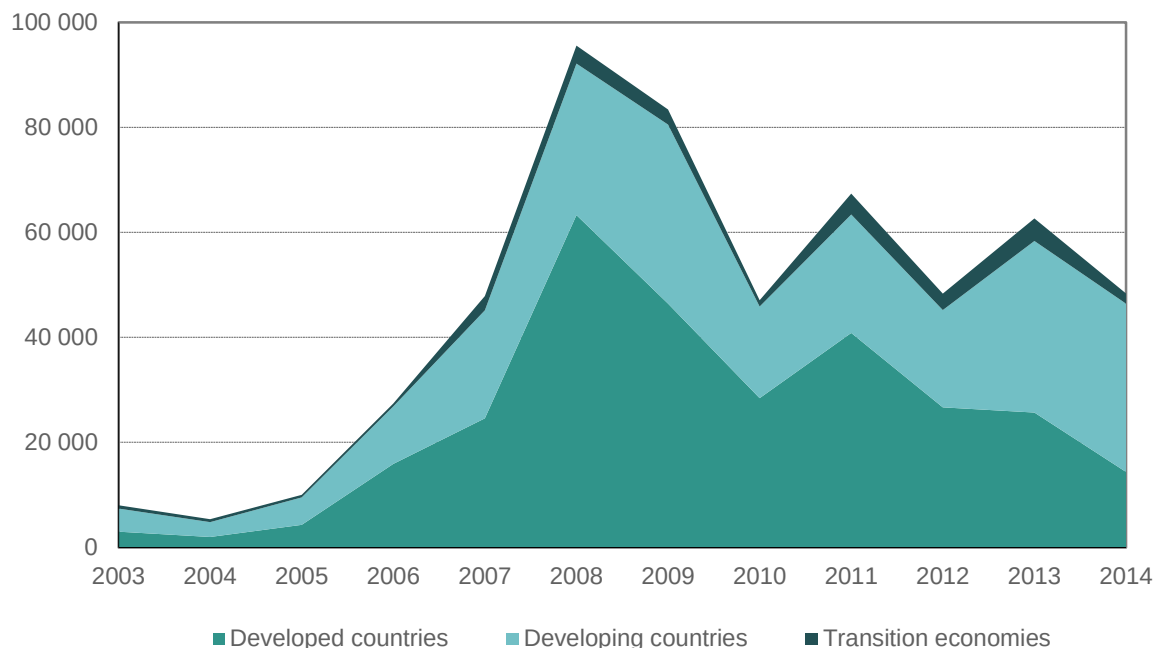
- Solar energy
- Windmill parks
- Hydropower generation
- Geothermal energy facilities

Investment in research and production facilities to manufacture GHG-reducing products and provide related services

- Research in energy efficiency and recycling
- Production of solar panels, windmills
- Production of energy-efficient products (electric cars, light bulbs, etc.)
- Technology services
- Waste management services

Inward greenfield projects in low-carbon sectors decreased globally but their share in developing countries increased

Greenfield projects in selected low-carbon business areas, by group of host economies, 2003-2014 (millions of US dollars)



Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com)

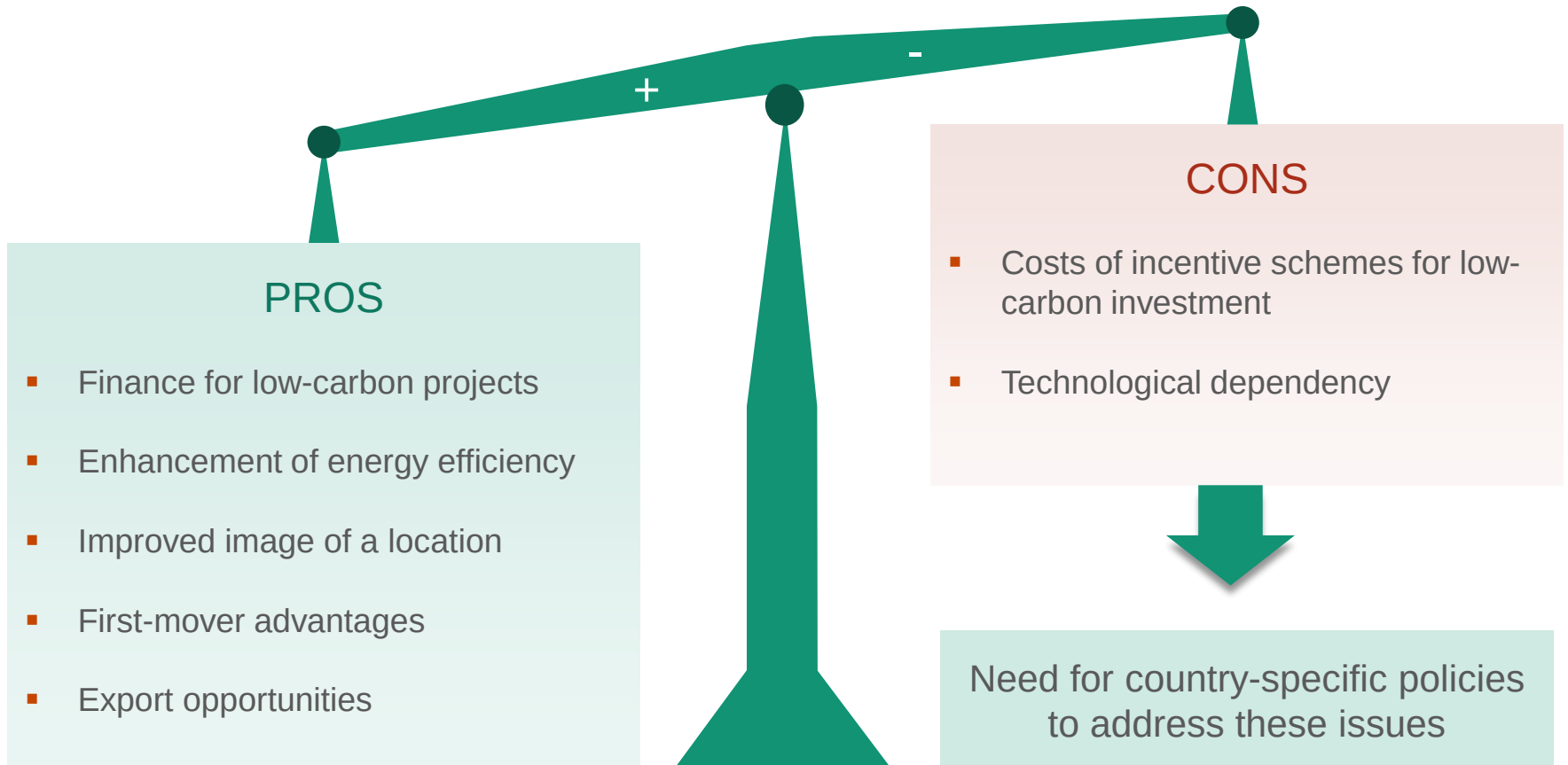
Outward greenfield projects in selected low-carbon sectors back to 2012 levels

Greenfield projects in selected low-carbon business areas, by group of home economies, 2003-2014 (millions of US dollars)



Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets (www.fDimarkets.com)

Weighing the pros and cons of low-carbon foreign investment



Promotion of low-carbon investment

Selection of policy tools

- Emission standards
- Product standards
- Taxation rebates on environmental friendly equipment
- Fuel taxes, fuel efficiency standards and biofuel blending mandates
- Subsidies for R&D in low-carbon technologies
- Subsidies for households to install solar panels
- Special credit lines for renewable energy projects
- Feed-in tariffs
- Public procurement of energy efficient products
- Industrial development tools, like green special economic zones, including cleantech parks
- Programmes to promote business linkages in low-carbon industries and foster absorptive and adaptive capacities in domestic firms
- Encouraging corporate social responsibility

And, IPA targeting and servicing of low-carbon investment...

Promotion of low-carbon investment

IPA practices

Targeted promotion

IPAs select and target low-carbon subsectors that match the country's development objectives and for which the location is competitive.

Facilitation and aftercare

Specific focus on networking, matchmaking and the forging of partnerships between low-carbon development stakeholders, including international and domestic companies, local authorities and research institutions

Policy advocacy

Promotion of low-carbon friendly policies and measures for target sectors

GreenFDI.org, a tool for promoting green investment

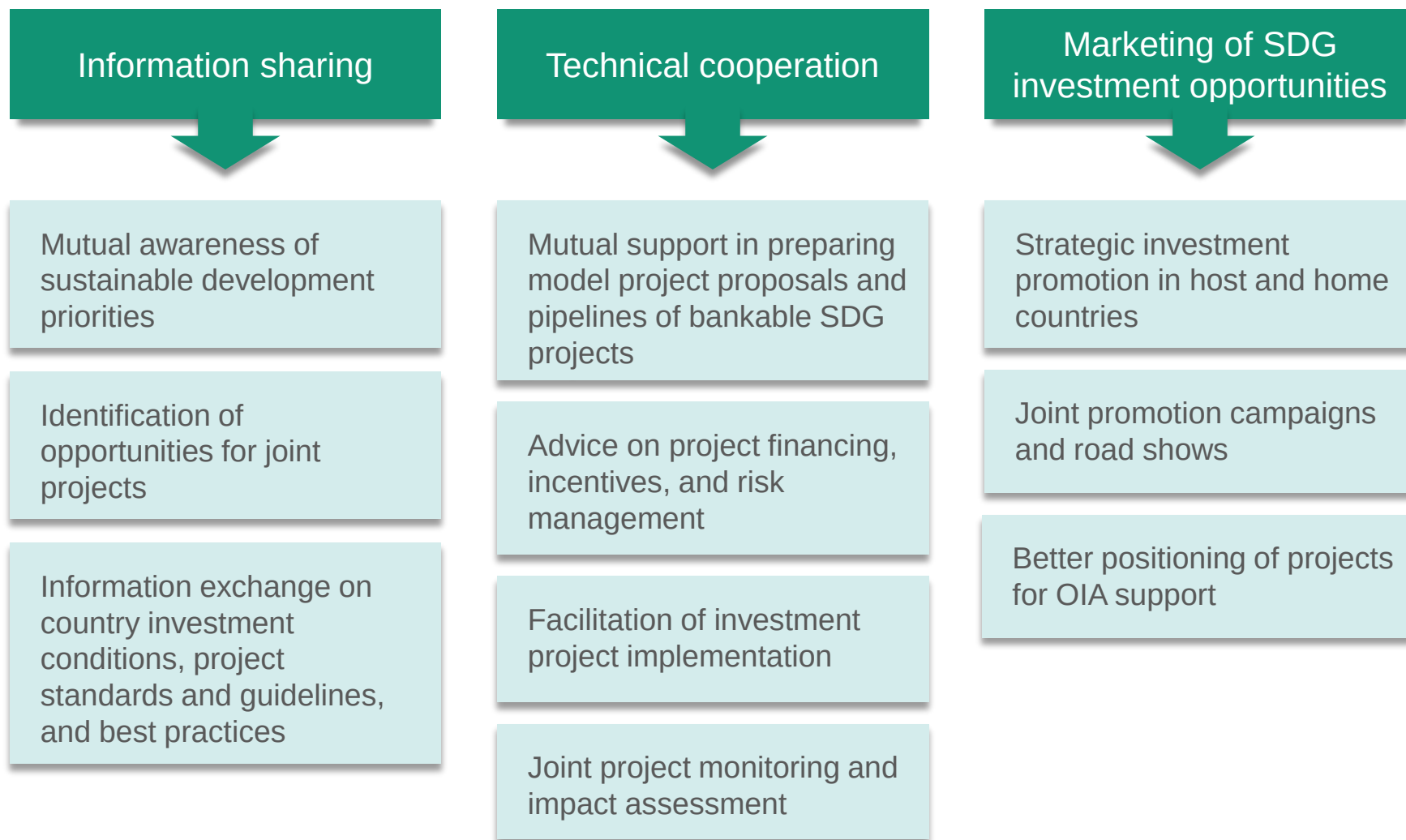




IPA-OIA

partnerships

Potential goals and benefits from IPA-OIA partnerships



Most OIAs are located in Europe and Asia

Distribution of OIAs in a 2015 UNCTAD survey



Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source: UNCTAD

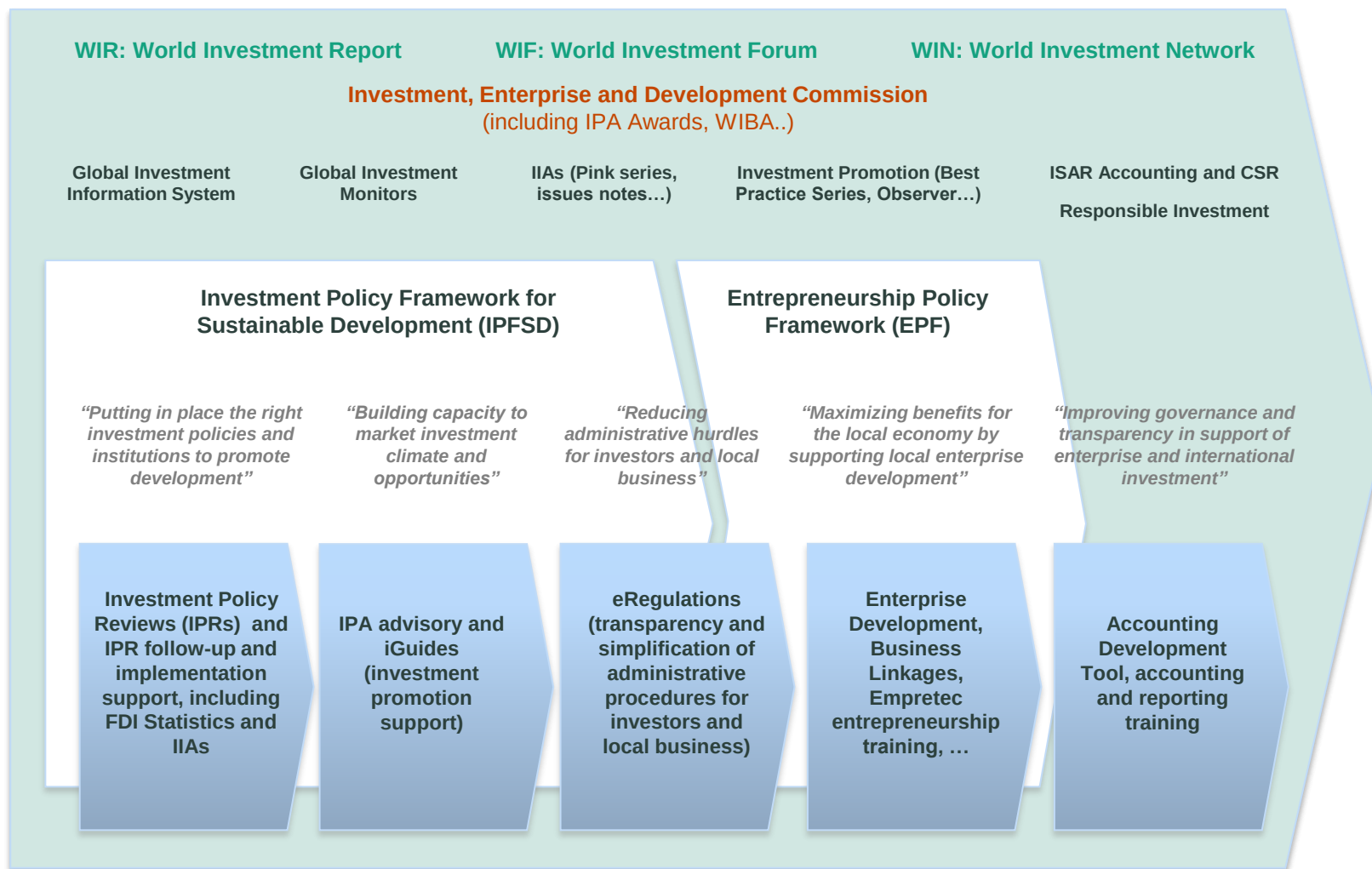
Note: OIAs spanning multiple continents are excluded

Examples of OIAs with programmes related to the SDGs

Country	OIA	SDG-related Programmes
Brazil	Brazilian Development Bank (BNDES)	Amazon Fund
Canada	Export Development Canada (EDC)	Green Bonds and EnviroExports
China	China Development Bank	Special Loan for the Development of African SMEs
Denmark	Danish International Development Agency (DANIDA)	Danida Business Finance
Japan	Japan Bank for International Cooperation (JBIC)	Global Action for Reconciling Economic Growth and Environmental Preservation (GREEN)
Netherlands	Netherlands Enterprise Agency (RVO)	Dutch Good Growth Fund (DGGF) and Development Relevant Infrastructure Investment Vehicle (DRIVE)
Norway	Norwegian Agency for Development Cooperation (Norad)	Cooperation on Framework Conditions for Private Sector Development in the South
Republic of Korea	Export-Import Bank of Korea (Korea Eximbank)	Environment-friendly Energy Industry Financing
South Africa	Development Bank of Southern Africa (DBSA)	Infrastructure Investment Programme for South Africa
United States	Overseas Private Investment Corporation (OPIC)	Green Guaranties

Source: UNCTAD

UNCTAD Division on Investment and Enterprise





See you at **WIF 2016** in Lima, Peru!

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