

UNCTAD World Investment Forum 2016

High-Level Tripartite Conference on Investment Promotion in SDGs

Opening Statement by the Deputy Secretary-General of UNCTAD

Nairobi, 19 July 2016, Tsavo 2, KICC (15:00–18:00)

AS PREPARED FOR DELIVERY

Good afternoon,

It is a pleasure to join you at this high-level event on investment promotion in the Sustainable Development Goals (SDGs).

Investment promotion and facilitation for development has always been an important pillar of UNCTAD technical assistance work.

Investment promotion agencies and associations, including the World Association of Investment Promotion Agencies, have been our key partners in this endeavor.

Foreign Direct Investment is critical as an engine of growth. FDI is an important source of financing for developing countries. In fact, it has been consistently surpassing Official Development Assistance flows to developing countries. And FDI has a key role to play in filling the massive financing gap-- of 2.5 trillion USD per year -- to achieve the SDGs.

FDI is also one of the main sources of knowledge and technology transfer. And as such, it can bring the innovative technologies, practices and products needed to green our economies. **This is why we need strong investment promotion and facilitation efforts. And the figures of this year attest to that.**

Global investment flows went up more than 30% in 2015; however today the total is still around 10% below the pre-crisis peak. We need concrete initiatives to facilitate FDI that adds to the real economy, that creates jobs, and that builds productive capacity.. This is even more urgent looking at prospects for the coming years, when FDI flows are projected to decline by 10-15 per cent in 2016.

And investment promotion and facilitation play a critical role in attracting and retaining global FDI.

However, whereas many countries have focused on investment promotion, **investment facilitation** remains weak. To fill this systemic gap, UNCTAD has developed an Action Menu to support investment facilitation, which I recommend you to consider.

The involvement of all stakeholders through cooperation, coordination and partnerships is key to improve the investment climate and investment opportunities in SDGs projects.

Partnerships at the national level, among investment promotion institutions, ministries and other public sector organizations, but also partnerships among Investment Promotion Agencies and outward investment agencies and international finance institutions. Such partnerships can help developing and marketing SDG investment opportunities, enhance project attractiveness and improve investment facilitation services.

A new focus on investment promotion and facilitation efforts on investment in SDG sectors is needed, as well as on green FDI and on information and telecommunication technologies. Many IPAs are making this shift and UNCTAD has been working with them to support this change. Growth in the ICT sector has

already had a significant impact on development in many countries, including in Africa, and I am pleased that ICT is on the agenda of today's meeting.

To conclude let me touch upon the critical role of non-traditional investors, such as sovereign wealth funds and public sector pension funds.

Sovereign wealth funds manage assets of more than US\$7 trillion, and public sector pension funds worldwide almost triple this figure. These funds have become important investors in SDG sectors, such as infrastructure, public facilities and agriculture, but there is still a large untapped potential.

In this meeting you will cover these issues in more detail. I hope that the upcoming discussions will give you new ideas to take home and that you will also make the right contacts to get your projects going.

I wish you fruitful deliberations.

Thank you.