

## Concept Note for Affiliate Session at Davos 2023

### Promoting investment in SDGs: Repurposing capital

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As per the UNCTAD 2022 report, “Investment activity in most SDG-related sectors in developing economies remained below pre-pandemic levels”. To achieve the SDGs, it is imperative that more funds are channelled to where they are most needed, on the ground. But also, an important effort will have to come from domestic resource mobilization. International investment flow remains far from the \$ 2.5 trillion annual financing gap required for developing countries.

Shelves of investible projects can be crafted through a careful analysis of SDG vision statements of nations. Channelising investments in such projects will help move nations closer to their SDG goals. Investment Promotion Agencies (IPAs), in partnership with investors and government, can play a pivotal role in identifying, promoting and facilitating such projects. While, in a recent survey, Renewable Energy was identified as the #1 focus sector of IPAs globally, there needs to be increased focus on investible projects from such sectors as well as better alignment with their nations SDG vision. The recent UNEP 2022 report states that the world urgently needs a new business model for turning adaptation priorities into investible projects. There is a mismatch between what governments propose and what investors consider as investable. Creating sustainable projects and increasing the financial viability of these projects, rating of projects from sustainability perspective, focused targeting of investors needs deeper focus and capacity building to institutions working towards this goal are urgently needed.

In the recent past, SDG-themed investment has become an important investment strategy for Institutional Investors that manage over \$126 Trillion worth of capital globally. These investors including Sovereign Wealth Funds, Pension Funds, Bank, Insurance companies, and Endowments amongst others seek investment opportunities across the world intending to maximize returns and mitigate risks. Prospects of directing substantial Institutional investments towards SDG aligned investible projects are high if IPAs can be better aligned with Institutional Investors. This indicates that investment facilitation efforts are essential, and investors need to be guided to invest in projects which will meet both their goals and the host country’s development targets.

Moreover, key themes of The World Investment for Development Alliance (WIDA), a global platform launched at WEF at Davos in May 2022, include promoting investment in SDGs and investment financing amongst others.

The affiliate session, planned to be co-organized by United Nations Conference on Trade and Development (UNCTAD) and The World Association of Investment Promotion Agencies (WAIPA) will connect IPAs, investible projects, Institutional Investors & WIDA offering a path to nations for helping

achieving SDG goals. The session will feature the launch of a new UNCTAD - WAIPA initiative focused on capacity building & aligning the IPA world with investible projects and institutional investors.

### **Session Structure | 60 Minutes**

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1. Fireside chat with a head of state and an executive of global company to be moderated by UNCTAD (20 minutes)
2. Video message by founders of the World Investment for Development Alliance (WIDA) on promoting investment in SDGs / investment financing (8 minutes)
3. Panel Discussion to be moderated by World Economic Forum with panelists representing key investment-development stakeholders (e.g. Director General, International Solar Alliance); President of WAIPA; Institutional Investor & a multilateral representative (30 minutes)

### **Proposed Outcomes:**

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- Announcement of a new WAIPA-WIDA initiative towards capacity building of the IPAs
- The program will also rekindle the efforts of our previous Affiliate Session where WIDA was launched and demonstrating alignment with promoting investment in SDGs
- Focus on incentivizing investment in climate-resilient and sustainable development projects, and discuss plans to create a climate IPA coalition.
- The session will focus on the potential for scaling up existing partnerships and provide new opportunities for public-private engagement concerning the 2030 Agenda
- Key deliberations will also feed into the engagement group of IPAs of G20 countries

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