

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Trade and Development Board

INVESTMENT, ENTERPRISE AND DEVELOPMENT COMMISSION

20 April - 24 April 2015

EU Statement

Geneva, 20 April 2015

Mr. President,

Excellencies,

Distinguished delegates,

I have the honour to speak on behalf of the European Union and its Member States.

Mr President let me first congratulate you on your election and also welcome the new Deputy Secretary-General, M. Joakim Reiter.

The EU and its MS appreciate the background documents provided by the Secretariat to prepare this Investment, Enterprise and Development Commission. We also look forward to the forthcoming release of the 2015 World Investment Report.

Mobilizing investment for development

Effective implementation of the post-2015 agenda requires mobilisation and use of all relevant means of implementation which need to be underpinned by sound, effective and coherent policies and an enabling environment at all levels.

The Finance for Development Conference in Addis Ababa should address the full range of Means of Implementation, including enabling policy frameworks as well as mobilisation and

effective use of financial resources and instruments. It should become the Means of Implementation pillar of the post-2015 agenda.

Private sector finance is crucial to achieve inclusive economic growth, poverty eradication, improve job conditions and sustainable development. An enabling environment is needed to stimulate private sector finance at domestic and international level. In order to encourage investments from the private sector at the domestic level, a regulatory framework, lasting stable conditions for financial investments, accountable institutions and good governance are needed. To boost private sector investment at the international level, we would need in addition reliable capital markets and key incentives for long-term investment in infrastructure sectors.

The post-2015 Global Partnership should also mobilise action by all countries and stakeholders, at all levels (sub-national, national, regional and international). The private sector and civil society will have a key role to play in its implementation.

At country level the key to private sector development is an enabling and stable policy environment for both domestic and international investors, big and small, and to promote sustainable investments and financial inclusion. This includes creating stable, inclusive and efficient financial markets, in particular by promoting the use of mobile banking technologies, raising financial literacy, consumer protection and reducing the costs of transferring remittances through formal channels.

An environment conducive to private sector development must also include accountable institutions and rely on respect for the rule of law. Good governance at all levels and in all institutions is not only a significant objective in itself, but also an essential means of implementing reforms and achieving sustainable development targets.

While domestic action and policies are the key to unlocking national and international private sector resources, countries also need to work together to ensure that the international environment is coherent and ensures a level playing field for the private sector.

In this context, there is a case for international action and strong partnerships aimed at sharing expertise and capacity building support, developing effective PPP legislation and regulatory frameworks, developing domestic capital markets, leveraging additional private finance, mobilising private sector finance and stimulating long-term investment in critical infrastructure sectors in developing countries.

Development cooperation remains a key priority for the EU and its MS, and ODA remains an important and catalytic element in the overall financing available for developing countries, and in particular for countries most in need. But ODA should be put into the wider context of the full range of means of implementation for the post 2015 agenda. We believe that what will really make long-term and lasting difference in terms of post-2015 are the national policies, the domestic resource mobilisation, the private sector (domestic and international), etc.

Entrepreneurship and SDGs

Education, tutoring and training constitute key elements to ensure a successful school-to-work transition. The EU and its Member States are committed to ensuring equitable access at all levels of education and quality learning for all. This support should go beyond primary education towards a balanced development of the whole education sector, from early childhood interventions to vocational and tertiary education.

The EU and its Member States recognise the importance of promoting business and entrepreneurial skills in women and young people as part of the private sector and employment development strategy. Stimulating growth and employment creation in more innovative enterprises with high potential should be combined with support to productivity growth in micro enterprises.

Indeed, the private sector is the key engine that powers economic growth. It provides some 90 % of jobs in developing countries. It is the essential investor in sustainable agriculture and sustainable energy. And it holds the key for innovations towards an inclusive green economy.

The EU and its Member States are also highly committed to the role of the private sector in development. Last year, the European Commission set out a strategic framework for strengthening the role of the private sector in achieving inclusive and sustainable growth. The document gives particular attention to female entrepreneurship and employment. The European Union will push for gender-sensitive business regulation, address specific training and support needs of women as entrepreneurs. We also underline the importance of youth entrepreneurship and employment generation.

Opportunities for strengthening the role of the private sector in green sectors with a view to achieving inclusive and sustainable growth exist in most areas of EU support. For example the ‘Switch to green’ flagship combines policy dialogue on enabling conditions for green business development with co-funding of innovative projects that support sustainable consumption and production patterns and practices in partner countries; also ‘Biodiversity for Life’ supports the management of protected and other sensitive biodiversity areas.

Regarding UNCTAD's work, the EU and its MS strongly encourage the Secretariat to continue assisting developing countries, in particular least developed countries (LDCs) to promote the exchange of best practices on enterprise development particularly with regards to women, youth and green entrepreneurship.

Developing countries need competitive firms that are able to take advantage of export opportunities and national policies to improve access to finance for Small and Medium Enterprises (SMEs) and private investors. UNCTAD's research and political dialogue in this

area can support efforts to deliver effective financial services to SMEs, microenterprises and individuals as well as help developing countries to formulate and enforce competition law.

Mr President,

Policies to promote collaboration in Science, Technology and Innovation (STI) for development

The EU and its MS acknowledge the initiative of the Secretariat to report on science, technology and innovation (STI) parks as an instrument to enhance collaboration and to build capacity. It is key to continue with the exchange of experiences and mutual learning about science, technology and innovation policies, and to accelerate the expansion of STI in developing countries, particularly LDCs.

Science, technology and innovation (STI) play an important enabling role in empowering developing countries to lift themselves out of poverty, inter alia by promoting economic growth, generating new quality employment opportunities, optimising complex systems and value chains, promoting sustainable consumption and production patterns.

Considerations about technology have to be addressed in a broad science, technology and innovation agenda. Discussions on this subject have to take into account the role of governments at the national level to support investments in research and innovation, create an enabling environment for innovation and support international research cooperation consistently with the framework provided by a universal post-2015 agenda.

All partners should promote incentives for innovation, starting with setting up an enabling environment and incentives at domestic level for innovation, science and technology cooperation, adequate protection of intellectual property rights according to WTO rules; and technology diffusion on mutually agreed terms.

As most technologies are owned by the private sector, their transfer cannot be made mandatory. It should instead be fostered by convenient policy frameworks. In that context, public-private partnerships and investments in research and development should also be promoted.

Furthermore the transfer of knowledge calls for use to be made of that knowledge, in the relevant context and understanding the premises on which new knowledge builds. This in turn requires both education and relevant experience. In this context, research cooperation and capacity building play enormous roles as they stimulate sharing of knowledge and STI, in particular at an early stage of the technology transfer process.

The EU and its MS are committed to the promotion of clean and environmentally sound technologies as a means to facilitate a transition to green economy for all countries regardless of their development status. The EU research framework programmes have been open to non-

EU countries and further cooperation with developing countries is possible in the context of the EU 'Horizon 2020' programme to promote sustainable development.

Horizon 2020 earmarks 60% of its budget to support sustainable development. It promotes open access to publications, resulting from publicly funded research to facilitate knowledge sharing and to enhance research and innovation capacity, including in developing countries.

Mr President,

We would like to conclude by underscoring the importance of science, technology and innovation as a driving role in empowering developing countries to lift themselves out of poverty; and reiterate our engagement with the development of women, youth and green entrepreneurship, as well as our commitment to promote business and entrepreneurial skills among them.