



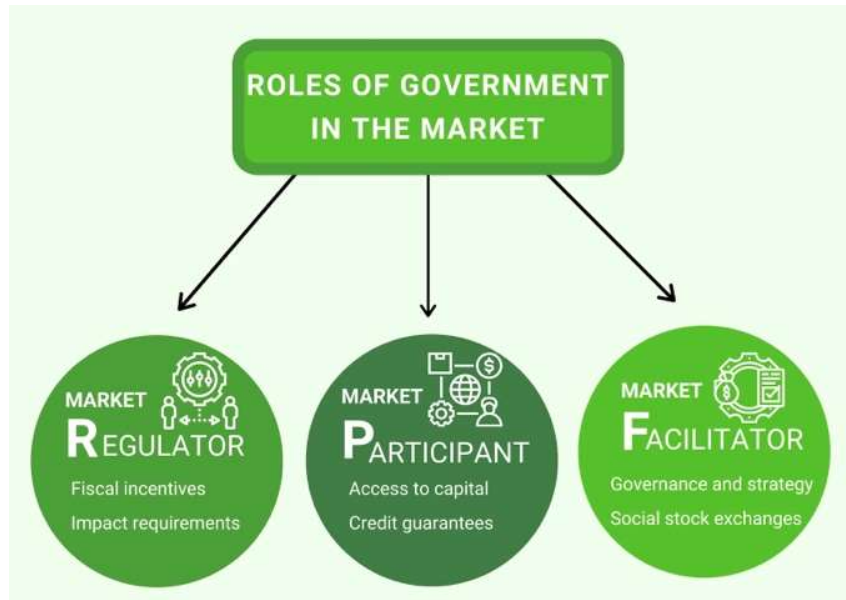
Agenda Item 4: Mobilizing impact investment and  
foreign direct investment for sustainable  
development

# Overview

1. Impact Investing
2. Foreign Direct Investment (FDI) for Sustainable Development
  - (a) Gender and FDI
  - (b) FDI in the digital economy
  - (c) Climate FDI
3. Considerations for the Committee

# 1. Impact Investment in Asia-Pacific

The roles of government in enabling impact investing



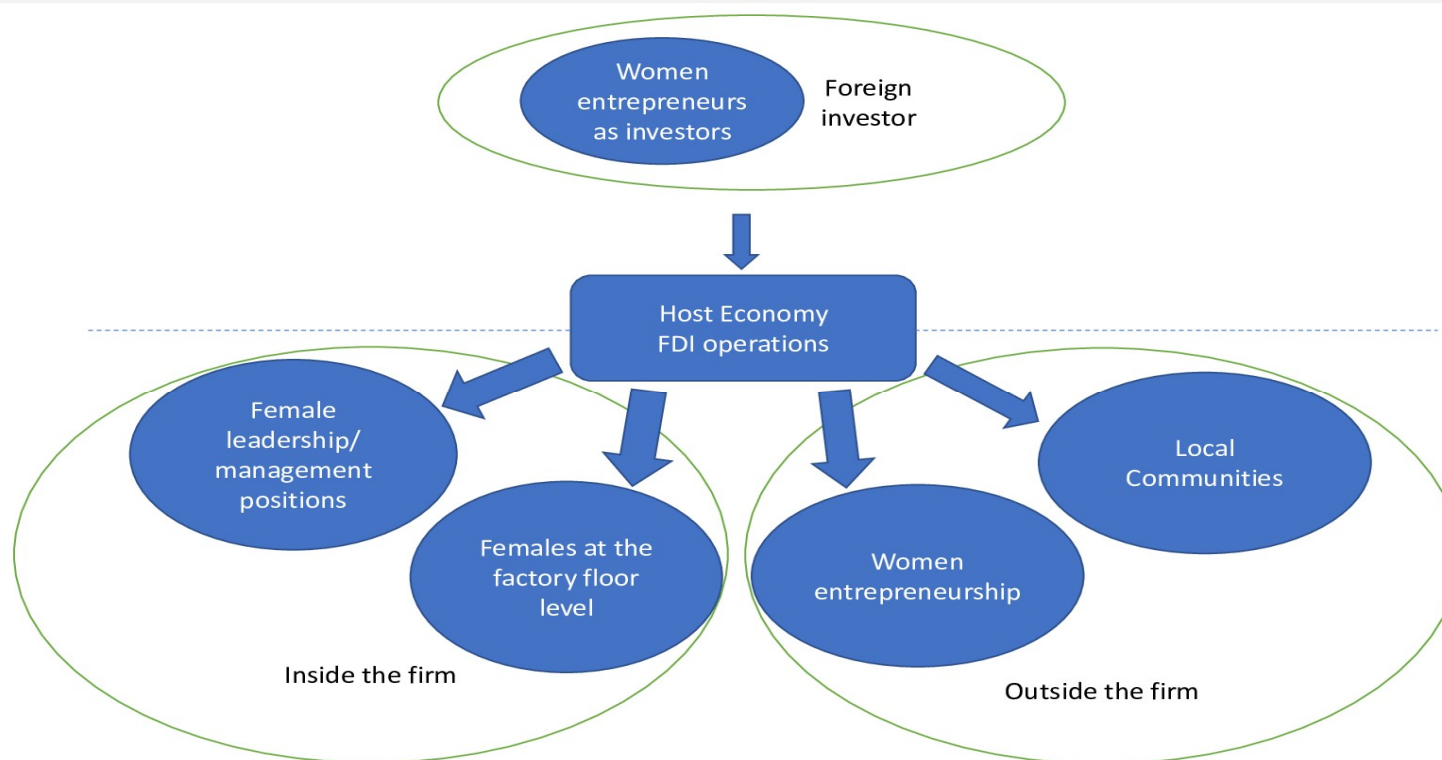
Source: ESCAP

- Impact investments can be defined as investments made into a company, organization or fund, with the intention of having a social and/or environmental impact in addition to generating a financial return.
- Government policy key to spearheading impact investment.
- Impact investing was identified as a key means of implementation for the 2030 Agenda in the “Regional Road Map for Implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific”.

## 2. Foreign Direct Investment (FDI) for Sustainable Development

- Asia and the Pacific has been the largest receiver and destination for global FDI since 2020
- Quantity has not translated into quality FDI
- Foreign direct investors (businesses) and governments must both act to make FDI more impactful
  - Businesses must undertake FDI with sustainable development considerations from the start
  - Investment policymakers can influence FDI through investment legislation, regulations, and incentives
  - Investment promotion agencies (IPAs) can influence FDI through mainstreaming sustainable development into their investment promotion and facilitation work
- Secretariat is providing capacity building and technical assistance to IPAs in three areas:
  - Gender and FDI
  - FDI in the digital economy – or ‘digital FDI’
  - Climate FDI

## 2(a) Gender and FDI



Source: Taylor-Strauss (2023)

## 2(a) Gender and FDI

### 1. Mainstream gender into IPA promotion and facilitation activities

- Identify and promote investment opportunities that can have a positive impact on women
- Showcase women entrepreneurs and suppliers
- Investor targeting
- Provide gender responsive services and programmes: marketing material, monitoring and evaluation

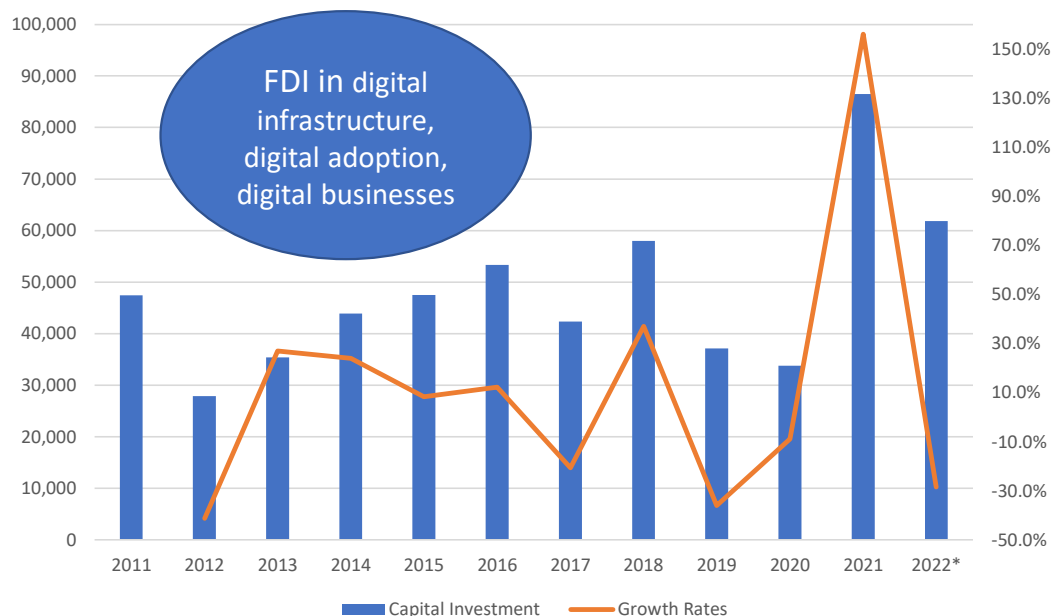
### 2. Achieving gender balance within IPA structures, especially at decision making levels

### Secretariat is supporting 2 IPAs

- Bangladesh Investment Development Authority (BIDA)
- Investment Fiji

## 2(b) Digital FDI

Digital FDI in Asia and the Pacific, 2011-22 (\$US millions)



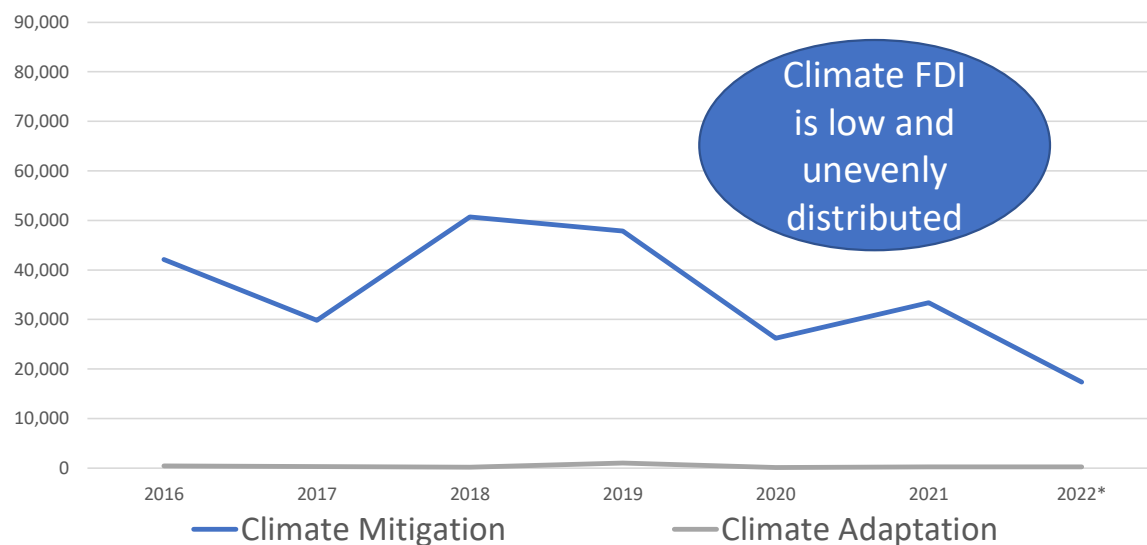
Source: ESCAP calculations based on fDi Markets (2022)

### Secretariat Digital FDI Work

- Knowledge product
  - Policy Guidebook on Promoting FDI in the Digital Economy (2023)
- Capacity building
  - Promoting digital FDI ESCAP-WAIPA workshop during CTIBI
- Technical assistance
  - Invest Bhutan

## 2(c) Climate FDI

Greenfield FDI into climate mitigation and adaptation in Asia and Pacific 2016-22 (\$US millions)



Source: ESCAP calculations based on fDi Markets (2022)

### Secretariat has identified three areas to support member States on climate FDI:

- Identifying investable climate projects relevant for FDI
- Climate FDI promotion strategies
- Investment pitching



## 3. Issues for Consideration by the Committee

- Members of the Committee may wish to share national experiences, including effective practices and lessons learned, in promoting impact investing and FDI for sustainable development
- The Committee may wish to consider taking the following actions:
  - Indicate the types of support, such as training and knowledge-sharing, tools, research and advisory services, that may be required from the secretariat to promote impact investment and FDI for sustainable development;
  - Provide guidance to the secretariat on how impact investment and FDI for sustainable development can be more effectively promoted nationally and regionally;
  - Identify new and priority policy issues related to impact investment and FDI for sustainable development that the secretariat should address in greater detail.

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