



# UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement      Programa de las Naciones Unidas para el Medio Ambiente  
Программа Организации Объединенных Наций по окружающей среде      برنامج الأمم المتحدة للبيئة

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## UNCTAD Conference on International Investment Agreements and Sustainable Development

### UNEP Statement on IIAs delivered by Anja von Moltke

16.3.2016

Thank you Mr Chair, and thank you UNCTAD, for giving the United Nations Environment Programme the opportunity to contribute to this timely and important event.

The year 2015 marked a defining chapter for the interface of environment, trade, investment and development. The adoption of the 2030 Sustainable Development Agenda and the Paris Agreement were key milestones that set concrete goals and targets for the international community to use trade and investment as a means for achieving sustainable development.

Mobilizing and channeling investment is essential for the transition to a sustainable, low-carbon economy. UNCTAD's estimation of investment needs of US\$5-7 trillion a year to realize the Sustainable Development Goals, including infrastructure, clean energy, water and sanitation and agriculture illustrates this.

Today, however, too little capital is supporting a transition to a sustainable economy, and too much continues to be invested in a high-carbon and resource-intensive, polluting economy. But environmental deterioration is continuing.

Climate change and growing demand for food, energy and raw materials keep adding pressure on natural resources particularly in many least developed countries. Natural capital is declining in 116 out of 140 countries and at current rates, these trends are expected to further erode global natural wealth by over 10% by 2030, causing considerable human harm and threatening development models.

International Investment Agreements have a key role to play in reversing these trends and encouraging and safeguarding the protection of the environment that is essential for our economies and for sustainable development more generally. If investment agreements are carefully designed, they can and should be important levers sustainable and environmentally friendly development and growth. They can contribute to implementing appropriate environmental standards and thus fill a gap for sustainable investment in sectors such as green technologies, clean energy, sustainable infrastructure, climate mitigation and adaptation and at the same time provide sufficient policy space and flexibilities for countries to design and promote national policies conducive to environmental objectives.

To enhance the mutual supportiveness between environment, trade and investment and UNEP has launched the Environment and Trade Hub in Nairobi in December. By working through a network of national, regional, and international partners, the Hub is designed to deliver capacity building services and related policy advice that is tailored to local needs and circumstances. The Hub assist countries in, for example, (i) shaping governance at the trade and investment and environment nexus,



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(ii) enhancing trade and investment in environmentally sound technologies, and (iii) greening global value chains.

While all these areas are of some relevance to the discussion here today, let me specifically mention one ongoing project. Together with IISD, UNEP is developing a Toolkit that will support negotiators of trade and investment agreements in incorporating environmental and social sustainability factors in regional trade and investment agreements. The toolkit describes various options including environmental chapters or side agreements and reviews exemplary environmental provisions in the existing Regional Trade and Investment Agreements. The draft toolkit will be finalized later this year and is available in draft for anyone who might be interested.

As part of the review process for the Toolkit we hosted an expert workshop in December last year and welcomed UNCTAD's constructive support. Let me say in this context that we highly value UNCTAD's work on investment and would particularly like to congratulate UNCTAD for the work related to the Investment Policy Framework for Sustainable Development and the Roadmap.

We are happy to collaborate closely with UNCTAD in supporting countries to design, implement and use trade and investment policies to address pressing environmental, development and economic challenges and implement the 2030 Sustainable Development Agenda.