



## South Centre Statement under Agenda Item 4(b)

### Interactive discussion 2: Domestic and international private business and finance

4 December 2024

In order to attract sustainable foreign investments, developing countries have focused on enhancing their infrastructure and skilling human capital to foster green industries and diversify exports. FfD4 outcomes should strengthen these efforts that address investor alignment with national climate and sustainable development priorities, which in turn help to create a resilient and attractive landscape for foreign direct investment (FDI).

Harnessing private finance for sustainable development requires a multi-pronged and systemic approach. The international community should take steps towards reforming sovereign credit rating systems, mobilizing development finance institutions, and adopting innovative digital financial solutions which can expand access to capital for countries, individuals and enterprises. These measures could also help reduce barriers to accessing concessional financing and catalyse private investments in green and sustainable initiatives.

Developing and least developed countries must be provided with the necessary support and technical expertise to strengthen their project pipelines, enhance regional collaboration for cross-border initiatives, and implement robust risk mitigation and monitoring systems. These steps can promote project viability, increase investor confidence, and support national sustainable development, especially in areas like climate adaptation and renewable energy.

Aligning business and finance with the SDGs requires further accountability from enterprises through initiatives such as mandatory environmental, social and governance (ESG) reporting and penalizing greenwashing. By adopting green finance taxonomies and providing clear guidelines, governments can enhance transparency and deter misleading green claims by businesses.

Finally, we stress that the outcomes of FfD4 should provide a clear and strategic direction to firms, investors and development finance institutions on issues of infrastructure, digital finance and strengthening technical capacity, which can further help developing countries to attract high quality investment for sustainable development.

Thank you.