Statement by

Ms. Fekitamoeloa Katoa ‘Utoikamanu

High Representative
and
Under-Secretary-General

Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

MIDTERM REVIEW OF THE VIENNA PROGRAMME OF ACTION FOR LANDLOCKED DEVELOPING COUNTRIES

Side Event

Strengthening the private sector role in the implementation of the VPoA

Friday 6 December 2019, 13:15-14:30, CR 11

New York
Honorable Ministers,
Excellencies,
Distinguished guests,
Ladies and Gentlemen,

We cannot overstate the importance of private sector’s contribution to sustainable development. The private sector is the engine of growth as successful businesses drive growth, create jobs, pay the taxes that finance public services and investment, develops the manufacturing capacity required for structural economic transformation and also provides ever increasing share of essential services, such as banking, telecommunications, health and education. The private sector is also the actor that will mobilize most of the resources—including financial and technical—needed to bridge infrastructure gap across the world, including in LLDCs.

It is recognized that achieving the ambitious goals and targets of the 2030 Agenda will not be possible without a revitalized and enhanced Global Partnership including with the private sector. The Addis Ababa Action Agenda also recognizes the important role that the private sector plays in financing infrastructure, amongst other development initiatives.

The Vienna Programme of Action for LLDCs, which is an integral part of the 2030 Agenda, also stresses the importance of the private sector in its implementation. The highlighted areas include: improving transit facilitation and establishing efficient transit transport regimes; infrastructure development and maintenance; trade facilitation reforms, structural economic transformation and in the overall implementation of the VPoA.

Honorable Ministers, Excellencies,

Despite the key role of the private sector actors in achieving sustainable development, several reports indicate that the private sector in many developing countries including in LLDCs faces several challenges which impedes its growth as well as meaningful contribution to development.

In today’s globalized world and relatively open markets, efficiency and competitiveness are very important for every country to attract and build a strong private sector. LLDCs are however faced with several challenges linked to their landlockedness which result in high costs of doing business and affect their competitiveness. This affects their ability to build strong private as well as attracting Foreign Direct Investment. It is reassuring to know that these challenges can be overcome but enhanced joint efforts are necessary.

Supportive policy, strong institutions, access to finance, and adequate infrastructure are fundamental to improving efficiency and the competitiveness of LLDCs thereby building strong private sector. To achieve this, all stakeholders, including, LLDCs, transit countries, development partners, private sector as well as international and regional organizations have a role to play. Strong partnerships between development partners, partner governments and the private sector are desirable as this enables governments to access private sector ideas, innovations and business models in search of solutions to intractable development problems. Partnerships with the private sector also enable governments to leverage private sector finance to bring proven development solutions to scale when public resources are not sufficient.
Reliable and cost-effective infrastructure is essential for the efficient operation of existing productive assets and enterprises and for attracting new investments. Infrastructure is among the most important determinants in foreign investors’ choice of location for new investments, but unfortunately in many LLDCs infrastructure remains insufficient and many LLDCs still lack the capacity to develop and maintain the much-needed infrastructure. This include transport, ICT and Energy. There is all the more reason to interest the providers of FDI in infrastructure to invest in LLDCs.

Honorable Ministers, Excellencies,

This event offers us an opportunity to seek solutions to the persistent challenges of the LLDCs in nurturing their private sector and ensuring that the private sector plays a key role in the implementation of the VPoA. I therefore look forward to your full engagement, contributions and recommendations on how we can strengthen the private sector in LLDCs including strengthening its role in contributing to the implementation of the VPoA in the remaining 5 years.

Thank you.