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Statement presented by

**Ms. Gladys Mutangadura on behalf of Ms. Fekitamoeloa Katoa
'Utoikamanu,
Under-Secretary-General and High Representative
for the Least Developed Countries, Landlocked Developing Countries and
Small Island Developing States**

at the luncheon event

Promoting Foreign Direct Investment to LLDCs

At the World Investment Forum

25 October 2018, 1:15 to 2:45 pm

**Restaurant des Délégués, Palais des Nations - (8th Floor) United Nations
Building, Palais des Nations
Geneva, Switzerland**

- Honorable Ministers, Excellencies,
- Ladies and Gentlemen

On behalf of Ms. Fekitamoeloa Katoa ‘Utoikamanu, Under-Secretary-General the High-Representative, who could not be with us due to a family emergency, I welcome you all and thank UNCTAD for partnering with us on this important meeting on promoting foreign direct investment to landlocked developing countries as part of the World Investment Forum.

Ms. Utoikamanu has asked me to deliver the following remarks on her behalf.

Excellencies,
Ladies and Gentlemen,

The 32 Landlocked Developing Countries are among countries in special situations - because they have particular development challenges arising from landlockedness which results in high trade costs that constrain export earnings, private capital inflow and overall sustainable development.

The Vienna Programme of Action for landlocked developing countries for the decade 2014 to 2024 reflects the international commitment to address the challenges of the LLDCs. It clearly underscores the important role of FDI in the implementation of its priority areas in particular infrastructure development, structural economic transformation, international trade, trade facilitation and regional integration.

Early this week, the Report of the Secretary-General on the implementation of the Vienna Programme of Action was discussed in the Second Committee of the General Assembly in New York. The report indicated that while progress has been made in implementing the Vienna Programme of Action, this progress is slow or insufficient in some areas. For example, the landlocked developing countries’ economic growth declined to 2.8% in 2016, its lowest level since 1998.

In addition, landlocked developing countries still account for less than 1% of global trade and their merchandise exports remain undiversified and concentrated on primary commodities. Their participation in regional and global value chains is also marginal. They also continue to face challenges to meet the large financing gap needed to bring their transport infrastructure to comparable global standards.

Since the adoption of the VPoA in 2014, FDI flows to the landlocked developing countries experienced an overall decrease of 20 per cent from US\$29 billion in 2014 to \$23 billion in 2017. The flows are also concentrated in a small number of LLDCs and in extractive industries. Yet FDI is a critical source of much needed capital, know-how, technology and access to international markets.

The 2030 Agenda for Sustainable Development is built on a promise – to leave no one behind. Promoting FDI, a key means of implementation for achieving the SDGs is a key building block towards achieving this promise in landlocked developing countries.

Some key questions for us today are: How can the LLDCs become more attractive destinations of FDI and be able to retain it? How can they facilitate and channel investment into the desired sectors to optimally support national sustainable development goals? What are the successful initiatives that have promoted investment and diversified economic activities in LLDCs?

Promoting FDI to LLDCs is one of the topical issues for the Midterm Review of the Vienna Programme of Action. The outcome of this meeting is therefore important and will feed into this process.

Excellencies,

Let me now update you on the ongoing preparations for the High-Level Comprehensive Mid-term Review of the Vienna Programme of Action to be held in 2019 as called for by the UN-General Assembly. The Midterm Review gives us the chance to comprehensively assess the implementation of the VPoA, identify the achievements, lessons learned, and the remaining challenges, and propose action-oriented recommendations on how to accelerate the implementation of the VPoA. The General Assembly mandated OHRLLS to co-ordinate the preparations of the Midterm Review.

The preparatory process involves preparations at national, regional and global levels.

The LLDCs are preparing their national reports on the implementation of the VPoA. OHRLLS is closely collaborating with the UN regional commissions to organize the regional review meetings – in Euro-Asia, Africa and Latin America regions and these are planned for the first half of 2019. The first regional review meeting will be held on 11 and 12 February 2019 at ESCAP Headquarters in Bangkok.

The global level preparations involve preparations of thematic events including preconference events and the inter-agency substantive joint work. A number of preconference events have already taken place and additional events are in the pipeline. The next inter-agency meeting to further consult on the preparations of the midterm review is on 14 November in New York. We also plan to organize a dedicated retreat bringing together LLDCs, transit countries and development partners to consult on the Midterm Review in New York.

To conclude, I would like to reiterate that FDI is particularly important for LLDCs to realize the SDGs. These countries need strengthened partnerships to enhance their ability to attract and retain FDI.

OHRLLS stands ready to partner with you on this important endeavour.

I thank you for your kind attention