

## Concept Note

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### Second Committee Side Event “Investment Promotion Regimes for Foreign Direct Investment in the Least Developed Countries”

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#### Background

Foreign Direct Investment (FDI) constitutes a dominant part of private capital flows to the least developed countries (LDCs). It plays a complementary and catalytic role in building and strengthening productive capacity in these countries. The LDCs have made strong efforts to attract increased FDI flows and enhance their benefits for their economies, which were complimented by actions by their development partners. These actions appear to have had a positive impact as indicated by a significant rise in the FDI flows to LDCs in recent years.

Yet, the total share of FDI to LDCs in global FDI remains only around 1.7 per cent, underscoring that much more needs to be done. Stronger and more focussed policies, strategies and mechanisms by LDCs, home countries of FDI, international organizations and other stakeholders can substantially increase FDI flows to LDCs in the coming years.

The General Assembly in its resolution 67/220, recalling the decision contained in the Istanbul Programme of Action (IPOA) to adopt, expand and implement investment promotion regimes, as appropriate, for least developed countries, requested the Secretary-General to submit to the General Assembly, for its consideration at its sixty-ninth session, a report focusing on national policies and regulatory frameworks for stimulating foreign direct investment in least developed countries and outlining the options and modalities of investment promotion regimes for least developed countries.

#### Objective, format and outcome

Against this backdrop, the objective of the side event is to explore ways and means to attract and retain increased foreign direct investment in LDCs including through specific measures, initiatives and mechanisms to be adopted by LDCs, the home countries of FDI, international organizations and other stakeholders with a view to boosting growth performance, stimulating structural changes and accelerating poverty eradication in LDCs.

It is expected that the proceedings of the side event will contribute significantly to the consideration of the aforesaid Secretary-General’s report by the Second Committee, as well as to the ongoing processes relating to the post-2015 development agenda and the Mid-term Review of the implementation of the IPOA.

The side event discussion will consist of panel presentations by government representatives from LDCs, donor countries and the private sector to be followed by an interactive dialogue among all meeting participants, including representatives of Member States, institutional stakeholders, as well as civil society and the private sector.

The meeting will conclude with an informal summary by the Secretariat highlighting the main points of the discussions and specific proposals or ideas leading to action-oriented results.

## **Suggested questions for discussion**

What are the measures that LDCs (host country) could adopt in the form of creating conducive domestic environment for attracting FDIs?

What are the measures that the development partners (home country) and the international organizations could adopt to facilitate and promote FDI flows to LDCs?

How can the private sector, including TNCs, contribute to the promotion of investment to LDCs?

What kind of innovative mechanisms could be envisaged for providing more focussed support to the promotion of FDI to LDCs and maximizing benefits from of it?

## **Background documentation**

The substantive background documents for the event will include:

- Report of the Secretary-General on " Strengthening Investment Promotion Regimes for Foreign Direct Investment in the Least Developed Countries" (to be issued to the 69<sup>th</sup> session of the UNGA)
- Report of the Secretary-General on "Implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020" (A/69/95–E/2014/81)
- Flagship report of the OHRLLS, "State of the LDCs 2014" (to be issued in September 2014)
- "Istanbul Programme of Action for the Least developed countries for the Decade 2011-2020" (A/CONF.219/1)
- Outcome document of the Ministerial Conference on "New Partnerships for Productive Capacity Development in LDCs" Cotonou, Benin 28-31 July 2014 (to be issued on the final day of the conference)

## **Speakers**

- Mr. Gyan Chandra Acharya, Under Secretary-General and High Representative, OHRLLS (moderator)
- Ms. Roediger-Vorwerk, Deputy Director General of the Directorate for Sustainable Development, Natural Resources, Economy and Infrastructure, Ministry for Economic Cooperation and Development, Germany [via video]-(tbc)
- His Excellency Mr. Jean Francis Zinsou, Ambassador and Permanent Representative of the Republic of Benin to the UN and the Chair of LDCs
- Her Excellency Ms. Bénédicte Frankinet, Ambassador and Permanent Representative of Belgium to the United Nations
- Mr. Karl Sauvart, Resident Senior Fellow, Columbia Law School, Columbia University (wrapping up statement)