



UN-OHRLLS

Statement by

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**High Representative
and
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Least Developed Countries, Landlocked Developing Countries and Small
Island Developing States**

Virtual Briefing on

**Enhancing the role of the private sector in implementing the
Vienna Programme of Action for LLDCs**

3 December 2020

11:00-12:45hrs

Your Excellency, Ambassador, Magzhan Ilyassov, Chair of the Group of LLDCs
Excellencies, distinguished delegates,
Colleagues,

At the outset, I wish to thank Chair of the Group of LLDCs, Kazakhstan and ICC for co-organizing this briefing with us. I also thank the Global Alliance for Trade Facilitation for finding time within their busy schedule and also outside the working hours to brief us on the work of the Alliance and on opportunities for member-states that could enhance implementation of the VPoA.

The UN General Assembly held the midterm review of the Vienna Programme of Action in December 2019 and the review revealed that the progress made in the implementation of the VPoA was not enough for LLDCs to achieve the VPoA targets and sustainable development. The lack of adequate financial resources and capacity constraints were identified as the biggest challenges that LLDCs in their efforts to implement the Vienna Programme of Action and achieve sustained growth and sustainable development. The General Assembly therefore called for effective partnerships in the implementation of the VPoA including with the private sector.

The role of the private sector in the successful implementation of the VPoA is fundamental and is highlighted in almost all the priority areas of the VPoA including improving transit facilitation and establishing efficient transit transport regimes; infrastructure development and maintenance; trade facilitation reforms, and structural economic transformation. Its role is further emphasized as a means of implementation in particular by building and strengthening productive capacity, export growth, technology transfer, diffusion of productive know-how, managerial skills and capital, creation of wealth, opening up of new markets for high-value added products and services and employment generation.

Excellencies,

The private sector in LLDCs however remains small and not able to make effective contribution in the implementation of the VPoA and the 2030 Agenda as expected. It comprises largely of small medium-sized enterprises (SMEs) and the informal sector. The FDI flows to LLDCs continue to

depict a declining trend as FDI flows to LLDCs declined from about US\$28.9 billion in 2014 to about US\$22 billion in 2019. LLDCs competitiveness to build strong and resilient private sector as well as attract FDI and is largely affected by LLDCs structural challenges including high trade costs, inadequate infrastructure, and low level of development of their productive capacities. Almost a third of the LLDCs ranked in the bottom quarter in overall ease of doing business according to the 2020 edition of the World Bank's Doing Business.

The COVID-19 pandemic has exacerbated the private sector challenges in LLDCs and therefore there is need to enhance support to the LLDCs private sector as we make efforts to build better after COVID-19. Greater efforts needed to support the LLDCs in harnessing the contribution of the private sector.

There is need for governments to work in collaboration with the private sector to identify challenges, propose solutions, finance trade-facilitation infrastructure, address policy shortfalls, and provide a competitive domestic business environment. Efforts by the Global Alliance for Trade Facilitation are therefore commendable and need to be enhanced.

Recently, the LLDCs' Ministers of Foreign Affairs adopted a Roadmap for Accelerated Implementation of the VPoA. The Roadmap provides a comprehensive map of activities and responsibilities of the wider UN family and other international and regional organizations in seven thematic priority action areas of critical importance to the sustainable development of the LLDCs. Support to LLDCS will be channeled through targeted policy advice, technical cooperation, capacity-building and training, financing, and concrete projects on the ground. It is important that private sector join forces with the UN family and other international and regional organizations as well as with development partners to further accelerate the implementation of the VPoA.

OHRLLS remains committed to ensuring that this kind of partnership is strengthened and sustained to better support the LLDCs' development.

I thank you for your attention.