



Statement by

Ms. Rabab Fatima

**Under-Secretary-General and High Representative for the Least
Developed Countries, Landlocked Developing Countries and
Small Island Developing States**

at the

**The Winning Formula: How Investment Promotion Agencies
(IPAs) can achieve better results
World Investment Forum, Abu Dhabi, UAE**

18 October 2023 from 5 to 6 pm

Time allocated: 5 minutes

**Hon'ble Ministers,
Distinguished Panelists,
Excellencies,
Distinguished Colleagues,**

I thank WAIPA for inviting me and for giving me this opportunity to share a few thoughts on this important topic.

My Office supports the world's 92 most vulnerable countries – the Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), and Small Island Developing States (SIDS).

For these countries, improving collaboration with investors and connecting investment to the sustainable development needs on the ground are of critical importance.

All three groups face unique challenges due to underlying factors, making them more vulnerable to economic, climate, geopolitical, and other external shocks.

They are suffering the worst effects of the overlapping crises of COVID, climate change and conflicts, which put them far off-track in achieving the SDGs.

Putting these countries back on a course toward sustainable development will require a concerted multi-stakeholder effort from the international community.

Right now, it is critical we improve the mobilization of resources to enable these countries to overcome their structural constraints. Doing this will require financing from all sources, which goes well beyond Official Development Assistance (ODA).

Mobilizing impactful Foreign Direct Investment can play a crucial role in this regard.

FDI can drive structural transformation, bridge the gap in development financing, and create new opportunities for businesses and jobs.

Regrettably, the FDI in vulnerable countries is well below its potential.

LDCs, LLDCs, and SIDS will collectively require more than \$281 billion of FDI per year for the rest of the decade to get back on track and achieve the SDGs. Last year, however, they attracted just one sixth of that amount.

The substantial gap in FDI across all three of these groups must be addressed with a tailored approach to the unique needs of these countries.

This means promoting investments in the priority areas contained in their Programmes of Action - sectors that contribute to skills development, trade capacities, digital technologies, or infrastructure.

To unlock these critical investments, IPAs can play a significant role.

By aligning opportunities with investor preferences, IPAs can enable better collaboration, and encourage technology transfer, innovation, and market expansion. For the world's

most vulnerable countries, IPAs have the clear potential to attract new investment and increase FDI.

We must scale up efforts to support IPAs across all three groups to ensure they are provided with the necessary technical capacities to attract, retain, and expand investment.

Key to this will be fostering collaborations between local enterprises and foreign investors, as well as liaising with international development agencies, to create sustainable investment ecosystems.

Allow me to share a few specific thoughts in this regard:

First: we need to scale up support to IPAs in LDCs, LLDCs and SIDS to help them develop technical capabilities, knowledge, and skills. There must be a comprehensive, needs-based approach tailored specifically to countries. It is also imperative to leverage all available tools, including digital tools, to promote sustainable investment more efficiently.

Second: we need to tap into emerging sectors. Agribusiness, ICT, renewable energy, and local input-intensive manufacturing

are areas of opportunity across these groups. We must also support increasing access to the necessary skills that enable these countries to attract investment in these areas, including through creating more effective platforms for peer-to-peer learning and experience sharing.

Third: as proposed in the Doha Programme of Action, an International Investment Support Center for LDCs could help attract more foreign investment and, in collaboration with the UN and other relevant actors, support the development of linkages between foreign investors and local businesses.

My Office is now in consultation with all relevant UN agencies and others to bring to fruition that important DPOA deliverable.

Fourth: the upcoming Third Conference on the LLDCs in Kigali, Rwanda, and Fourth Conference on the SIDS in Antigua and Barbuda provide us with a once-in-a-decade opportunity to agree on action-oriented targets, commitments, and deliverables, to support sustainable investment in these countries.

This will be a moment to pledge ambitious commitments to enhance investments in the most vulnerable countries in the world - investments which will bring about transformative socio-economic impacts in these countries.

Excellencies,

Let me conclude by reiterating the clear alignment between my Office and the work that IPAs do.

Embracing synergies between investors and IPAs will help unlock FDI and enable structural transformation in the world's most vulnerable countries.

I look forward to continuing our partnership and collaboration to make real progress in this regard.

I thank you.