Enhancing the role of the private sector in the implementation of the Vienna Programme of Action and the 2030 Agenda for Sustainable Development

Concept Note for Proposed Side Event: 2017 ECOSOC Forum on Financing for Development follow-up

Co-organized by Zambia (the Chair of the LLDCs), UN-OHRLLS, International Road Transport Union (IRU), International Finance Corporation (IFC), and UN International Trade Centre (ITC)

Tuesday, 23 May 2017, 1.15 – 2.30 pm

Venue: Conference Room 12

1. Introduction

A healthy, vibrant and competitive private sector is widely recognized as a vital component of economic growth and poverty reduction through employment creation and innovation. It is in this regard that there is a new paradigm for sustainable development in which the private sector plays a critical role. The key role of the private sector in stimulating economic development is widely acknowledged and has become central to international, regional and national development agendas. Key international decisions including the 2030 Agenda for Sustainable Development, Addis Ababa Action Agenda and the Vienna Programme of Action (VPoA), recognize the vital role of the private sector in their implementation as well as in the overall development of nations.

The 2030 Agenda for Sustainable Development recognises the role of the private sector to support the international community’s endeavours to tackle economic, social and environmental challenges. The Agenda encompasses 17 Sustainable Development Goals (SDGs) intended to promote dignity, equality and prosperity for all and the private sector is positioned to deliver or support the delivery of many of them. The Agenda calls for an active engagement of the private sector in its implementation. Under SDG 17 on means of implementation and Global Partnerships, the 2030 Agenda refers directly to the role of the private sector, in line with the Addis Ababa Action Agenda and its multi-stakeholder approach to ending poverty.

The Addis Ababa Action Agenda (AAAA) also emphasizes the important role played by private businesses in the development agenda. The AAAA emphasizes the importance of strong regulatory and policy frameworks that both encourage private investment and better align private investment with public goals. The Agenda also includes measures aimed at strengthening access to finance for micro, small and medium-sized enterprises, including through the use of development banks and innovative instruments.
The VPoA for Landlocked Developing Countries for the Decade 2014-2024, which is an integral part of the 2030 Agenda for Sustainable Development, is a holistic and action-oriented development agenda anchored on 6 priorities and importantly, it is underpinned on the notion of renewed and strengthened partnerships amongst all relevant stakeholders including the private sector. The VPoA recognizes that the contribution of the private sector is critical for its successful implementation hence the role of the private sector is highlighted in almost all the priority areas of the VPoA and the highlighted aspects 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. The VPoA recognizes the private sector as the service provider and user of services as well as the main contributor to the development of infrastructure and productive capacity in both LLDCs and in transit countries.

Whilst the private sector is recognized as being vital for achieving the SDGs, many developing countries, including LLDCs have relatively weak domestic private sector. Some of the challenges cited as impediments for the growth of the private sector in developing countries include: restrictive policies, inadequate infrastructure, skills shortages and mismatches, trade restrictions, difficulties in obtaining medium- and long-term finance on affordable terms, and a large informal sector. LLDCs are faced with many obstacles to unleash the potential of the private sector and to make it a real engine for more inclusive and sustainable economic growth as well as to create decent jobs and improve countries' ability to benefit from trade.

The entry into force of the WTO Trade Facilitation Agreement on 22nd February 2017 marked a very important milestone not only for the global trading system but more importantly for the LLDCs as its implementation will cut customs-related red tape, ease the flow of trade between countries by simplifying customs procedures, speed up the clearance of goods, supporting cooperation among customs officials, and thus making it quicker and more efficient for goods to cross borders. To successfully implement the Trade Facilitation Agreement the LLDCs, will require an increased role of the private sector.

Given the pivotal role of the private sector to contributing to the achievement of the SDGs, the VPoA and the WTO Trade Facilitation Agreement, there is great recognition that there is need to foster a competitive private sector in LLDCs in order to achieve the SDGs and the VPoA objectives. These sentiments have been articulated at different forums organised for the LLDCs on the subject. Some of the areas identified as needing special attention in LLDCs include:

- The need to provide supportive legal and regulatory framework and create macroeconomic conditions and systems that address the concerns of both local and foreign investors and provide an operating environment that is conducive for growth and development of the private sector;
Developing innovative financing mechanisms, such as the “green financing standards” to expand the ability to obtain financing for projects in LLDCs from multilateral development banks and private financing sources;

Enhancing entrepreneurship by providing supporting business and institutions;

Promotion of SMEs which are important for job creation, women empowerment, and contribution to poverty reduction;

International trade and multimodal transport facilitation through development of hard and soft infrastructure as well as unification and simplification of procedures for cross-border facilitation; and

Sharing of experiences and capacity building on enhancing the private sector in LLDCs’ development.

Since the adoption of the 2030 Agenda for Development, AAAA and the VPoA, it is important for UN-OHRLLS and its partners to accelerate their efforts geared at promoting the participation of the private sector in the implementation of the VPoA and the 2030 Agenda for Sustainable Development. It is in this context that this event is being organized to contribute to raising awareness and building of capacities to support development of competitive private sector in LLDCs.

### 2. Objectives of the event
The Private Sector event is being organized as part of the implementation of the VPoA and the 2030 Agenda and it is aimed at contributing to strengthening of knowledge and capacities to build competitive private sectors in LLDCs.

The main objectives of the Meeting include:

- To continue the dialogue on policy options for creating a supportive/conducive business environment for growth and development of the private sector, including investment promotion and innovative financing mechanisms;
- To share ideas, lessons, and good practices on how to foster entrepreneurship development in LLDCs including through capacity building, technical assistance and promoting access to finance;
- To share experiences on how to catalyze the private sector resources to foster the implementation of the 2030 Agenda and the VPoA including through the PPPs; and
- To identify key recommendations.

### 3. Expected outcome

i. Increase awareness on the role of the private sector in the implementation of the Vienna Programme of Action and the 2030 Agenda.

ii. Policy recommendations on building a vibrant and competitive private sector in LLDCs and how to catalyze its participation in the socio-economic development of the LLDCs.

### 4. Potential contribution to the Financing for Development Forum
Concrete recommendations on how the LLDCs can build an enabling environment for increased role of the private sector will be suggested that are important for accelerating
the implementation of the 2030 development agenda, the Addis Ababa Action Agenda and the Vienna Programme of Action for Landlocked Developing Countries.

5. Format of the Event
The discussion in the event will consist of panel presentations by senior officials from LLDCs, partner countries, experts and the private sector to be followed by an interactive dialogue among all meeting participants. The event will come up with recommendations aimed at contributing to the enhancing of the private sector in LLDCs.

6. Co-organisers
The event will be organized by Zambia (the Chair of the LLDCs), UN-OHRLLS, International Road Transport Union (IRU), International Finance Corporation (IFC), and International Trade Centre (ITC).

7. Participants
The event will bring together senior officials from LLDCs, their development partners and other member states, the private sector, United Nations, multi-lateral development institutions, academia, and NGOs.

8. Date and Venue
The date of the event is 23rd May 2017 at 1.15 – 2.30 pm during the 2017 ECOSOC Forum on FiD follow-up and will be held in Conference Room 12 at UN Headquarters in New York.

9. Background Documents
   i. The Vienna Programme of Action for LLDCs for the decade 2014-2024;
   ii. Transforming our world: the 2030 Agenda for Sustainable Development;
   iii. The Addis Ababa Action Agenda.