



Remarks

by

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for the Least Developed Countries, Landlocked Developing Countries

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“How investment guarantees can attract financing into LDCs, LLDCs and
SIDS”

A briefing for Permanent Representatives of LDCs, LLDCs and SIDS on
Multilateral Investment Guarantee Agency (MIGA) products

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1:15 PM – 2:45 PM

Conference Room 6, UN HQ

Distinguished Chairs of Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

Executive Vice President and CEO of MIGA

Excellencies

Ladies and gentlemen,

Allow me at the outset to warmly welcome you all to our joint OHRLLS/MIGA briefing.

I would like to express my appreciation to Ms. Keiko Honda, Executive Vice President and CEO of MIGA, for coming to New York to meet us and brief us on the work of her organisation.

I know how busy and in demand she is. So, Thank You again, Keiko.

It is my sincere hope that this is the beginning of a closer working relationship between MIGA and OHRLLS, as we seek to effectively support the 91 most vulnerable countries to attract FDI flows and fully unlock its development potentials.

Ladies and gentlemen,

Foreign direct investment (FDI) is an important form of development finance for LDCs, LLDCs and SIDS. It is complementary to official development assistance and often more dynamic. FDI can also be catalytic, mobilizing capital and technology to spur growth, expand productive capacity and diversify economies. At present, FDI inflows to most LDCs, LLDCs and SIDS remain relatively small and concentrated in few countries and sectors.

The instrumental role of investment for the realization of the SDGs is recognised, including specifically in target 10b.

One policy area that the most vulnerable countries consider very important is to improve the availability of risk insurance and guarantees. This was called for in Istanbul Programme of Action and the SAMOA Pathway and has been confirmed in the 2015 Addis Ababa Action Agenda.

In recent years, MIGA has launched programs that reflect the logic that Political Risk Insurance (PRI) needs to be adapted, in some instance to reflect special needs or circumstances that may not be met through MIGA's standard procedures and guidelines for underwriting. This recognition is important for the most vulnerable countries: adapting PRI products to smaller investments, introducing flexibilities to support investment in conflict-affected states, and introducing the

possibility of subsidized or concessional PRI premia in the case of projects in poor countries (IDA recipients) all in particular ways address, if not explicitly, circumstances common in most vulnerable countries

In addition, MIGA and other PRI providers have been increasing the supply of PRI cover in recent years, reflecting recognition that the market can be significantly expanded, while maintaining a sound economic model. However, anecdotal evidence suggests that particularly in the case of the majority of the most vulnerable countries there is an important question of awareness by the relevant decision-makers, including government officials and potential foreign investors, about PRI products. SMEs in particular may be unaware of the possibility of PRI, associating it exclusively with large infrastructure or extractive sector projects.

This is why we are particularly pleased and grateful that Ms. Keiko Honda, Executive Vice President and CEO of MIGA is taking the time to brief the Representatives of LDCs, LLDCs and SIDS today.

Before starting the briefing, I would like invite H.E. Mr. Masud Bin Momen, Permanent Representative of Bangladesh to the UN and Chair of the Group of LDCs to take the floor.

Ambassador Momen's remarks will be followed by those of H.E. Mr. Julio Cesar Arriola Ramirez, Permanent Representative of Paraguay to the UN and Chair of the Group of LLDCs; and by those of H.E. Mr. Ali Naseer Mohamed, Permanent Representative of the Maldives to the UN and Chair of AOSIS.

Without further, I now give the floor to Ambassador Momen.

You have the floor Excellency.
