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Statement by

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High Representative
and
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**at “Funding Gaps and Investment Opportunities: Infrastructure financing
in LDCs, LLDCs and SIDS”**

**A Side Event on the sidelines of the ECOSOC Forum on Financing for
Development**

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Conference Room E, New York**

Your Excellency Dr. Mohamed Asim, Minister of Foreign Affairs of the Republic of the Maldives

Mr. Kazi M. Aminul Islam, Executive Chairman, Bangladesh Investment Development Authority

Mr. Sebastián Ortiz, Director fo Multilateral Economic Organizations, Ministry of Foreign Affairs of Paraguay

Excellencies, distinguished delegates,

Ladies and gentlemen,

Initially, I wish to express my sincere thanks to the Missions of Maldives, Paraguay and Bangladesh for bringing us together on such an important issue.

I am very encouraged to see the Chairs of the LDCs, LLDCs and SIDS groups join together to discuss this fundamental issue of infrastructure for achieving inclusive sustainable and climate resilient development.

You all have time and time again stressed how infrastructure development is a key concern and at the heart of development challenges for all three groups of countries.

Ladies and gentlemen,

In 2017, at the Global Infrastructure Forum held in Washington DC, the G77 and China restated concern over the fact and I quote “that more than 1.2 billion people have no access to electricity. About 783 million people lack access to clean water; and 2.4 billion do not have adequate sanitation; 2.8 billion people still cook their food with solid fuels; and one billion people live more than two kilometers from an all - weather dead.” (end of quote)

A year later, and just a few days ago, a new blended finance action plan now calls on multilateral development banks to step up their efforts to leverage private capital and lays out a series of eight key initiatives that can help to accelerate blended finance and raise more funds to address implementing of the SDGs and the Paris Agreement on climate change.

That is a welcome and very practical and action-oriented overall step. It is heartening to see some movement on what is a key issue here: funding gaps.

We all know that infrastructure development lies at the nexus of economic growth, productive investment, job creation, and poverty reduction. We also all know that financing the huge investment gaps in emerging market economies - estimated at some 1.3 trillion per year according to World Bank data - will be critical to our achieving all of the goals of Agenda 2030.

Time over and over attention has been given to this critical issue from

the 2030 Agenda to the the Addis Ababa Action Agenda, the IPoA which already considers infrastructure as one of the major challenges for the LDCs,

the Vienna Programme of Action for LLDCs which identifies infrastructure development and maintenance as one of the six priority areas for action,

and last but not least the SAMOA pathway calling for enhancing an enabling environment to attract more public and private investment in building and maintaining appropriate infrastructure, including ports, roads, transportation, electricity and power generation and information and communications technology infrastructure.

We certainly are not short of diagnostics, studies, declaration and agreements but now we already are into year three of Agenda 2030!

Today I wish to share with you a couple thoughts on ACTION.

Just as is the case for other issues, and I keep repeating this many times over, the peoples of the world will indeed judge us by action. Time for words may be running out faster than we think.

The LDCs, LLDCs and SIDS experience significant deficits in physical transport infrastructure, access to energy and the digital divide may be most visible in these three groups of countries.

This gap, if not closed and closed with urgency, may jeopardize realization of all of the goals of Agenda 2030.

We know that on the one hand the scale of resources required to close the infrastructure financing gaps is enormous. But there is another gap. We have a capacity gap both from a perspective of preparing bankable project and program pipelines and then implementing them before 2030!

So, I wish to focus my remarks on what I see as the dual issue of financing and capacity-building.

The blended finance action plan is progress. But we also ought to keep in mind a remark made earlier this week by H.E. the UN ECOSOC President and I quote “developed countries must deliver on both ODA and climate finance commitments. Multi-lateral development banks, development finance institutions and South-South cooperation providers should scale up their contributions to the 2030 Agenda.” (end of quote)

The TIME IS NOW to put all our capacities together to improve the availability and access to infrastructure financing for LDCs, LLDCs and SIDS.

UN-OHRLLS, together with our UN-system partners, stands ready to support such effort be it through facilitating provision of operational tools, undertaking studies, workshops, or promoting the needs of the vulnerable countries in the global dialogue on infrastructure financing.

We will also continue to support global efforts to monitor and follow up on infrastructure finance commitments towards the most vulnerable countries.

Incidentally, OHRLLS will soon publish a study on Financing Infrastructure in the Transport Sector in LLDCs. For those of you interested in an advance glimpse-

copies of the executive summary are made available for you by the OHRLLS team in our room.

So one issue is to make the finance available but then one has to be able to access and use finance.

Access is a real issue. An issue with multiple dimensions. These range from often highly demanding and complex access processes and procedures to general institutional capacity constraints, poor or non-existent credit ratings, perception of high risk from private investors, as well as low project preparation and implementation capacities and skills to attract available funds and investments.

While it is very encouraging to see that a more pro-active stance begins to be taken in mobilizing finance, we also must address much more pro-actively capacity-building support.

At the national level we need the leadership and ownership. Emphasis on efficiency in utilization of domestic resources for infrastructure development and maintenance, regulatory

and policy reforms to create an enabling, predictable and stable environment fostering enhanced public and private investments in infrastructure will be important.

At the same time, it is important to provide countries with appropriate technical and capacity-building support to prepare bankable infrastructure projects able to attract investment.

Successful examples coming from the LLDCs, LDCs and SIDs exist. I would encourage that we also step up our efforts to share systematically experiences and lessons learned that can help other countries in similar situations.

To conclude, I see three key areas for action: step up efforts to mobilize funds, step up capacity-building efforts and step up knowledge and experience sharing.

Thank you.