



Statement

By

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at the

**High Level Investment Forum: "Investing in
Landlocked Developing Countries: trends, experiences
and the way forward"**

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Excellencies,
Distinguished Ministers,
Dr. Migiro, UN Deputy Secretary-General
Ladies and Gentlemen,

At the outset, on behalf of the co-organizers of this high-level investment forum, UNCTAD, the World Bank and the UN-OHRLLS, I wish to extend my warm welcome to all distinguished participants. Let me also take this opportunity to commend the colleagues from the World Bank, the UNCTAD secretariat for their excellent cooperation and support in organizing this important forum.

The Almaty Programme of Action stressed the key role of the private sector and other capital flows for development in landlocked developing countries (LLDCs). The foreign investment is the main source of much needed capital, know-how, technology and access to international markets for LLDCs. Foreign direct investment plays catalytic role in building domestic supply capacity, export growth, technology and skill transfer, employment generation and poverty eradication for LLDCs in the coming years.

LLDCs have realized that FDI is key to the economic and social development of their countries. Accordingly, most of them take the host country responsibilities very seriously. The governments of LLDCs have undertaken important commitments aimed at establishing a stable economic, legal, and institutional framework, to promote a conducive macroeconomic environment, good governance, and democracy, as well as to strengthen structural aspects of the economy and to improve institutional and human capacities to create better investment climate.

As indicated in the report of the Secretary-General on the mid-term review of the Almaty Programme, foreign direct investment in LLDCs has expanded substantially to USD 11.8 billion in 2006 from USD 8.5 billion in 2003. This is of course very positive development. At the same time, I should note that much of this increase has been prompted by discoveries of oil and higher mineral prices and has been concentrated in a small number of landlocked countries.

Against these positive developments, the LLDCs continue to face persistent challenges, such as limited scale of economy, inadequate development of macroeconomic environment, unsatisfactory physical and economic infrastructure development, level of technology development and lack of entrepreneurship and managerial capacity. The disadvantaged geographical situation is the added constraint for landlocked developing countries.

Therefore, the efforts of LLDCs to attract foreign investment should be supported by their development partners. In this context, I wish to emphasize that the home countries should do more to assist LLDCs in their efforts to improve their investment climate by strengthening their capacity building assistance and institutional mechanism. At the same time Governments of development partners need to do more at home to encourage investments from their countries in LLDCs. The home countries' authorities should adopt

and implement economic, financial and legal incentives to encourage their investors to bring their capital into LLDCs.

The United Nations specialized agencies, the World Bank, the Regional Development Banks and other relevant international organizations have important role to play in forging genuine partnerships between private and public sector in the global efforts to assist the LLDCs by mobilizing much needed private investment into these countries. In this context, I wish to commend the useful analytical work carried out by UNCTAD and the World Bank which they will share during the course of the Forum.

The purpose of the today's Forum is to facilitate addressing these and other aspects of foreign direct investment in LLDCs, exchange of experience and assist the governments of LLDCs with policy recommendations in this area.

With these brief remarks let me invite the Deputy Secretary-General, who kindly found time from her busy schedule to be with us today, to address the Forum.