
SIDE EVENT

South-South-Exchange on Attracting and Securing Private Financing, Expertise and Innovation for Inclusive and Resilient Prosperity in Sustainable Ocean-based Economies

Date/Time: 28 May 2024 at 08:00 – 09:30am

Room: Overflow room, American University of Antigua, Saint. Johns, Antigua and Barbuda

Event Organizers: UN Department of Economic and Social Affairs and the Government of Vanuatu

Event Partner: International Finance Corporation

Background

With the current global climate of uncertainties, multiple crises and megatrends, small island developing states (SIDS) want to build and promote inclusive and resilient prosperity in sustainable ocean-based economies by attracting, securing and accountably managing private financing, expertise, cutting-edge technology and innovation including through public-private-partnerships (PPP).¹ Creating appropriate capital market instruments and the provision of technical assistance to stock exchanges and security market regulators to enhance bankable and feasible projects on sustainable ocean-based economies are also critical.

A major challenge for SIDS is that government budgets are not growing at the same pace as the demand for basic infrastructure services let alone quality resilient sustainable infrastructure. It hinders their capacity to provide and maintain basic infrastructure services including water, health, energy, transportation and communications. For SIDS in the Pacific like Vanuatu and a country that recently graduated out of least developed countries (LDC) status, its fiscal budget is further constrained with the cost of frequent occurrences of disasters due to natural hazards. The country being in constant disaster response/recovery mode and the significant macro-economic impact undermine Vanuatu's smooth transition out of LDC status.

According to the [Asia Development Bank](#) (ADB) economies in the Asia region must spend an estimate of \$1.7 trillion a year on infrastructure until 2030 if it is to maintain growth, meet social needs and effectively respond to climate change. An annual infrastructure gap of \$204 billion will need to be financed through private sector investment. Post COVID-19 and with the prolonged adverse effects of the war in Ukraine, that amount is likely to increase. Other challenges include an underdeveloped enabling environment and capacity constraints in both project preparation and financing gaps.

¹ [SIDS4 Outcome](#)

Turning these challenges to stimuli for unleashing inclusive, sustainable and resilient economic growth potential could help SIDS tap into and harness private sector financing, technical operational and management expertise and cutting-edge technology and innovation.

Vanuatu – a recent graduate from LDC status- has developed its first PPP Framework including a PPP Policy and draft PPP bill. These instruments seek to take into account challenges common to a range of LDCs and other developing countries such as a relatively small domestic private sector, lack of economies of scale, and the limited capacity to manage complex infrastructure and investment projects. The framework seeks to help establish partnerships to facilitate the development of the private sector and promote growth, as a key enabling element of the country's 2030 People's Plan.

Several other countries at comparable stages of development have also developed and implemented PPP policies, legislation and institutions to secure private financing, expertise and innovation for inclusive, resilient sustainable economic growth, diversification and development. Others are actively considering such approaches.

This side event is an opportunity for SIDS and other countries facing special developmental challenges to discuss their experiences with PPPs. Examining how these instruments can best catalyze long-term, sustainable growth and development can help countries unleash their full potential in ways that are most appropriate to their circumstances.

Objective

To hold a meaningful and forward-thinking conversation on the experiences of countries from Asia, Africa and the Pacific in using PPPs – successes, failures and new approaches and to explore what needs to be done today to make public-private-partnerships fit for the 21st century so SIDS can successfully attract and secure private financing, expertise and innovation for inclusive and resilient prosperity in ocean-based economies.

This side event contributes to the interactive dialogue topic: Enhancing Critical Forms of Financing and Aid Effectiveness through collaborative Partnerships: A Conversation.

Modality

Given the target group, the side event is designed to create an inclusive environment for diverse voices from SIDS and friends of SIDS to be heard and valued and to encourage active participation, exchange of ideas and collaborative action-oriented plans.

The event will adopt a Davos style where the co-chairs will provide opening remarks to set the scene for the conversation. A moderator will engage the six countries who will share their PPP experiences, open the conversation to the wider audience of the event to hear their experiences, perspectives and ideas and to collectively explore what kind of public-private-partnerships would be needed in the 21st century to successfully attract and secure private financing, expertise and innovation for inclusive and resilient prosperity in ocean-based economies.

Guiding Questions for Countries and Participants

1. What has been your country's experience with PPP frameworks (policies, laws, institutions)? What worked well, and where was there scope for improvement?
2. How can such frameworks adequately accommodate gender dimensions as well as the provision of services to vulnerable groups eg. people living with disabilities?
3. How can we innovatively rethink the purpose, modality and legal frameworks of PPPs given the current context of slow growth, multiple crises and long-term trends such as technological and demographic change?
4. What capacities are essential to make PPPs work well?
5. What do SIDS need to consider for PPPs to be fit for the 21st century, and to effectively access, secure and accountably manage private financing, expertise and innovation for inclusive and resilient prosperity in ocean or other nature-based economies?

DRAFT PROGRAMME

Opening Remarks: Co-Chairs

- *H.E. Mr. Ralph John Regenvanu, Minister of Climate Change Adaptation, Meteorology & Geo-Hazards, Energy, Environment and Disaster Management, Government of Vanuatu (5 min);* and
- *Mr. Shantanu Mukherjee, Director, Economic Analysis and Policy Division, UN Department of Economic and Social Affairs (5 min)*

Conversation: moderated by Ms. Michelle Ottey, Senior PPP & Investment Officer, International Finance Corporation (IFC)

Speakers

1. *H.E. Mr. Odo Tevi, Permanent Representative of Vanuatu to the United Nations in New York on Vanuatu's PPP framework (policy, law, institutions, PPP Unit) (7 min)*
2. *H.E. Ms. Jane Waetara, Permanent Representative of Solomon Islands to the United Nations in New York on Solomon Islands' PPPs in shipping services (7 min)*
3. *H.E. Ms. Tania Romualdo, Permanent Representative of Cabo Verde to the United Nations in New York on Cabo Verde's PPP experience (7 min)*
4. *H.E. Mr. Filipo Tarakinikini, Permanent Representative of Fiji to the United Nations in New York on Fiji's PPPs in the health and aviation/tourism sector (7 min)*
5. *H.E. Ms. Ilana Seid, Permanent Representative of Palau to the United Nations in New York on Palau's PPPs in aviation and sustainable tourism (7 min)*

Wider interactive conversation: 30 minutes

Wrap Up Conversation: Moderator – (5 min)

Closing Remarks: *H.E. Mr. Odo Tevi, Permanent Representative of Vanuatu to the United Nations in New York (5 min)*

A summary of the side event will be prepared by the side event organizers (UNDESA and Government of Vanuatu) and partner (IFC) and submitted to SIDS4 Secretariat by 10 June 2024.

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