



**Address by the
Honourable Khaalis Rolle
Minister of State for Investments
Government of the Commonwealth of The Bahamas**

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Investing for Sustainable Development
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- It is a distinct honour and pleasure to participate in this afternoon's Round Table on Financing for the Sustainable Development Goals (SDGs).
- Those goals, which have been developed and proposed by the General Assembly's Open Working Group on SDGs, encompass the wide range of economic, social and environmental objectives which are critically important to each of our nations individually and collectively.

- Eliminating poverty, increasing access to health and education and addressing the all-important climate change should be the most important pursuit of all nations across the planet.
- As you may appreciate, these are goals are vitally important to a small island developing nation such as The Bahamas.
- We have therefore taken great interest in the discussions at this forum that are focused on emerging investment-related challenges and the appropriate policies to address these challenges. The ultimate objective, of course, is to support the attainment of the SDGs and we take particular interest in the challenges, the opportunities and the policy solutions that will be identified to meet the SDGs during the course of this forum.
- It is evident that a significant increase in investment will be required to attain the SDGs and it is thus equally clear that private sector involvement will be critically important as a vital partner to public efforts in these areas.

- In this regard, I would like to briefly review with you the key features of the policy approach that is being pursued in The Bahamas to underpin and promote private sector investment activity, as well as to intensify the involvement of the private sector in the provision of critical public infrastructure and facilities.
- As with other nations around the globe, The Bahamas was deeply impacted by the Great Recession of 2008/09. We experienced decreased levels of economic activity, increased unemployment as well as a massive deterioration in the state of our public finances.
- Prior to the Global Recession, our public finances were in a relatively healthy and sustainable position. The primary fiscal balance was in surplus and the level of Government Debt stood in the area of only 30 per cent of GDP.
- Since then, the Government has incurred large deficits and the burden of Government Debt has essentially doubled to a level of 60 per cent of GDP in the recently completed fiscal year.

- We cannot go on mortgaging the future of our children to finance the running of today's Government. We must place Government in a position to be able to meet the many and varied demands for public services and infrastructure required in a modern society. The Bahamas is an archipelagic country. This makes our challenge a thousand times greater than many of our neighbors.
- It is against this backdrop I would like to highlight a key component of our development strategy underpinned by a strong focus on private sector financing for infrastructure projects.
- In our case the Government provides a stable return on investment to its private sector partners and the partners assist in the delivery on a core principle of sustainable development.
- In the interest of time, I would like to quickly highlight 1 instance where this has been done successfully in the Bahamas.

The Bahamas Government entered into a heads of agreement with The Genting Group, a large Malaysian Conglomerate to invest in excess of \$300m in a resort project on the Island of Bimini. To accommodate this

investment the Government would need to invest in excess of \$70m in infrastructure. A new berthing pier to accommodate a cruiseship, the upgrading of the airport terminal and runway, paving of roads and provision of housing for 400+ new employees descending on the island for the job opportunities. Through tax incentives and revenue share from the airport landing fees, the Government enabled the private sector to create the modern infrastructure needed to support the development project. This is a PPP model which is tried and proven beyond a reasonable doubt to assist us in pursuing the SDG's.

- While there is no doubt that properly-designed and implemented PPPs can offer significant benefits, they do pose certain challenges that must be adequately addressed if the schemes are to be successful.
- Foremost among these challenges may well be the structuring of effective mechanisms to ensure that the major risks of a PPP are identified and quantified, and that the appropriate risk-sharing is set out for both the Government and the private sector partner
- I thank you for your attention and look forward to our ongoing discussions of these most important public policy issues.