High Level Dialogue with Africa – 21 May 2019

Road to TICAD7 in Yokohama and Africa's Development Dynamics 2019

Concept note

About the OECD Development Centre (DEV)

The mission of the Organisation for Economic Co-operation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The OECD Development Centre (DEV) was established in 1962 as a platform for analysis, knowledge-sharing and evidence-based policy dialogue on development. DEV counts 27 OECD countries, plus the EU, and 27 non-OECD countries from Africa, Asia and Latin America interacting on an equal footing to find innovative policy solutions to pressing development challenges. It is a forum where countries come to share their experience of economic and social development policies. The Centre contributes expert analysis to the development policy debate. The objective is to help decision makers find policy solutions to stimulate growth and improve living conditions in developing and emerging economies.

About the Tokyo International Conference on African Development (TICAD)

The Tokyo International Conference on African Development is one of the most important and visible vehicles for strengthening Japan's relationship with Africa. It is a multilateral and international forum focusing on African development, initiated by the government of Japan in 1993. TICAD VII will be held on August 28-30, 2019 under the theme of "Africa and Yokohama, Sharing Passion for the Future".

Japan pursues two major approaches to guide its relations with African countries, namely "quality growth (inclusiveness, sustainability, and resilience)" and "human security (capacity building focusing on each individual in Africa)." With the inception of TICAD, Japan took the lead in fostering international discussion on Africa's development. TICAD's innovative approaches include advocating African ownership and international partnership; promoting the participation of international organizations, donor countries, private sector and civil society; and creating follow-up and review mechanisms to ensure the progress of programmes and projects.

The five co-organizers of TICAD are: The Government of Japan, The Office of Special Adviser on Africa (OSAA), The African Union Commission (AUC), The World Bank and The United Nations Development Programme (UNDP). TICAD partners include international organizations, regional organizations such as the African Regional Economic Communities (RECs), the New Economic Partnership for Africa's Development Planning and Coordinating Agency (NEPAD Agency), the civil society as well as the private sector.

The Sixth Tokyo International Conference on African Development (TICAD VI) was held at the Kenyatta International Convention Centre (KICC) on August, 27-28, 2016, making it the first TICAD held on African continent. The theme of TICAD VI was *'Advancing Africa's sustainable Development agenda: TICAD Partnership for Shared Prosperity'*. It adopted three pillars for Japan's cooperation policy with Africa: (1) Promotion of economic structural changes through economic diversification and industrialisation, (2) Promotion of a resilient health system for high quality of life, and (3) Promotion of social stabilization for shared prosperity.

Enabling Africa's Economic Transformation: Engaging public and private sectors in enhancing connectivity

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Sustaining Africa's strong growth rates will require accelerating the continent's productive transformation

Since 2000, Africa has experienced substantial economic growth, with an average annual GDP growth rate of 4.6%. Africa's recent growth benefited from high commodity prices, improved macroeconomic management, debt relief, and growth diversification strategies in some countries, most notably the non-resource-rich. The contribution of private consumption to economic growth has increased progressively and reached 3% of GDP annually over 2009-2016. Industrial GDP in Africa remains very low, and its economies strongly rely on exported raw commodities while countries mostly import manufactured goods from outside the continent (AUC/OECD, 2018). Maintaining high rates of economic growth will be challenging particularly for the resource-rich countries in Africa.

Structural transformation has boosted labour productivity, although this progress is likely to reach its limits. Workers have shifted from less productive activities to more productive ones. However, the relative productivity levels of these sectors are now declining (AUC/OECD, 2018). Growth has not translated into enough job creation or sufficiently reduced poverty and inequality and Africa still faces low average productivity as it relies heavily on the export of primary products (AUC, 2019). The continent will require strategic policy actions to boost productivity and create productive jobs that can quickly absorb a large number of unskilled workers.

African leaders and many pan-African initiatives have focused on facilitating productive transformation to boost private sector activity. The African Union through Agenda 2063 envisions African countries to transform the structure of their economies to create strong, robust and inclusive growth generating jobs and opportunities for all. Recently, African leaders have renewed the political momentum towards a single African market with the African Continental Free Trade Area (AfCFTA), the Single African Air Transport Market, and Africa's single passport.

Translating this ambition into reality requires innovative policies and sound implementation to boost the productivity and innovation capability of African firms Simplified administrative procedures and reduced start-up and operational costs have improved business environments in most African countries. Africa's consumer demand is growing, creating more business opportunities that are increasingly attracting foreign investors (AUC/OECD, 2018). Creating more opportunities for foreign and local firms requires co-ordinated interventions in infrastructure, skills and finance (AfDB/OECD/UNDP, 2017).

Africa's industrialisation and private sector development depend on the provision of adequate infrastructure

Industrialisation is indispensable in order to achieve economic transformation. Industrialisation yields many important outcomes, particularly increased productivity, job creation and innovation

(AfDB/OECD/UNDP, 2017). The role of industrialisation is clearly articulated in the African Union's Action Plan for the Accelerated Industrial Development of Africa (AIDA) and the United Nations' Third Industrial Development Decade for Africa (IDDA3). Additionally, industrialisation features prominently in the AU's First Ten-Year Implementation Plan for Agenda 2063 (2014-2023).

Industrialisation and infrastructure are invariably linked. Mauritius and South Africa partly owe the strong performance of their manufacturing export sectors to investments in world-class infrastructure (Ncube, 2017). Sustainable Development Goal 9 calls to "build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation". Infrastructure also plays a critical role in promoting innovation and technological progress, which are important drivers of productive transformation and economic development (ACBF, 2016).

Access to better infrastructure can improve firm competitiveness and connectivity to both regional and international markets. Increases in physical capital as well as in the provision of infrastructure services such as transport, power supply and telecommunications can lower production costs and increase productivity (Calderón and Servén, 2014). Under the right conditions, infrastructure development can play a major role in promoting growth and equity and, through both channels, help reduce poverty (Bhattacharya et al., 2016). However, inadequate infrastructure – mainly energy, transport, telecommunications, water and sanitation, and irrigation – has contributed to the continent's low economic performance, low intra-African trade (11.9% of total trade in 2017) and weak integration into global value chains (Juma, 2015). Africa ranks at the bottom of all developing regions in infrastructure performance (World Bank, 2017). Lack of adequate and reliable infrastructure results in increased costs and delivery time, and reduced productivity. Improving regional infrastructure, particularly roads, and ports could boost trade and economic growth across the continent.

Box 1. **Quality as a Multidimensional Concept in Africa's Infrastructure Development**

A more selective, sustainable and long-term oriented approach to infrastructure is making its way in the global debate, as also embodied in SDG Objective 9.1: "Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all."

Quality Infrastructure (QI) can be defined as infrastructure addressing five elements: economic efficiency, resilience against natural disasters, safety, environmental and social sustainability, and contribution to society and the economy. This means that QI investments should align with long-term country strategies for economic development in a way that improves the flow of services, builds local capacity, and drives job creation (Runde, 2017). In spite of the challenges, measuring impact is also very important. In this respect, NEPAD and GIZ have devised the PIDA Job Creation Toolkit to estimate the employment effects of PIDA infrastructure projects as a proxy for support to the local economy[1].

QI investment entered the global debate during Japan's presidency of the G7 in 2015. Both the G7 and G20 summits in 2016 committed to promoting investment in quality infrastructure in Africa. The G7 drew up the Ise-Shima Principles for Quality Infrastructure Investment (QII – see Annex II). The G20 launched the Initiative on Supporting Industrialisation in Africa and LDCs, which looks at building resilient infrastructure among other interventions. Finding a nexus between the G7 and G20

[1] For further information on the PIDA Job Creation Toolkit, see http://www.au-pida.org/job-creation-and-pida-projects/

principles for QII and the priorities for Africa enshrined in Agenda 2063 and the PIDA Priority Action Plan remains difficult.

QI approaches should integrate short-term priority projects with long-term development policies and outcomes. An example of such an approach is the Japan International Cooperation Agency's (JICA) Corridor Development Approach, which focuses on cross-border transport infrastructure networks (JICA, 2018). These networks can facilitate intra-regional trade and promote regional development. Through this approach, JICA finances infrastructure assets that integrate regions and countries, fostering local economic activities. A second aim is to attract private investment, notably FDI, which in Africa follows the prospective creation of regional markets, a better business environment and better infrastructure (AUC/OECD, 2018).

Source: Ashiagbor et al. (2018)

Developing connective (i.e. transport) infrastructure can boost Africa's productive transformation by lowering costs of doing business and enhancing trade

Developing transport infrastructure remains crucial for Africa to attain its development objectives. Transport infrastructure represents a key pillar in Agenda 2063, particularly with its Goal 10 of "world-class infrastructure that criss-crosses Africa". These infrastructure development objectives aim to help Africa accelerate its integration and growth by facilitating trade and the adoption of new technologies. Strengthening Africa's in-land transport corridors, or developing the Trans-African Highway network would strongly increase Africa's trade volumes and attractiveness for FDI. Transport infrastructure strongly complements trade liberalisation, and will be key in realising the gains envisaged by the regional integration agenda, such as the AfCFTA.

Improving connectivity can enhance Africa's integration into regional and global value chains, and help firms increase their productivity and exports. For example, the poor quality of Africa's transport infrastructure accounts for 40% of logistics costs in coastal countries and 60% in landlocked countries (UN Habitat, 2014). Upgrading and maintaining the road network connecting 83 main sub-Saharan cities could potentially increase overland trade volumes by USD 250 billion over 15 years, almost eight times more than the total cost of the intervention (Buys, Deichmann and Wheeler, 2010). A study based on four African countries shows access to adequate cross-border infrastructure can boost firm productivity and growth (OECD, 2018).

Designing and implementing solutions to develop infrastructure requires a deep understanding of Africa's context and needs (Ashiagbor et al., 2018):

- **Roads:** Poor transport infrastructure holds back intra-regional trade activity, undermining firms' competitiveness. In fact, the cost of trading is about 1.5 times higher for landlocked than for coastal countries (AfDB, 2017). Roads are the main mode of transport in Africa, carrying 80% of goods and 90% of passengers, yet only 53% of roads are paved (AfDB, 2014). Apart from the importance of strategic regional transport corridors, only one third of Africans living in rural areas are within two kilometres of an all-season road.
- **Rail:** The large number of landlocked countries and small-sized economies in Africa necessitates the development of an efficient rail network. However, there are only few railways in Africa, with existing lines characterised by outdated infrastructure and limited maintenance

(OECD, 2018). Most of the rail lines are low-speed and small-scale and carry low axle loads. Passenger services account for only about 20% of rail traffic in Africa (EXIM Bank, 2018).

- **Ports**: Africa has around 90 major ports, stretching along a coastline of 30,725 km. African ports currently handle only 4% of global container traffic. Sea shipping in Africa is characterised by underutilised capacity of vessels, small and congested ports, underdeveloped hinterland infrastructure and inadequate governance.
- **Airports:** Although Africa has over 4,000 airports and airfields, a significant number of them do not meet International Civil Aviation Organization (ICAO) standards. Only one in four airports has paved runways. Intra-African air transport growth has been subdued, partly due to underdeveloped infrastructure. In 2015, African airlines carried 79.5 million passengers, representing 2.2% of total air passenger transport (EXIM Bank, 2018).
- **Urban transport**: Rapid urbanisation requires substantial investments in public urban transport to promote inclusive and sustainable economic growth. African cities are physically fragmented and dispersed, with a lack of connective infrastructure. Local promoters and the private sector should be supported in exploring wider mobility and public transport concepts. These start from an effective main backbone, for example Bus Rapid Transits or light rail systems where appropriate, complemented by reforms to the public transport system, including route optimisation and institutional and technical organisation and management (Lall et al., 2017).

Financing Africa's infrastructure will require engaging both the public and private sectors

Infrastructure investment in Africa stood at approximately USD 63 billion (3.5% of the continent's GDP) in 2016. African national governments and bilateral/multilateral institutions are the main source of infrastructure finance in Africa. In 2016, the contributions from national governments, represented 42% of total infrastructure financing, at over USD 26 billion. The contributions of institutions and governments to infrastructure financing varied between 2012 and 2016. China plays an important role in the continent, with its investments ranging from 15% to 26% of the total between 2012 and 2016 (Ashiagbor et al., 2018).

There are many opportunities for greater private sector investment in closing Africa's infrastructure gaps, including from institutional investors. In contrast to sizeable contributions from public financing, including from Official Development Assistance (ODA) from bilateral and multilateral partners, private capital has played a very limited role in financing Africa's infrastructure. In 2016, private flows reached USD 2.6 billion, representing only 4% of total infrastructure investment on the continent (ICA, 2017). Investment in public infrastructure projects with private participation have also remained limited. Total private flows to infrastructure are significantly lower than Official Development Assistance (ODA) contributions, which amounted to USD 13.7 billion in 2016 and USD 128.3 billion over the period 2007-16. ODA's ability to mobilise private funds for infrastructure projects is very weak. Between 2012 and 2015, private capital mobilised by ODA and invested in infrastructure projects was USD 8.7 billion, or around 11% of the total private sector mobilisation (Ashiagbor et al., 2018).

Africa's infrastructure investment needs remain substantial and are estimated at USD 68–152 billion over the coming decade. These amounts are equivalent to 3.1% - 6.9% of GDP and cover both maintenance and replacement costs as well as the construction of new infrastructure assets. Infrastructure investment needs reflect a limited infrastructure capital stock in place, which is often of poor quality (Ashiagbor et al., 2018). Moreover, new needs arise from rapid urbanisation, population and economic growth as well as making infrastructure resilient to climate change (AUC/OECD, 2018). Current infrastructure investment of USD 62.5 billion or 3.5% of GDP in 2016 implies a considerable investment gap.

Three sets of constraints generally limit infrastructure financing in Africa. First, there is a lack of well-structured bankable investment opportunities, especially due to higher perceived risk, market fragmentation and information asymmetries. Second, underdeveloped financial markets and regulatory barriers limit the supply of funding, especially for local long-term finance. Third, the overall business environment can undermine infrastructure investment due to the lack of capacity, transparency and an enabling policy environment.

Improved public sector capacity and better tailored regulatory frameworks can create a more favourable environment for private investors. For example, building public sector capacity in project design and preparation and improving procurement rules to reward and promote competitiveness could promote the establishment of PPPs (Ashiagbor et al., 2018). Additionally, strengthening the intellectual property rights regime can promote infrastructure investment, particularly in green infrastructure.

Adapting investment modes to local institutional capacity and project types can increase the likelihood of successfully closing projects. Governments can opt for various modes of governance for infrastructure projects. These can range from direct delivery, where governments fully manage all aspects of a project, to procurement for specific phases and operations, to privatisation, where governments only retain their regulatory role. More complex project governance models require empowering regulators and ensuring that an independent judiciary can handle disputes (Kappel, Pfeiffer and Reisen, 2017).

One way of addressing the shortage in infrastructure investments and enhancing the participation of the private sector is through public-private partnership (PPP) arrangements. PPPs can increase the efficiency of the design and implementation of projects, but require careful public involvement and expertise. In such complex arrangements, both government and private investors can benefit from improved service quality, lower project costs, sharing of risks as well as separate management of specific risks by each partner, earlier and faster construction, and better budget fulfilment. Governments should extend support to the private sector in various forms such as strengthening the regulatory framework, ensuring transparency in the PPP process, implementing measures to reduce corruption and bureaucratic bottlenecks, and improving project design and management while incorporating a high level of due-diligence (ACBF, 2016).

PPPs are complex undertakings and are not the only way of crowding-in private sector investment. PPP projects are complex to prepare, structure and transact and require specialized skills in the public sector and the private sector willingness and capacity to take on long-term commitments that are not always available. If the right conditions are not in place, in particular if local authorities lack the capacity to negotiate PPP deals and effectively regulate private operators, PPPs might be a costly proposition (Spiegel and Verougstraete, 2018). In fact, PPPs projects in Africa remain concentrated in few countries and sectors (World Bank, 2017; WB Private Participation in Infrastructure database). In sub-Saharan Africa, South Africa, Nigeria, Kenya, and Uganda account for almost half of all 335 PPP infrastructure projects over 1990-2015, almost entirely in the energy and transport sectors. Weakness in both public and private sector capacities and inadequate regulatory frameworks may explain the limited uptake and actual deceleration of PPP flows in low-income countries in the most recent years. (Gurara et al., 2018; Infrastructure Consortium for Africa, 2017).

Successfully crowding in private investors in infrastructure financing in Africa requires the availability of effective financing instruments. The OECD has developed a taxonomy of instruments for infrastructure financing, covering debt, equity and hybrid instruments. However, not all of the instruments included in this taxonomy meet the economic, institutional and social characteristics of African countries. Learning from the experience of other African countries and international investors active in the region in using novel financing instruments is a viable approach. The experience of some African countries, including Nigeria and South Africa, suggests that risk mitigation instruments can be useful in crowding in private investors, particularly for cross-border projects. Finally, Africa must also look to supplement traditional assistance with new sources of financing. For instance, by establishing infrastructure co-investment platforms, countries can mobilise domestic and international pension and sovereign wealth fund investments into regional and domestic infrastructure investment projects (Samuels and Danso, 2017).

Development partners can play a key role in crowding in private capital for PPPs in the transport sector. For example, Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs) can provide guarantees or coordinate with private investors to make infrastructure an attractive investment area for blended finance. Development partners can also promote PPPs where natural state monopolies tend to prevail (ITF, 2017) by building capacity in procurement and bidding processes, dispute resolution mechanisms, and by establishing independent PPP units within government agencies (OECD, 2018). These activities are particularly important when governments adopt PPPs for transport connectivity projects, which often entail high volumes of investment and complex contract arrangements.

An international dialogue on infrastructure could help address public sector capacities to deal with investors and ensure the long-term beneficial impact of infrastructure. African governments need to overcome the infrastructure gaps that are hampering connectivity and rural-urban linkages and putting a drag on their structural transformation and development potential. In addressing those gaps, however, they face several challenges. First, mobilising the necessary resources while not endangering long-term financial stability. Second, implementing regulatory provisions that help ensure the contribution of infrastructure to sustainable development. Third, identifying the most appropriate modality to involve the private sector in the projects. The sharing of experiences with other developing regions and the engagement with development partners can help build relevant capacities and expand the common understanding on how best to mobilise resources. The Development Centre could work with its members and partner institutions, notably in the framework of the Africa's Development Dynamics process with the African Union to support such a dialogue.

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Annex I – Selected initiatives and partnerships in Africa and beyond

Developing infrastructure in Africa for sustained economic growth and enhanced connectivity is going to be a challenging task. However, there is room for many players to participate in this effort through strategic cooperation and coordination. Some of the initiatives and partnerships on infrastructure in Africa, both pan-African and by development partners are highlighted below

Pan-African initiatives:

The Programme for Infrastructure Development in Africa (PIDA) is a strategic continental initiative involving all African countries, for mobilising resources to transform Africa through modern infrastructure. The PIDA Priority Action Plan (PIDA-PAP) comprises 51 cross-border infrastructure projects divided into more than 400 actionable sub-projects across four main infrastructure sectors, namely energy, transport, transboundary water and ICT.

The African Strategic Infrastructure Initiative was launched in 2012 at the World Economic Forum to promote the contribution of the private sector into the implementation of PIDA-PAP.

The Presidential Infrastructure Champion Initiative (PICI) was established in 2010 to speed up regional infrastructure development though political championing' of projects. The initiative aims to increase visibility, manage resource mobilization, unblock political bottlenecks, and ensure implementation of the selected projects. Nine projects were identified for the initiative, each to be overseen by a political 'champion'.

The Dakar Agenda for Action (DAA*)* aims to leverage Public-Private-Partnerships for infrastructure transformation and to accelerate the implementation of the Programme for Infrastructure Development in Africa (PIDA). It has selected 16 specific projects and some of the areas it aims to cover are: private sector participation, project preparation, promoting transparency and legal and fiscal stability, harmonising regulatory frameworks, ICT innovation and sovereign wealth funds.

MoveAfrica is a logistics and transport initiative launched by the NEPAD Agency in 2016. It aims to address the transformation of the trans-boundary transport and logistics sector in Africa, to reduce transport costs and increase logistics efficiency for FMCG operators and manufacturers operating in Africa.

The Africa Finance Corporation addresses Africa's infrastructure development needs by providing project development expertise, financial advisory and principal investing, through a hybrid structure of a multilateral institution with substantial private sector participation. It originates and executes transactions in the power, transportation infrastructure, heavy industries, natural resources and telecommunications sectors that offer a significant development impact and a high profit potential.

Global initiatives:

The Infrastructure Consortium of Africa (ICA) was established in 2005 as a recommendation to the G8 Summit in Gleneagles (UK) by the Commission for Africa, in order to help improve the lives and economic well-being of millions across the continent, by supporting the scaling up of investment in project development from public and private sources, through both regional programmes and country-specific initiatives. It also helps to overcome technical and political challenges to building more infrastructure, and to improve the understanding of Africa's infrastructure development needs through provision of better information.

EU-Africa Infrastructure Trust Fund (EU-AITF) established in 2007 has made significant contribution to increase infrastructure investments in Sub-Saharan Africa by blending long-term loans from participating financiers with grant resources from Donors. It can deliver grant support to various stages of a project, in the form of technical assistance, interest rate subsidies, investment grants and various financial instruments.

Sustainable Energy For All (SE4ALL) Initiative was launched in 2011 with the aim of achieving three main goals by 2030 – (1) Ensure universal access to modern energy services; (2) Double the global rate of improvement in energy efficiency; and (3) Double the share of renewable energy in the global energy mix. Africa has been at the forefront of the implementation of the SE4ALL Initiative with 42 countries that opted into the initiative. The Sustainable Energy Fund for Africa (SEFA) was established in 2011 at the African Development Bank with Denmark's commitment of USD 56 million to allow the Bank to scale-up its engagement in the small to medium-sized renewable energy and energy efficiency space. SEFA has played a key role in structuring the African Renewable Energy Fund (AREF) - first truly Pan-African USD 150 million private equity fund focused on renewable energy.

US Power50 was a five-year American presidential initiative launched by former President Barack Obama in 2013 in Tanzania to support economic growth and development by increasing access to reliable, affordable and sustainable power in Africa. This was a multi-stakeholder partnership among the governments of US, Tanzania, Kenya, Ethiopia, Ghana, Nigeria and Liberia, THE African Development Bank Group, and the African private sector.

The Belt and Road (BRI) initiative by China aims to connect Asia with Africa and Europe via land and maritime networks along six corridors with the aim of improving regional integration, increasing trade and stimulating economic growth. As Africa's largest sovereign infrastructure investor and trading partner, this initiative is changing the infrastructure landscape in Africa by driving further investment and capacities towards the continent. It is seen as a catalyst for building infrastructure that can remove bottlenecks in the continent's development and further promote African regional integration.

The G20 Energy Access Action Plan was initiated in 2015 under the Turkish G20 presidency as a voluntary collaboration framework underlining the commitment of the G20 to ensure access to affordable, reliable, sustainable and modern energy for all. It was developed in a collaborative effort under the leadership of the SE4ALL Global Facilitation Team and with the active involvement of the AfDB. The Plan identifies a series of actions for collaboration of G20 countries with Sub-Saharan African countries and focuses on electricity.

The G20 Compact with Africa (CwA) was initiated in 2017 under the German G20 Presidency to promote private investment in Africa, including in infrastructure, through investment Compacts with interested African countries. The initiative is demand-driven and open to all African countries. Since its launch, the CwA has sparked great interest. So far, twelve African countries have joined the initiative: Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia.

The Tokyo International Conference on African Development: TICAD VI was held in 2016 in Nairobi, Kenya. One of the priority areas in the Nairobi Declaration of TICAD VI is "Economic Diversification and Industrialization". To this end, Japan will strengthen connectivity by developing quality infrastructure, in line with the "G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment." Japan will invest approximately USD 10 billion (equivalent to JPY 1 trillion) in quality infrastructure – three priority areas where Japanese private sectors show their high interest (the Mombasa/Northern Corridor, the Nacala Corridor, and the Growth Area in West Africa), resources and energy development (for example, geothermal and high-efficiency power generation), urban development (for example, urban transport development). This investment will be implemented partly by utilizing Enhanced Private Sector Assistance for Africa (EPSA), a joint initiative with the AfDB.

The Global Infrastructure Forum hosted by the Asian Development Bank in Bali, Indonesia in 2018. It aims to enhance coordination among multilateral development banks and their development partners to better develop sustainable, accessible, resilient, and quality infrastructure for developing countries, and focuses on how governments and their working partners can attract more resources for infrastructure.

Annex II – Elements of Quality Infrastructure Investment

Element	Description
Economic Efficiency	• Achieving value for money over the full project lifecycle by supporting procurement processes; • Adopting lifecycle costs as an evaluation cost; • Scenarios/options with rated criteria where non-price attributes are assessed with merit points and available to stakeholders; • Better management of infrastructure projects and service delivery; • Design for multi-use purposes; • Better planning and co-ordination leading to economies of scale, proper mobilisation, channelling and management of PPPs.
Resilience against Natural Disasters	• Resilience against natural disasters through appropriate infrastructure design as well as adequate systems for disaster preparation and response.
Safety	• Physical and operational safety and durability through improved construction standards, • Use of management information systems and smart design.
Environmental and Social Sustainability	• Minimise harmful environmental impacts; • Improved welfare for all groups in society, attention to needs of traditionally excluded groups; • Gender considerations; accessibility (particularly for elderly and disabled citizens); • Citizen engagement in planning, and robust risk assessment framework.
Economic and Social Contribution	• Conducive to small and medium enterprise development; facilitates job creation and productivity growth through efficient trade logistics; supports enhanced competitiveness through technology transfer and human capital development

Source: Adapted from *ICA Annual Report 2015*