

PROMOTING QUALITY INFRASTRUCTURE INVESTMENTS IN THE MENA REGION

Cairo, 19-20 March 2019

REGIONAL POLICY DIALOGUE

Achieving sustainable and inclusive growth in the MENA region through investments in quality infrastructure

There is widespread consensus that mobilising investments in infrastructure is critical for fostering inclusive growth and development, including by enhancing countries' connectivity into regional and global value chains. However, recent policy discussions are bringing attention not just to the challenges of closing the infrastructure gap, but also to enhancing the quality of infrastructure in order to maximise the socio-economic benefits from such investments. The importance of these considerations is recognised in the MENA region, where policymakers call for more efficient and sustainable infrastructure investments. At the global level, the G7 Ise-Shima Principles for Promoting Quality Infrastructure and the G20 Leaders' Declaration also provide a strong endorsement for the value of quality infrastructure.



Objectives of the upcoming MENA-OECD regional meeting on quality infrastructure investments

Providing a regional platform for high-level exchange between senior policymakers, the private sector and other stakeholders, the **OECD is organising a regional policy dialogue on quality infrastructure investments in the MENA region, to be held in Cairo on 19-20 March 2019. The event is organised in collaboration with the Suez Canal Authority and is supported financially by the Government of Japan.** The objectives of the meeting are to:

- ◆ **Promote a shared understanding** around the issue of quality infrastructure investments in MENA,
- ◆ **Exchange experiences of recent policy actions in MENA economies and share good practices from OECD countries** in promoting private investments in quality infrastructure,
- ◆ **Identify strategic policy actions in MENA** to further enhance the socio-economic outcomes from infrastructure investments, and
- ◆ **Facilitate dialogue between governments, private sector and multilateral development partners** to support MENA countries to promote quality infrastructure.

Filling MENA's infrastructure investment gaps is a priority

- ◆ **Population growth in MENA is expected to increase by more than 40%** over the next few decades, of which the majority will be urban, putting increasing strains on existing infrastructure.
- ◆ According to the World Bank, **the region will need to invest over USD 100 billion a year to 2020 or 6.9% of the annual regional GDP** to maintain existing and create new infrastructure.
- ◆ **Developing oil exporting countries will need to commit USD 48 billion or 11% of their GDP annually** on improving and maintaining their national infrastructure endowments.
- ◆ **Oil importing countries and the GCC oil exporters need approximately 6 and 5 % of their GDP** in infrastructure investments, respectively.

Such infrastructure gaps represent an opportunity to promote quality infrastructure investments that incorporate elements of economic efficiency, in addition to limiting environmental and social costs. Quality infrastructure investments also go beyond the state of physical infrastructure and should be aligned with the economic development strategies of countries to improve the flow of infrastructure services and to create more jobs. Promoting quality infrastructure investments will also play a catalytic role in the achievement of the Sustainable and Development Goals.



The OECD as an international leader for promoting investments in quality infrastructure

As an international leader on multiple fronts related to infrastructure, the OECD can play a useful role in promoting an evidence-based and multi-stakeholder discussion in MENA around the issue of quality infrastructure investments and by sharing good practices from OECD and other relevant countries. In this regard, the Organisation has been given a mandate by OECD Ministers to identify good practices and develop guidelines in the area of quality infrastructure, giving appropriate consideration to the principles and related issues agreed by international fora.

Ensuring quality infrastructure investments in MENA: Which questions need to be addressed in the medium term?

- ◆ How can MENA economies **achieve a common understanding on the contribution of quality infrastructure** to connectivity, inclusive growth and sustainable development for all?
- ◆ **What are common challenges** to achieving quality infrastructure in the MENA region?
- ◆ **Which elements of quality should be prioritised** according to national circumstances and specific sectors?
- ◆ How can these elements be built into the various stages of the life-cycle of priority infrastructure projects, to ensure that these projects are: **socially, economically and environmentally sustainable?**

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Contact:

Marie-Estelle Rey

Senior Advisor, Middle East and Africa Division
OECD Global Relations

Marie-Estelle.REY@oecd.org

Alin Horj

Economic Analyst, Middle East and Africa Division
OECD Global Relations

Alin.HORJ@oecd.org

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