BACKGROUND

Physical infrastructure, including transport, water and sanitation as well as information and communication technology (ICT), is recognized as a major challenge for LDCs in the Istanbul Programme of Action. Reliable and affordable infrastructure is a growth and development enabler: it is essential for private sector development, expansion of trade and enhancing productive capacities. Also, the design, construction and functioning of infrastructure generates demand for goods and services from various economic sectors, therefore raising investment and growth and engendering direct and indirect jobs.

In most LDCs investments in infrastructure have been very limited. However, recently FDI in infrastructure has increased significantly, mainly in the energy sector but also in ICT and transport. For example, efforts to improve railway connections within the LDCs and between neighbouring countries have resulted in many projects upgrading existing infrastructure and expanding networks. FDI in infrastructure is not only expected to enhance available funding for infrastructure but also increase efficiency and has positive spillovers with respect to technology, skills and know-how to the host country. However, in some infrastructure sectors, especially water and sanitation, private sector involvement is very limited and public funding is also insufficient to ensure access to the various services for all. In addition, to making infrastructure resilient to climate change costs are increasing. Furthermore, in many LDCs utility tariffs are not sufficient for cost recovery, which contributed to the deterioration of assets.

OBJECTIVE

The session will explore how the infrastructure gaps in LDCs can be bridged and sustainable infrastructure development achieved, including through public-private partnerships, innovative financing, regional integration and appropriate institutions and regulation. In this respect it is important to focus on how to prioritise investments in infrastructure projects with the greatest positive impact on economic growth and poverty reduction as well as the environment. Furthermore it is important to achieve the right balance between building new infrastructure and maintenance or upgrading of existing facilities. The session will highlight best practice examples of successful infrastructure projects that might provide lessons learned.

ISSUES FOR DISCUSSION

- What can be learned from successful infrastructure projects?
- What new financing options for infrastructure could be tapped into?
- How can universal access to infrastructure services as well as cost recovery be ensured?
- How can new challenges to infrastructure development, especially vulnerability to the effects of climate change, be addressed?