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INTERNATIONAL CONFERENCE  
on Sustainable Development through “Quality Infrastructure Investment”

Day 2 Session 2: Panel Discussion – Addressing Economic Efficiency  
**Actions of the International Community  
and Japan on QI**

Masaaki Iizuka  
Ministry of Finance

## 2015—YEAR of SUSTAINABLE DEVELOPMENT

- **The third Int’l Conference on Financing for Development (July 2015)**
  - (Addis Ababa Action Agenda) we will facilitate development of **sustainable, accessible and resilient quality infrastructure.**
- **The 2030 Agenda for Sustainable Development (Sep. 2015)**
  - (Sustainable Development Goals 9) Develop **quality, reliable, sustainable and resilient infrastructure.**
- **The PARIS AGREEMENT (December 2015)**
  - ...Emphasizing the intrinsic relationship that climate change actions, responses and impacts have with equitable access to sustainable development and eradication of poverty,

## Recent International Discussion on various Fora

- **The 22nd APEC Economic Leaders' Meeting in Beijing, China (Nov 2014)**
  - (APEC Connectivity Blueprint for 2015-2025) We will develop, maintain and renew **quality infrastructure**
- **G20 Brisbane summit (Nov. 2014)**
  - ...lift **quality** public and private **infrastructure investment** promote and prioritise **quality investment**, particularly **in infrastructure**
- **G7 Elmau Summit (June 2015)**
  - ...promoting **quality infrastructure investment** to address shortfalls through effective resource mobilization in partnership with the private sector
- **APEC Finance Ministers' Meeting, Cebu (September 2015)**
  - We recognize the importance of **quality infrastructure development** and financing in the APEC region...
- **Int'l Workshop on Quality Infrastructure Investment, Antalya (Sep. 2015)**

## Essence of Quality Infrastructure

- Economic efficiency (low life-cycle cost)
- Safety
- Resilience against natural disaster
- Consideration on environmental and social impact
- Contribution to the local society and economy (transfer of technology and human resources development)

(GOJ, Nov. 2015)

- Aligning of infrastructure investment with economic/development strategies and connectivity
- Promoting effective resource mobilization including through PPPs
- Addressing potential social and environmental impacts
- Ensuring quality of infrastructure, including life-cycle-cost/resilience.

(International workshop on QII, Antalya ,Sep. 2015)

## Four Pillars of Japan's Initiative

- Expansion and Acceleration of Assistance through JICA
  - Collaboration with ADB
  - Measures to Increase the supply of funding for projects with relatively high risk profiles through JBIC, etc.
  - Promoting the Importance of Quality Infrastructure Investment (QII) Globally in the process of Developing Relevant International Standards
- ⇒ In this connections, a showcase, "QII Casebook" was compiled. Examples include more than 40 infrastructure projects carried out by the GOJ, encompassing railway, road/bridge, airport/port, energy, traffic, DRM sectors.

## Last Decision at the Green Climate Fund

- **The Green Climate Fund** was decided to install at COP16 (in 2010), and became operational in 2015. It aims for a 50:50 balance between mitigation and adaptation.
- **The last GCF board meeting** in Nov adopted its initial 8 projects (\$168 mil). 2015 with some conditions and aspirations.
  - Set an aspirational approval target of \$2.5 bil in 2016.
  - Establish a project preparation facility to provide funding.
  - Request an update of pipeline, review proposal approval process, facilitate feedback from experts at early stage etc.

## MDB's New Procurement Framework

- The World Bank and African Development Bank determined a new procurement framework in order to clearly reflect the consideration of quality factors on the evaluation of bids/proposal in 2015.
- ADB is also considering the procurement policy reform.

### Main Changes

- The new procurement regulations make “Value for Money (VfM)” a core procurement principle.
- VfM: the effective, efficient, and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks, and non-price attributes and/or life cycle costs, as appropriate.
- The regulations provide the means to achieve VfM through an evaluation that may include a combination of initial costs, life-cycle-cost and rated type criteria as appropriate.