

**UNFCCC SCF Forum 2017  
6 – 7 September, 2017, Rabat, Morocco**

**Session 2: Infrastructure investment trends and the investment gap**

Presented 1: Katharina Schneider-Roos  
CEO, Global Infrastructure Basel (GIB) Foundation

**Infrastructure Financing: the Role of Sustainability and Resilience**

Presented 2: Paul Oquist Kelley  
Minister, Nicaragua, and SCF member

**Alternative sources for resilient infrastructure investment and climate finance**

Response: Linus Mofor  
Senior Environmental Affairs Officer, Africa Climate Policy Centre (ACPC),  
UN Economic Commission for Africa (ECA)

**Reflections based on a regional perspective**

Excellencies,  
Distinguished Members of the UNFCCC Standing Committee on Finance,  
Dear Delegates, Ladies and Gentlemen,

Good morning.

Let me start by thanking the SCF Secretariat for giving me the opportunity to provide reflections from a regional perspective on these two great presentations by Ms Katharina Scheider-Roos and H.E. Paul Kelley for this session on infrastructure investment trends and the investment gap.

My reflections are in the context of the Africa Climate Resilient Investment Facility – AFRI-RES

AFRI-RES is a joint initiative of the UN Economic Commission for Africa, the World Bank, the African Union Commission and the African Development Bank, with initial funding from the Nordic Development Fund.

H.E. Paul Kelley reminded us of the urgency for climate action and the need to front load future climate finance now so that mitigation, infrastructure and adaption measures can be taken now to save our common future.

Ms Scheider-Roos has made some very important points, especially on what we mean by climate resilience, the qualitative aspects of climate resilience, the sheer magnitude of investments needed, and the need for climate data and information, and indeed climate information services for climate resilient infrastructure.

For us climate resilient infrastructure is one that performs well in both today's and tomorrow's climate. And we know there are many climate futures or scenarios.

As such integrating climate resilience in infrastructure development represents a dividend but one that comes with an upfront incremental cost which is recovered over the life of the project.

Africa's post-2015 development aspirations are framed by the UN 2030 Agenda for Sustainable Development aimed at *leaving no one behind* and the continent's wider development blueprint - Agenda 2063: The Africa We Want - *a peaceful, prosperous and integrated Africa*.

Transforming African economies to attain these development objectives requires widespread access to modern and sustainable infrastructure and infrastructure services in ecosystems, energy, transport, water, sanitation, urban and information and communications technology.

Indeed, Agenda 2063 emphasises "world-class integrative infrastructure that criss-crosses the continent" as a key requirement for attaining the new African renaissance.

Yet, the continent still suffers from a chronic infrastructure deficit in all sectors, as well as poor quality and expensive infrastructure services compared to other parts of the world.

The Programme for Infrastructure Development in Africa (PIDA), endorsed in 2012 by the continent's Heads of State and Government, lays out an ambitious long-term plan for closing Africa's infrastructure gap, including through major increases in hydroelectric power generation and water storage capacity.

Ms Schneider demonstrated the global huge infrastructure investment gap against increasing demand.

For Africa, the World Bank estimates that close to USD 100 billion a year are needed

However, the infrastructure deficit in Africa presents both an opportunity and a challenge.

The challenge is how to (i) use limited public resources to close such a huge gap and do so fast enough to meet increasing demand, and (ii) ensure that investments made today do not become stranded assets owing to adverse impacts of climate change.

The opportunity lies in adopting a new climate economy approach to meeting Africa's development agenda – i.e. one in which economic growth and sustainability are seen as two sides of the same coin.

As such, Africa can take a late-comer advantage and learn from the experiences of other global regions to leapfrog and build climate resilient infrastructure

H.E Paul Kelley reminded us of the living evidence of the adverse impacts of climate change

The limited existing infrastructure in Africa is already being severely impacted by extreme events associated with climate change – e.g. hydropower production from the Kariba Dam was almost lost in 2016 owing to unusual El Nino and La Nina events attributable to climate change in recent years

In 2015 the World Bank and the Economic Commission for Africa published the results of a study on *Enhancing the Climate Resilience of Africa's Infrastructure* (ECRAI)

The study found that failure to integrate climate change in the planning and design of power and water infrastructure could entail losses of hydropower revenues of between 5 and 60 percent and foregone revenues in the range of 15 to 130 percent of the baseline value

In the transport sector, the ECRAI study found that climate change is likely to lead to a shortening in the life-cycle of roads rehabilitation, which may entail steep increases in maintenance and periodic rehabilitation costs.

The results of the ECRAI work called for the urgent need to support African countries and project developers in building quality infrastructure that performs in both today's and tomorrow's uncertain climate – Hence AFRI-RES.

AFRI-RES is aimed at strengthening the capacity of African institutions and project developers to integrate climate information and services into the planning, design, and implementation of infrastructure investments to enhance their resilience to climate variability and change in selected sectors, particularly energy, water, transport and agriculture.

These sectors constitute the key priority areas for infrastructure development emphasized in the nationally determined contributions to climate action of most African countries under the framework of the Paris Agreement on climate change.

Specifically, AFRI-RES will:

- **Provide project-level technical assistance to project developers, including specifications for carrying out climate resilience assessments and providing additional support for seeking incremental financing for upfront integration of climate resilience in project design and implementation**
- **Carry out outreach, advocacy and training on climate resilient infrastructure planning, design and implementation**
- **Produce guidelines, standards and good practice notes for climate-resilient infrastructure investment**
- **Provide a climate knowledge and data portal to assist with ready access to climate data, models and other tools.**

Thank you