



ECONOMIC COMMISSION FOR AFRICA: SOUTHERN AFRICA

ECA/SA/AEGM/COST BENEFIT/2010/2
January 2010

**Ad Hoc Experts Group Meeting on Cost Benefit Analysis of Regional
Infrastructure and Services**

Lilongwe, Malawi
23 - 24 March 2010

Aide Memoire

I BACKGROUND

The Southern Africa Development Community (SADC) has placed regional infrastructure as one of the cornerstones of its regional integration development programme. . The realization of the SADC mission to develop “a competitive and effective player in international relations and the world economy” through promoting sustainable and equitable growth and socio economic development through efficient productive systems, deeper co-operation and integration, good governance and durable peace and security is anchored on integrated and cost efficient infrastructure in the region . In this context, it is noteworthy that there has been a scaling up of efforts to accelerate infrastructure development in the SADC region through projects such as the North South Corridor, some spatial development initiative programmes around other corridors, the Zambezi Basin Authority and the Lubumbashi Water Supply and Sanitation project.

Nevertheless, the regions infrastructure is still generally below the acceptable level to assure the region’s and individual countries’ development. Rapid growth in recent years has put pressure on some infrastructure, particularly energy. The inadequacies of infrastructure networks are threats to national competitiveness and hamper the achievement of the economic potential FTA. While the region continues to rely on international financial assistance to address some of its infrastructure constraints, greater efforts should be made to generate regional sources of capital so as not to jeopardize future recovery and competitiveness. If the experience from the 1997-1998 financial crises is a lesson to go by, then the ongoing global financial crisis is also likely to result in a decrease in infrastructure investment. . Furthermore, if the current financial crisis is prolonged, demand from developed economies for the region' is likely to stagnate. And it is equally important that SADC place greater emphasis on increasing regional demand in order to mitigate the medium-term consequences of the current crisis.

The need for infrastructure financing across the SADC is huge, with many projects having cross-border impact and generating issues and challenges that will need to be addressed. For instance, there is a perception that the benefits of regional infrastructure development tend to disproportionately accrue to larger compared to smaller and low income country members. . The challenge to building regional infrastructure is then to convince Member States that their contribution to the regional project will have a positive impact on their national growth and is in line with their priorities. Whereas the costs of regional infrastructure development are usually well defined, the benefits accruing to each party often are not. Demonstrating how each country in the regional supply chain would gain from regional infrastructure development is paramount to achieving regional cooperation in the financing of regional infrastructure. Awareness of the benefits of regional integration will increase stakeholders’ participation.

In the absence of such information, many might remain skeptical and unable to generate support for regional infrastructure projects in their country. It is necessary to rigorously examine the key issues and challenges using appropriate and up-to-date data and methodologies to reflect the varied needs, circumstances and political commitments of Member States in order to put forth a strong case for regional cooperation in financing regional infrastructure and a cost-benefit analysis regional infrastructure and services is to be the focus of the Ad Hoc Expert Group Meeting.

II OBJECTIVES AND SCOPE

The primary objective of the Ad Hoc Expert Group Meeting (AEGM) is to provide guidance to the preparation of a technical publication on “ Regional Infrastructure Costs and Benefits in Southern Africa” commissioned by UNECA-SA within the framework of its Multi-Year Programme of Cooperation with SADC. The study will serve as knowledge resource for examining the key issues and challenges facing regional cooperation in developing regional infrastructure. It will provide a solid analytical framework based on up-to-date data and methodology offering effective policy advice and guidance to facilitate countries’ investment in regional infrastructure projects.

Comments will be sought from Member States on the broad outline of the study to be presented at the Meeting as well as recommendations on further work which may be required in preparing the study.

III PARTICIPATION

Participants will be include, academia, policymakers, regional infrastructure experts, sector specialists from the water and energy sectors, the private sector and other sub-regional and regional development partners.

ECA-SA will work closely with the SADC and COMESA secretariats, the Development Bank of Southern Africa, the African Development Bank, and the Maputo Logistics Initiative.

ECA-SA will cover the costs of a round-trip economy class air ticket and daily subsistence allowance for invited participants at the prevailing United Nations rate for the relevant number of meeting days.

IV FORMAT AND EXPECTED OUTCOMES

Presentation will be made by the consultants who have been engaged to prepare the draft discussion paper underpinning the rigorous scientific analysis on regional infrastructure costs and benefits in Southern Africa. Additional perspectives and issues will be provided by discussants

A report summarising the major comments and suggestions will be prepared and will serve as a guideline for the preparation of the technical publication.

V. DATE AND VENUE

The Ad Hoc Expert Group Meeting on “Regional Infrastructure Costs and Benefits in Southern Africa” is scheduled to take place at the Sunbird Lilongwe Hotel in Lilongwe, Malawi from 23 to 24 March 2010.

VI LOGISTICAL ARRANGEMENTS

Ground logistics, including hotel reservations, airport reception and transportation to and from hotels will be provided to invitees. Participants are advised to provide details of any changes to their travel itinerary to ECA-SA in good time. It will be the responsibility of individual participants to organize entry visas and required inoculations.

The working language for the Forum will be English.

VII CONTACTS

All communication on the Forum should be addressed to:

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