

UN General Assembly High-Level Side Event: “Promoting Quality Infrastructure” on 26 September 2018

Keynote Speech by Mr. Kono, Minister for Foreign Affairs of Japan

H.E. Mr. Mimica, European Commissioner for International Cooperation and Development,

H.E. Ms. Faremo, Under-Secretary-General and UNOPS Executive Director,

Excellencies, Ladies and Gentlemen, My fellow students,

I would like to warmly welcome everyone and thank you all for attending the UN General Assembly High-Level Side Event: Promoting Quality Infrastructure.

The world economy grew steadily and 2017 marked approximately 3% increase. This growth was sustained by various kinds of infrastructure such as transportation, energy and information technology, which connect nations and regions.

The most basic function of infrastructure is to enhance connectivity among people and goods, which are the elements that underpin economic growth and sustainable development. I'd like to elaborate Japan's strategy and basic ideas on quality infrastructure today.

Japan promotes the “Free and Open Indo-Pacific Strategy” with the idea that the key to stability and prosperity in the international community is the dynamism created through interactions between the two continents and the two oceans, namely Asia that is rapidly growing and Africa that possesses huge potential for growth, as well as Pacific and Indian Oceans.

The “Free and Open Indo Pacific Strategy” is composed of three pillars: (1) Promotion and establishment of the rule of law, freedom

of navigation and free trade; (2) Pursuit of economic prosperity; and (3) Commitment for peace and stability.

Without the rule of law, regions can be destabilized by struggles for power. Regional stability and prosperity needs to be sustained by facilitating the movement of people and goods and creating independent economic zones through the development of quality infrastructure.

For example, Japan has promoted regional connectivity in the Mekong region through the development of the East-West Economic Corridor and the Southern Economic Corridor under the Japan Mekong Connectivity Initiative Project. Japanese ODA constructed the highway running through southern Vietnam that contributes to reducing the required travel time in half.

A free and open Indo-Pacific region, however, is not achievable through Japan's efforts alone. In order to operationalize the "Free and Open Indo-Pacific Strategy", Japan collaborates with like-minded partners such as the US, India, Australia and ASEAN in realizing concrete projects beneficial to the third countries.

Infrastructure such as roads and ports needs to be made available to everyone in order to enhance connectivity. In this regard, in addition to the G7 Ise-Shima Principles, "connectivity" and "open access" will play a key role. Only these principles are upheld, will infrastructure contribute to the recipient country's sustainable development, and to regional and international growth and stability.

Looking ahead to our own G20 presidency next year, Japan will continue efforts to make the quality infrastructure concept an international standard shared by the international community, including developing and emerging countries, and to enhance connectivity through quality infrastructure.

At this Side Event, we would like to facilitate discussions focusing on effective resource mobilization and debt sustainability. I will briefly introduce the main idea of these elements, as my colleague, Mr. Sonoura, will make a detailed presentation later.

It goes without saying that effective resource mobilization is important. In Asia, for example, only half of its huge demands for infrastructure are being met at present. To narrow this gap, it is necessary to mobilize various resources including from the private sector, as well as multilateral development banks (MDBs).

It is also crucial for both donors and recipient countries to make sure that debt is repayable, and that fiscal soundness is not deteriorated. If a country increases debt beyond its repayment capacity, it will face difficulty in finding new sources of financing from donor countries or the private sector regardless of their willingness to help infrastructure development, resulting in a vicious cycle.

Accordingly, it is also important for lenders and borrower countries to increase debt transparency, as confirmed in the G7 Charlevoix Summit and in the G20 Meeting of Finance Ministers and Central Bank Governors this year.

Ladies and gentlemen,

Today, we have qualified experts from developing countries, international organizations and think-tanks, including the IMF, the OECD and CSIS, as panelists. I look forward to an insightful discussion on the important theme of quality infrastructure development in the following panel debate.

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