

There's More To Be Done:

Collaborating to Better Meet Global Infrastructure Needs

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Business Partner
Roundtables

Topline Action Report

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KEY DISCUSSION QUESTIONS

- How can various development finance organizations collaborate with each other?
- How can these organizations better collaborate with private industry?
- Is it time to reevaluate the risk profiles that the development banks have?

MEETING OBJECTIVE

The USCIB Foundation and The Wilson Center Wahba Institute for Strategic Competition assembled a distinguished group of global corporate, government, NGOs, and academic leaders to explore how we can achieve [Sustainable Development Goal 9](#) related to building resilient infrastructure. The discussion provided participants a unique off-the-record forum to discuss some initiatives that are already underway and served as a sounding board for robust discussion of opportunities to expand efforts.

DISCUSSION OVERVIEW

The session began with a presentation from The Wilson Center on *Collaboration on Infrastructure Vital to Achieving the Global Goals*. Presentations were then given to put the issue in perspective, including:

- *Transportation Infrastructure Development* from the [US Department of State](#)
- *Moving from Coverage Gap to Usage Gap* from [Meta](#)
- *Successful Program Implementation* from [Bechtel](#)
- *Fostering Global Partnerships with Innovation* from [Salesforce](#)

These presentations recognized the importance of multisector engagement to achieve tangible impact. From this starting point, attendees offered ideas for action.



Leadership matters.

There's more to be done.



DISCUSSION OUTCOMES

Infrastructure: The Front Runner in the Race to Achieve 2030 Agenda

The group observed how important infrastructure investment was to the achievement of many other SDGs, including clean water, quality healthcare, affordable energy, and sustainable cities. One participant suggested that in the race to achieve the [UN's 2030 Agenda](#) for Sustainable Development, infrastructure was the frontrunner, with the other SDGs benefiting from following in the slipstream. Anyone who has run, biked, skated, or even watched a race likely knows that the frontrunner, by breaking the wind, makes it easier for all who follow.

The group explored the pressing need to accelerate the pace of infrastructure as the frontrunner. One assessment of progress towards achieving the SDGs had only 12% on track, half behind schedule and 30% stuck or going backwards. Besides the goals addressing poverty alleviation and climate encompassed in the SDGs, the group focused on several national goals including ensuring trusted and secure communications, free and open maritime transportation systems, and open access to critical minerals. With an appreciation for the importance of closing the gap in meeting infrastructure needs, the group surfaced several imperatives.

Critical Imperatives

Imperative #1 – Team Effort Required

Closing the infrastructure gap requires all parties to step up. Many private companies and investors are [unaware](#) of the SDGs and even fewer incorporate them into their strategies or incentive systems. Yet too many expect corporations to invest in projects and regions of great risk without fully recognizing the need for Multilateral Development Banks, or MDBs, or Development Financial Institutions, or DFIs, to lower the risk of emerging market investments to a level acceptable to private markets.

Highlighting this interconnectedness is that 75% of private investment in emerging markets is in partnership with MDBs. Yet every dollar of World Bank financing activated only 30 cents of private investment.

Governments in advanced economies need to provide sufficient capital to the MDBs and DFIs to enable their ability to mitigate risk to activate greater private investment. Emerging market governments need to take steps to make their nation's more attractive to private investment by embracing the rule of law. The investment gap can only be closed by all three sides of the triangle – governments, MDBs - DFIs, private enterprise – redoubling their efforts. Making the point that the US [trails](#) Europe and Japan (relative to scale of economy) in supporting international infrastructure, it was noted that in Thailand, Japan provides five times the support of the US.

Another way that private enterprise can help is by advancing technology that can make infrastructure investment more affordable and sustainable.

Imperative #2 – Choose Right Infrastructure

Vital to success in closing the infrastructure investment gap is choosing the right projects. Only if investments collectively address the range of hurdles to development and connect to commercial and industrial development will they significantly elevate the prosperity of a nation. A company noted that their interest in making significant investments critical to both economic success in emerging markets and resilient supply chains for advanced economies depended on whether investments were made in the necessary roads, bridges, tunnels, and shipping infrastructure necessary for them to conduct their business. This is not an unreasonable request given that such investments would have broad shared benefits. Yet too few countries have a master plan to ensure that their transportation system facilitates not just local goods to market, but also mutually beneficial cross-border flows. To the extent countries do have plans, they often do not align with their climate commitments.

To bear the most fruit, this master planning process should involve the local private sector and begin with a strategic environmental assessment to yield a set of projects that collectively meet related plan outcomes. National planning, by giving market signals as to needs that the government would support, facilitates greater private sector engagement. This is a key area where government action is essential to infrastructure investment success – developing market governments by conducting multi-year, comprehensive infrastructure master plans, advanced economics by helping them to fund such efforts.

Imperative #3 – Data Essential to Choosing Right

To facilitate choosing the right projects, countries would benefit greatly from having more relevant data. Here multi-national organizations, NGOs and technologically oriented companies can make a big difference. Multi-national organization and NGOs can help encourage comparability in data reporting. This allows analysis as to the beneficial societal impacts of various investments and the ability to compare investments outcomes among regions. Technology companies can help in making big data sets understandable and to help with data visualization and dash boards to make them more actionable to decision makers.

Imperative #4 – Bolster Soft Infrastructure

Soft infrastructure within a country, particularly in skill development, is also key. Not only does data literacy help nations better digest data to choose the right infrastructure projects, but as digital connectivity and capabilities become ever more central to economic activity, such skills will be necessary for the cultivation of a modern economy.

DISCUSSION OUTCOMES (CONT'D)

Shortages in a workforce with the right skills is a barrier to infrastructure development. Knowledge transfer and local skill development should be a part of every hard infrastructure project to ensure the nation can capitalize on the potential benefits that such investment enables. Engaging local firms in infrastructure projects is highly beneficial in achieving these goals.

Imperative #5 – Strengthen Institutional Infrastructure

Improved institutional infrastructure supporting development is also needed. The persistence of corruption and authoritarian action is corrosive to emerging market infrastructure. Coercive and non-transparent actions that weaken the rule of law and allow authoritarian dominance over key avenues of commerce undermine economic growth and resilience.

Existing MDBs are exploring their ability to do more with the capital they have, as identified by the G20 Capital Adequacy Report. More extensive interfaces between these organizations and the private sector are needed to achieve global goals. The scarcity of companies focused on SDGs makes this challenging.

New institutional frameworks are emerging. One is vertical funds that focus on specific sectors. These have had success in attracting a combination of government, private

sector, and sometimes even charitable contributions to achieve their specified objective. Climate Investment Funds, Just Energy Transition Partnership's, or JETPs, and the Glasgow Financial Alliance for Net Zero, or GFANZ, were noted as examples.

Another institutional adaptation is the Asian Development Bank's IF-CAP program that uses guarantees from partners for leverage to accelerate billions of dollars in climate change investment -- the first time any MBD has adopted a program of this kind.

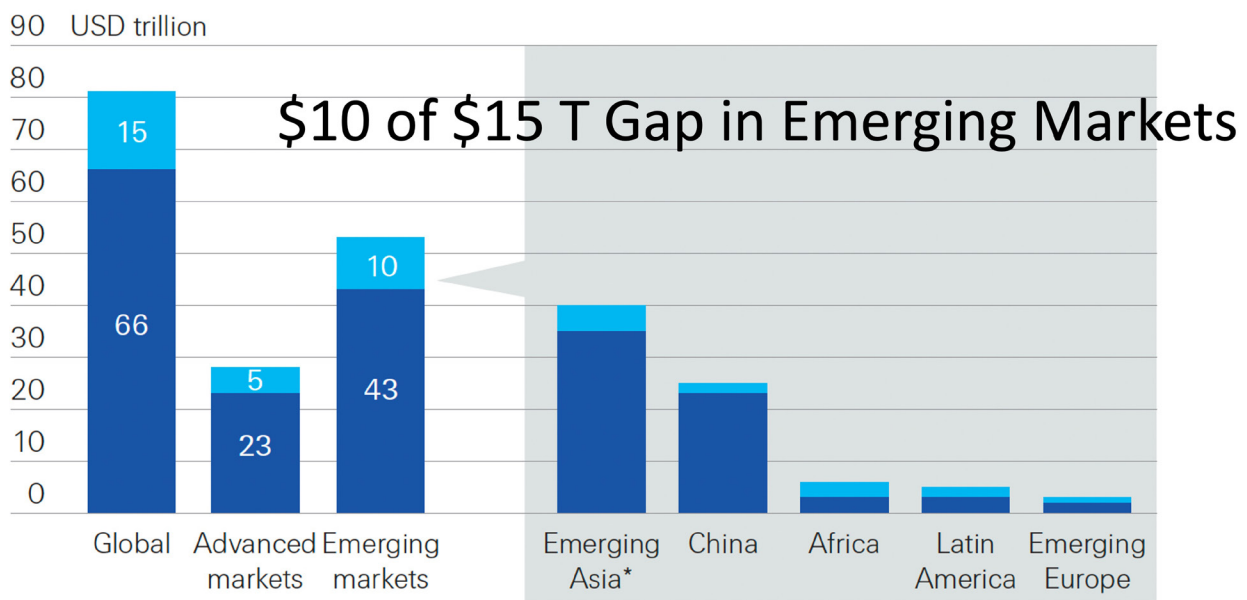
Imperative #6 – Focus on Operations, Implementation and On the Ground Results

Progress will not be achieved without the super important work of operations. There is a multiplicity of organizations focused on summits to highlight needs, but a dearth of those focused on implementation. Success in infrastructure requires not just system thinking, but systems doing, coordinated action to bring plans to reality.

Imperative #7 – Collaboration is Challenging but Vital

Making partnerships work is hard and efforts sometimes don't pan out. Even so, collaboration is key to meaningful success. There is no one path to a successful partnership. Each effective partnership will involve different organizations, teams, and tools. Finding the right combination and entering the conversation with a flexible and committed approach is essential to success.

Estimated Total Infrastructure Investments and Gap in Emerging Markets (2021–2040), in USD trillion



* Includes China

Source – Closing the Infrastructure Gap – SwissRe Institute

DISCUSSION OUTCOMES (CONT'D)

Case Study Example

An example of the need for a coordinated plan that incorporates all the elements necessary to facilitate a fertile environment for economic opportunities is that while success has been achieved in expanding mobile phone coverage in Sub-Saharan Africa (SSA), cell phone usage there lags well behind. A recent study showed that even though there is near universal coverage, only 24.2% of individuals in the region used a cell phone. Private industry has helped to facilitate expanded coverage through investments in not just cell networks, but also subsea cables and satellite broadband. Yet collective, coordinated action is required for this to manifest itself into usage.

Africa is on a path to be a quarter of global population by 2050 and 39 percent by 2100. In an age when digital connectivity and skills are required for economic success, this condition is precarious not only for the individuals involved but potentially also global stability.

An example of the need to consider all the elements for success in a unified plan is that even though most in SSA had cell coverage, approximately 40% still lack electricity, an essential ingredient for usage. Other missing elements are the lack of relevant content to make having a cell phone useful and the need for enhanced literacy. This highlights the need for soft infrastructure and skills development.

Another missing element is the lack of institutional adaptation to make phones affordable to SSA citizens. It was observed that citizens rarely default on mobile phones because people do not want to lose access to the device, something that can be denied to them without physically taking their phone by shutting down coverage. Yet financing options for phones were deemed to be underdeveloped.

Conclusion

With a keen focus on these seven imperatives and keeping infrastructure out front, not only is achieving SDG 9 possible, but with its success comes the greater likelihood of achieving the overall 2030 agenda. Lace up. Let's go.

DELIVERING IMPACT INFRASTRUCTURE

Selecting the right infrastructure projects - determined by the need for connectivity and growth

- Transportation (rail, roads) linkages and Port development, connected to hub cities and development across borders from a regional perspective
- Prioritize local and regional people and good movement needs

Planning for the right infrastructure

- Strategic Environmental Assessment can assist with setting priorities and delivery of the right infrastructure to meet the most important needs of the local and regional communities
- Choose the one(s) that accomplish the goals with least harmful environmental and greatest social impact

Upfront planning delivers better results

- Challenge to identify funding for critical upfront planning and added time to project lifecycle but worth the investment when it is
- The right project for the local and regional communities

Community engagement through local participation and skill development is the foundation to a resilient ecosystem that will support the project for future generations. The delivery partner should also have the experience and capacity to deliver infrastructure that improve the lives of people and communities.

Source: Bechtel



CRITICAL INSIGHTS

- **Infrastructure is core to achieving all SDGs.** Infrastructure is foundational, the necessary but not sufficient prerequisite for most of the other SDGs
- **Partnerships are critical to success.** Private industry should consider how they can advance SDGs. Governments should do more to make risk acceptable to private industry
- **Choosing right Infrastructure in critical.** Planning that incorporates private sector input and incorporates all ingredients to advance economy is vital to success.
- **Data contributes to sound decisions.** Comparable data on investment outcomes contributes to wise decisions. Companies can help with analysis and visualization
- **Don't forget soft infrastructure.** Cultivating local talent necessary to implementing and benefiting from infrastructure investments
- **Good governance matters.** From developing countries embracing the rules of law to donor countries enhancing MDB lending capacity, governance essential to closing investment gap
- **Sustainable infrastructure is ideal.** Infrastructure is central to climate mitigation and energy transition
- **Focus on implementation and action.** There must be a shift from high-level discussions to a focus on implementation and action

ADDITIONAL RESOURCES

Specific resources were provided by attendees:

<https://www.wilsoncenter.org/article/collaboration-infrastructure-vital-achieving-global-goals>

<https://impact.economist.com/projects/inclusive-internet-index>

<https://www.sc.com/en/feature/multilateral-development-banks-clear-path-to-closing-the-worlds-infrastructure-gap/>

<https://www.csis.org/analysis/roadmap-world-bank-evolution>

<https://www.github.org/sustainable-infrastructure/>

<https://infrastructure-transition.github.org/>

THE ROLE OF BUSINESS PARTNER ROUNDTABLES

As the organizers of these programs, we recognize that we are aiming high and that, in particular, we are asking for a more inclusive, collaborative global approach to meet the challenges of future health crises that includes all stakeholders working together in transparent, proactive and creative partnership.

Our theme *There's More To Be Done* seeks to galvanize partnerships among all players – governments, multilateral agencies, business, medical and public health professionals – to be ready for future pandemics. Given recent shifts in public trust for the important sectors of civil society, it is clear that leadership from multiple sectors could advance key imperatives synergistically with engagement of international business who can provide unique perspectives and contributions for progress.

Dr. Scott Ratzan

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The Wilson Center, Wahba Institute for Strategic Competition
Wilsoncenter.org/program/wahba-institute-strategic-competition

An initiative of