



The Solutions Lab

Scaling for Sustainable Infrastructure

Webinar Report: 'Reassessing Sustainable Infrastructure in Light of Covid-19' on 06 May 2020

I. About "The Solutions Lab: Scaling for Sustainable Infrastructure"

The Solutions Lab is jointly organized by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Global Solutions Initiative (GSI) to analyze what hinders uptake of existing sustainable infrastructure solutions and to identify approaches that can be scaled across regions. It brings together 25 experts from academia, policy, finance and infrastructure development in a multi-stakeholder format that entails 3 face-to-face meetings, a virtual dialogue process and various outreach events along the way.

The organizers proposed two challenges to stand at the heart of the Lab: First, how can we systematically integrate sustainability throughout the entire infrastructure life cycle? Second, how can we make the business case for sustainable infrastructure? Since the first meeting in Berlin (November 2019), the Lab established several distinct work streams, in which these and other questions are addressed: (1) Narrative & Vision; (2) T20 Policy Briefs; (3) Upstream Policy Considerations; (4) Ensuring Sustainability at Project & Pipeline Levels; (5) Gender & Infrastructure, (6) Innovation Space.

In light of the global ramifications of the COVID-19 viral pandemic as a health, social and economic crisis, the "Innovation Space" also serves to reconsider if and how current standards and strategies for sustainable infrastructure development have to be adapted to increase resilience against future pandemics whilst delivering on the SDGs and Paris Agreement. The below is a webinar report on this very topic.

II. Agenda

- **Introduction & Insights on BMZ and BMU Response to COVID-19** - Manuel Holtmann
- **Presentations by Lab Participants on the COVID-19 - Sustainable Infrastructure - Nexus**
 - Recovery & Transformation: Implications for Sustainable Infrastructure - Amar Bhattarcharya
 - GIF's response to COVID-19 and WBG response to infrastructure PPPs - Lori Benita Kerr
 - SOURCE "work from home" support to administrations - Cédric van Riel
 - COVID-19 & Climate Change Study - Peter Head
 - Infrastructure & COVID-19: Addressing Drivers and Green Stimulus Responses - Ryan Bartlett
 - T20 Taskforce "COVID-19: Multidisciplinary Approaches to Complex Problems" - Nicolas Buchoud
- **"Global Table": COVID-19 & the Reinforced Case for Sustainable Infrastructure**
 - Input on Digital Summit and Draft Concept - Holger Kuhle
 - Q&A, Discussion and Next Steps - All
- **Wrap Up: Lessons Learned for Solutions Lab: Narrative & Outputs** - All

III. BMZ and BMU responses to COVID-19

2.1. The Federal Ministry for Economic Cooperation and Development (BMZ)

- In April, BMZ launched an **Emergency COVID-19 Support Program worth €1.15 billion**, which follows a global and multidisciplinary approach. To download the report (German), click [here](#).
- The paper recognizes the situation as a **multi-faceted health, food, social and economic crisis that hits those hardest, that are poor or vulnerable**. Against this backdrop, it focuses on 7 priority areas: (1) health and pandemic control; (2) food security; (3) stabilization of fragile regions; (4) social protection and securing jobs in global supply chains; (5) economic support in key industries; (6) government liquidity and (7) international cooperation.

2.2. Federal Ministry for the Environment, Nature Conservation & Nuclear Safety (BMU)

- The BMU has been vocal in the global debate on how to align social, economic and environmental considerations in crisis response. **For its stance on ‘Green Recovery’** and on how to set Germany and partner countries on a path towards a sustainable and net-zero economic model, **please refer to statements and recordings from this year’s [Petersberg Climate Dialogue](#)**.

3. Presentations on the “COVID-19 - Sustainable Infrastructure – Nexus”

3.1. Preparing for Recovery and Transformation: Implications for Sustainable Infrastructure by Amar Bhattarcharya

- **Amar works on Corona-infrastructure-nexus through:** (1) [Coalition of Finance Ministers for Climate Action](#); (2) [Petersberg Climate Dialogue](#); (3) [One Planet Summit](#) and (4) [COP26](#).
- While the Corona pandemic is still unfolding and the ultimate solution (vaccine) far away, economic and social consequences are severe and felt today already: The world is facing the **prospect of a great depression unseen since WW2**. Back then global action took us in a different way. Today, once again, **we need global cooperation to build back better**.
- **Sustainable infrastructure is center stage** for it combines recovery and the opportunity to drive long-term transformation toward net zero. To build back better we need:
 - **Shovel-ready investments into transformative change** as part of stimulus packages.
 - **Shovel-ready policies to guide investments** and align them with long-term objectives including the elimination fossil fuel subsidies, substantive carbon pricing and macro-fiscal frameworks supportive of transformation.
 - **Address investment plans to counter a foreseeable limitation in private and public balance sheets**. A lot of financial fire power will be used during the rescue and stabilization phase. The private sector will be particularly risk-averse vis-à-vis emerging markets. Both impacts sustainable infrastructure with its long-term investment horizon.
 - On these priorities, see also Amar’s [commentary](#) with Nicholas Stern.
- **Proposals to the Solutions Lab:**
 - Provide **guidance on shovel ready investments in sustainable infrastructure**, taking a holistic perspective from upstream considerations to concrete investment guidance.
 - **Think “environment” more broadly than just climate and add depth** on social considerations, including **employment and social inclusion**.
 - Put forward **policy proposals on green recovery** from environmental taxes over the micro-fiscal frameworks to local government public finance.
 - **Push agenda on better revenue models** for sustainable infrastructure, on MDBs potential as a catalyst and on how to bring institutional investors to the table.

3.2. Global Infrastructure Facility (GIF) Response to COVID-19 and World Bank Group (WBG) Response to Infrastructure PPPs by Lori Kerr

- WBG is taking broad and **fast action around three areas: protecting lives; protecting livelihoods; protecting futures**. The ‘World Bank Puzzle’ consists of 3 main pieces:
 - **\$160 billion** will be deployed over 15 months **to respond to health, economic and social shocks**, assisting over 100 countries (and 70 per cent of the world population)
 - **IFC will provide \$9 billion to client FI’s to help the private sector** (esp. SMEs) preserve jobs, for trade financing, working capital support and mid-term financing to companies affected by supply chain disruptions.
 - **The Multilateral Investment Guarantee Agency (MIGA)** – a multibillion facility **to promote cross border investment in developing countries** through guarantees to investors and lenders - further constitutes part of the WBG response to COVID-19.
- **Infrastructure and PPPs:**
 - The **transport sector experiences the biggest hit** in infrastructure, as demand collapses around the world and operational costs increase. Further, transportation disruptions threaten sustainability of basic supply chains, including for goods, services and workers.
 - A **potential silver lining is that digital infrastructure** helps coping with social distancing and economic impact. Therefore, WBG is launching facilities for digital support.
 - **WBG utility for technical PPP advice:** offers governments advice to undertake assessments of COVID-19 impact on operational PPPs under different stress scenarios, identifies fiscal impacts and supports national PPP units put in place crisis management.
- **COVID-19 impacts priority planning:** to help countries build back better, GIF supports projects in development stage to use infrastructure spending as an engine for recovery.
- Conclusion: **Sustainable infrastructure is even more important today** for it undergirds growth, accelerates economic activity, connects people to public services and contributes to SDGs.
- **Proposals to Solutions Lab:**
 - Looking at upstream, midstream and downstream parts of the infrastructure lifecycle, **tease out a specific COVID-19 narrative** on both policy and project preparation.
 - Layer the topic of **facilitating downstream investment** on top of current undertakings.

3.3. SOURCE “Work from Home” Support to Administrations by Cédric van Riel

[SOURCE](#) can serve as a project management and a global knowledge dissemination vehicle in times of COVID-19 in three main ways: On the same topic see also this [article](#).

- First, **SOURCE aims to leverage lessons learned** from the pandemic. A first is that we need to redefine the global approach to risk and **better test infrastructure project’s risk exposure**.
 - Respective approaches/solutions will be integrated into SOURCE’s project preparation to improve PPP guarantees as well as guidance for organizations in implementing tools.
 - Example: GIF’s Risk Matrix will be launched - a tool developed to enable governments to improve scientific risk assessment and allocate risk and mitigation measures in PPPs.
- Second, **SOURCE empowers administrations and public officials to work from home** and facilitates coordination among agencies, ministries and external stakeholders like consultants.
- Third, **SOURCE can help assess the efficiency of post-COVID-19 recovery and stimulus measures**. Where governments invest in infrastructure, there will be a need for tools to harvest data and facilitate implementation of tenders. SOURCE is supporting this integration.
- For a video presentation on key functionalities of the SOURCE platform see [here](#).

3.4. COVID-19 & Climate Change Study by Peter Head

- The **world now faces 3 overwhelming threats of global disasters**: climate change, COVID-19 and transformative socio-economic changes in its aftermath.
- Yet, **immediacy of COVID-19 health and economic crises makes it harder to deliver on SDGs & NDCs**. Therefore, evidence-based policy decisions are needed for integrated responses which mobilize post-crisis stimulus funding to get the climate resilience agenda back on track.
- Against this backdrop **Peter initiated the “COVID-19 and Climate Change Study” to run from April to December 2020**. Click [here](#) for a google docs live document. Main objectives:
 - **New insights on COVID-19 origin, spread and impact.**
 - **Show how countries could take systems approach** to policy, economics, insurance etc. **to design stimulus packages** which (a) reduce and mitigate future pandemic and climate risk while (b) delivering on SDGs and NDCs.
 - **Provide shovel ready policies which inform both G20 and COP 26**, including for sustainable infrastructure development.
- On study design and architecture:
 - Over 110 multidisciplinary experts plus a global team of young volunteers
 - Use and **integration of existing models, data and analysis** in overarching systems approach using evidence-based approaches enabled by AI and data brokerage.
 - **Countries studied**: Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, South Africa, South Korea, United Kingdom, United States
 - **Models layers**: (1) policy and economics, (2) resource flows, (3) agent-based model of living systems, (4) digital twin process model and (5) physical land use and geology
- **Health and well-being must be at center of decision-making**. Initial findings support this:
 - There is a clean energy bias, air quality is critical to spread & health dimension of pandemic
 - We need less infrastructure of the kind we've been building (expensive and big) but more decentralized, local and small scale to deliver the desired outcomes.
- **Proposal to the Solutions Lab**: Bring contributions on COVID-19 into the T20 policy brief.

3.5. Sustainable Infrastructure & COVID-19: Addressing Drivers and Stimulus Responses by Ryan Bartlett

- **WWF Science Brief “Beyond Boundaries”** which **highlights nexus between zoonotic diseases, conservation and infrastructure** among others will be published soon.
- What is clear: humans created the conditions for more frequent spill overs of virulent pathogens. The problem is not new but, instead, **zoonotic diseases represent the majority (60%–76%) of emerging infectious diseases worldwide** including Zika, HIV, Ebola and SARS.
- **Key drivers of increased disease exposure**: (1) **land-use change** and deforestation, (2) illegal and poorly regulated **wildlife trade**, (3) **intensified agriculture & livestock production**, (4) **antimicrobial resistance**, (5) **climate change shifting the range of certain wildlife**
- “Grey” infrastructure plays a role in many of the above, e.g. climate change and deforestation
- The crisis highlights a key problem: So far, **governments rarely evaluate health implications of land-use decisions, and nature conservation is rarely valued for public benefits**
- **Proposals to address the above drivers**:
 - **Improve data & mapping** of disease protection services/risks
 - **Promote land-use policies** and planning to protect forests and limit exposure to pathogens
 - Increased identification and **reduction of deforestation** in agricultural supply chains
 - Policies that remove high-risk taxa from live animal markets and **strengthen food safety**.

- There is a real danger, that we are repeating mistakes from 2007-90: **More than \$7 trillion already invested in recovery, 96% are status quo or “brown”** (see [vivedeconomics data](#))
- For WWF Publication “**Building Resilience: recommendations for a just & sustainable recovery after COVID-19**” click [here](#). Key recommendations include:
 - **50% of recovery funds for environmentally sustainable activities** (energy efficiency, renewables, e-transport, battery tech, sustainable agriculture, restoration of ecosystems)
 - **Do not support environmentally harmful activities** that lock-in polluting infrastructure
 - **Just transition** for all
 - **Uphold and strengthen existing environmental standards** and policies
 - **Communicate the benefits of environmental health**
 - Ensure same **principles are followed in development aid**
 - End **fossil fuel and other damaging subsidies**
 - Fiscal rule reforms to **facilitate investment in decarbonization**
 - **Circular economy investments** for supply chain sustainability, resilience

3.6. **New T20 Task Force “COVID-19: Multidisciplinary Approaches to Complex Problems” by Nicolas Buchoud**

- **New [T20 Task Force COVID-19: Multidisciplinary Approaches to Complex Problems](#)**. (see also Nicolas’ follow-up email on 05 May). **Policy Areas include:**
 - Building prepared and resilient health systems and supply chains
 - The importance of multilateralism, collaboration and information sharing
 - Impact on markets and financial institutions
 - Socio-economic impact on vulnerable groups
 - Restructuring and adaptability of education systems
 - Addressing environmental challenges and stepping up climate action
 - Food systems resilience and supply chains
- Nicolas suggested **nexus between COVID-19, infrastructure and urbanisation for another policy area and -brief**. The current task force chair and Prof. Yoshino both support the proposal.
 - The final policy briefs need to be submitted by end of July 2020.
 - A T20 communiqué will be shaped by September 2020.
- **Proposal to the Solutions Lab:**
 - **Standing invitation to join above-mentioned policy brief.**

4. Global Solutions Summit 'Global Table': COVID-19 & the Reinforced Case for Sustainable Infrastructure

- At the core of the **Digital Global Solutions Summit** are **Global Tables**, each tackling the T20/ G20 agenda and generating policies in response to COVID-19 (click [here](#) for the 12 core themes).
- Please **find recordings of Global Tables with participation from the Lab** below:
 - [What can the G20 do to foster sustainable infrastructure?](#) (Lori)
 - [Why sustainable and smart urbanization matters for the G20.](#) (Nicolas)
 - [What can the G20 do to prepare the road to COP26 and ensure functioning global carbon markets?](#) (Amar)
- **We are organizing an additional Global Table on “COVID-19 and the Reinforced Case for Sustainable Infrastructure: Mobilizing Infrastructure Investments as Catalysts for Net Zero & SDG Delivery”** on 25 May 2020, 13:30-15:00h CET. For a draft concept, see email on 12 May.
- **GSI welcomes Vision Statements posted in response to Task Force Panels and Global Tables.** These self-recorded statements should be around four minutes long, focus on a key message and outline concrete solutions, including the role that the G20 could play therein. **In recording Vision Statements, please refer to the “GSS Vision Statement Manual”** (see email on 12 May).
- The GSI’s hard deadline for **vision-statements to be uploaded is 31 May 2020**. However, should you seek to inform the panelists of our COVID-19 & Sustainable Infrastructure Global Table prior to the recording, the **internal deadline is 19 May 2020**.

5. Follow-Up / Next Steps

- Please register [here](#) for the **Digital Global Solutions Summit** (even if you had previously signed up for the in-person summit). Global Tables, Keynotes and Vision Statements on the T20 12 core topics will be added here over the coming days and weeks.
- **All workstreams reevaluate their respective outputs** (2-pagers, guidance notes etc.) considering lessons learned from the Corona pandemic.
- **Additional Solutions Lab output on “COVID-19 and Sustainable Infrastructure”** and the latter’s potential to contribute to a green recovery. Lead tbd
- **Upstream Considerations** (Peter), **Gender & Infrastructure** (Zeinab) and **Ensuring Sustainability at Project & Pipeline Levels** (Lori & Barbara) **workstreams all expressed interest in contributing “Vision Statements”** to Global Solutions Summit “Global Tables”.
- Fifth, we have set-up a live document to prepare the **Solution Lab’s input to the COVID-19 & Sustainable Infrastructure Global Table** (please contact the Solutions Lab hosting team should you require have access). Please add topics/ideas that you would like our Lab members to take up and think about messages that we - as a Solutions Lab Community - would like to communicate to the global policy audience of the Solutions Summit.