



The Solutions Lab

Scaling for Sustainable Infrastructure

A Global Solutions Summit 'Global Table' on COVID-19 & Sustainable Infrastructure

Sustainable infrastructure is globally recognized as key to realizing the Sustainable Development Goals (SDGs) and Paris Agreement. Over the last years, more and more strategies and tools have been developed to unleash this potential. Yet, public and private sector still struggle to put in place infrastructure that meets the four principles of sustainability: economic and financial, environmental, social and institutional. Against this backdrop, GIZ and the Global Solutions Initiative (GSI) jointly launched *The Solutions Lab: Scaling for Sustainable Infrastructure* in 2019. The Solutions Lab brings together 28 experts from 15 countries over the course of one year to identify sustainable infrastructure solutions that can be scaled across regions.

In response to the current global health, social and economic crisis, Solutions Lab members have been vocal in the debate on what role existing infrastructures played in the spread of the novel coronavirus pandemic and offered actionable advice on how governments can use infrastructure investments to bounce back better and greener. On this very topic, the Lab recently contributed a panel to this year's [Digital Global Solutions Summit](#). Since its inception under the German G20 Presidency, the summit established itself as a global platform for policy exchange and has successfully been feeding evidence-based policy proposals into policy fora like the G7/G20. The Solutions Lab organized:

A Digital Global Solutions Summit *Global Table* on "COVID-19 & the Reinforced Case for Sustainable Infrastructure Development: Mobilizing Infrastructure Investments as Catalysts for Net Zero & SDG Delivery"

- Keynote I:** Mr. Amar **Bhattacharya**, Senior Fellow, The Brookings Institution
- Keynote II:** Ms. Heike **Henn**, Director for Climate policy and Climate Financing, Federal Ministry for Economic Cooperation and Development (BMZ)
- Panelists:** Ms. Aziza **Akhmouch**, Head of Cities, Urban Policy & Sustainable Development, OECD
Mr. Ryan **Bartlett**, Director of Climate Risk & Resilience, World Wildlife Fund for Nature (WWF)
Mr. Nobert **Gorißen**, Deputy Director General, International Policy, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)
Mr. Tetsushi **Sonobe**, Dean, Asian Development Bank Institute (ADBI)
- Moderator:** Ms. Lori Benita **Kerr**, Senior Infrastructure Finance Specialist, Global Infrastructure Facility (GIF)

Lesson 1: "Grey Infrastructure" is not fit for Purpose. We need Investments into Sustainable Infrastructure at Scale to deliver on the Global Goals and Protect Communities' against Future Pandemics

Throughout the debate, it became evident that COVID-19 has brutally exposed weaknesses in existing infrastructures across the globe: 'grey infrastructure' expansion and the associated destruction of natural ecosystems dangerously facilitate the spread of zoonotic diseases like Ebola, HIV or Coronaviruses. As Amar Bhattacharya of The Brookings Institution underlined, the necessary efforts to align infrastructure development with planetary boundaries, climate and emission-reduction targets were clearly falling short even pre-Covid-19. What is more, WWF's Ryan Bartlett illustrated that current infrastructure systems help explain the varying spread of Covid-19 in different parts of the world. Industry and traffic-induced air pollution, for instance, was found to increase mortality rates. Crucially, the pandemic reinforces existing inequalities, for those left behind and without access to basic health, sanitation and energy services are hit hardest by the crisis.

Lesson 2: We need holistic Planning Approaches which align National Development Strategies with SDG Delivery. Integration of Cities and a Focus on Public Goods Delivery are absolutely critical to Success!

Next, several panelists emphasized that cities - as points of culmination for health problems, air pollution and transport infrastructure shortcomings - highlight lessons learned from Covid-19 like a magnifying glass. A key lesson according to BMU's Norbert Gorißen: Governments must take a holistic approach to spatial and infrastructure planning, which aligns national development strategies with SDG delivery and climate action. For this to happen, however, cities must be much more systematically involved in national planning processes. With this very goal in mind, the BMU initiated a vertical collaboration mechanism at COP25 to support partner countries with improved Nationally Determined Contributions (NDCs). Based on a stock-taking of 50 cities' responses to Covid-19, Aziza Akmouch (OECD) nurtured hopes that the crisis could indeed serve as a wake-up call, put an emerging consensus on the need for multi-level governance to action and accelerate cities' transition towards sustainability: Not only has the idea of proximity been rediscovered, facilitating a rethinking toward accessibility rather than mobility and providing a boost to investments in digital infrastructure. Urban planners and contractors also seem to emerge from the crisis with a better understanding of the need for public goods such as sidewalks or adequate bike lanes.

Lesson 3: COVID-19 will strain Public Budgets in the long-run. To “Build Back Better”, we need Revenue Models and Capacity Building that crowds-in Private Capital, especially in Low-Income Countries!

While the outbreak of Covid-19 thus appears to contribute to a welcome shift in minds, it also reinforced existing bottlenecks to sustainable infrastructure development. As ADBI's Dean Tetsushi Sonobe reminds us, infrastructure construction and the associated provision of decent jobs has effectively come to a halt in most countries as a consequence of expansive lockdown and social distancing measures. What is more, much needed local capacity building to build sustainable infrastructure pipelines and attract private capital were interrupted not just in low-income countries. Increasingly strained public budgets after the crisis mean that cities must do even more to pull infrastructure financing opportunities, for example through green bonds and equity funds. It was against this backdrop that Dean Sonobe put forward a model to crowd-in private capital, which centers around the idea of providing private sector developers with a share in increased tax returns, realized through positive spillover effects of investments in quality infrastructure.

Lesson 4: Shovel-Ready Investments in Sustainable Infrastructure are Front and Center of any Successful Response to COVID-19. We need to think “grey and green”, “big and small”, “public and private”

Indeed, there was a consensus such investments are necessary now more than ever and that sustainable infrastructure is poised to be front and center of any successful response to the crisis: Whilst in the short-term, investments in infrastructure proved critical to economic recovery and job creation, the delivery of key public services from health infrastructure to water and sanitation facilities will increase communities' resilience toward pandemics in the long-term. With 75% of all infrastructure predicted to exist by 2050 yet to be built, both key note speakers – Mr. Amar Bhattarcharya and Ms. Heike Henn – emphatically called on governments to seize the opportunity of anticipated stimulus packages to set the world on a zero emissions path toward SDG delivery. More importantly, they offered actionable advice on how to build back better.

Accordingly, we need: First, shovel-ready investments - big and small - for transformative change, including in renewables, green mobility and nature-based solutions. Second, shovel-ready policies to align investments with long-term objectives such as substantive carbon pricing and macro-fiscal frameworks supportive of transformation. As Ms. Heike Henn warned: All investment and policy decisions must be guided by unwavering commitment to a principle of “do no harm” to avoid backsliding on environmental progress, softening of standards and a lock-in of polluting technologies for decades to come. Third, investment plans and better revenue models to counter a foreseeable limitation in private and public balance sheets and lower risk appetite for investments in developing and emerging markets.

Lesson 5: Fighting a Global Pandemic requires Global Action. Here is how the G20 can mobilize Sustainable Infrastructure for a Green Recovery and set the World on a Path toward SDG-Delivery:

Finally, Ms. Heike Henn delivered a powerful reminder that - much as the virus itself knows no borders - finding a successful response to the crisis critically hinges on a collective response. In this vein, panelists put forward a number of proposals to the G20, including:

- **Redefine SDG 17 on ‘Global Partnerships’** to create accountability for partnerships, including multilateral and city-to-city cooperation; leverage ODA and PPPs for sustainable infrastructure.
- **Engage G20 finance ministers in standardization efforts for quality infrastructure investment (QII), sustainable finance and risk management.**
- **Harmonize stimulus packages to leverage their potential for a global transition toward a low carbon economy**, including through conditionalities on corporate bailouts and incentive schemes and a green jobs program that focuses on renewables, energy-efficiency, nature-based solutions.
- **Engage across different levels of governments** – Groups like the Urban20 have an important role to play in translating the G20 agenda to the local level.
- **Provide support for countries in quantifying the benefits of sustainable infrastructure** and the value of nature-based solutions.
- Make use of the historically low oil price and **phase out fossil fuel subsidies.**

Vision Statements on Gender-Responsive Infrastructure and Upstream Planning

To add important perspectives not taken up by the Global Table debate, various members of *Solutions Lab: Scaling for Sustainable Infrastructure* produced so-called *Vision Statements*. Peter Head of Resilience Brokers makes the case that to build a post-Covid-19 world in which improved health and well-being are central, governments must fund integrated systems planning supported by risk-based modelling to change all existing and new infrastructure systems. The good news: According to a recent World Bank analysis, taking such an approach can reduce total investment costs to deliver the SDGs by 40%. Next, Cristina Contreras (Harvard University) and Lorena Zemp (Global Infrastructure Basel) remind us that in taking a “gender-blind” approach, we will fail to genuinely build back better. Instead, governments should use stimulus packages to build infrastructures that are gender-responsive and inclusive and should invest in gender-disaggregated data that sheds light on existing inequalities.

Working on similar topics? Want to learn more about The Solutions Lab?

As co-hosts of *The Solutions Lab: Scaling for Sustainable Infrastructure*, the Emerging Markets Sustainability Dialogues Program (EMSD) of GIZ has been working as an incubator and knowledge platform for sustainable infrastructure solutions in and with emerging markets since 2014. Today, in the wake of the Covid-19 pandemic, we are convinced more than ever that international cooperation and technical assistance are key to develop sustainable infrastructure solutions at scale and to set the world on a path toward realizing the SDGs and Paris Agreement. In sketching out this path, the Solutions Lab has an important role to play for it uniquely combines expertise on sustainability considerations, standards and financing at the project level with innovative solutions “upstream” to spatially plan across sectors and prioritize those investments that best balance trade-offs among economic viability, environmental sustainability and social equity.

To regularly test ideas developed, we organize outreach events with a wide range of stakeholders around the world, including a group of Mayors in the Mexican state of Oaxaca (February 2020) or representatives from the IMF and World Bank in a format co-organized with The Brookings Institution (autumn 2020). Please feel free to reach out to us via the contact info below.

For all Global Table Recordings, including two Keynotes and several Vision Statements, please refer to the Digital Global Solutions Summit via this [link](#).

Contact: john.hauert@giz.de / vanessa.bauer@giz.de | Website: <https://emsdialogues.org/solutions-lab>
This article was written by Manuel Holtmann and Ilgin Warneke.