

Summary Note: Inaugural Blue Dot Network Executive Consultation Group Meeting

Competing fairly under shared values for better quality growth and infrastructure

On 7 June 2021, the OECD [Trust in Business initiative](#) virtually convened the [Inaugural Blue Dot Network Executive Consultation Group Meeting](#), and gathered over 180 representatives for a strategic dialogue on catalysing quality infrastructure investment. This high-level meeting kicked-off the multi-stakeholder consultation process for the Blue Dot Network.



The meeting was opened by the OECD Secretary-General Mathias Cormann and the United States Acting Undersecretary for Economic Growth, Energy, and the Environment, Ambassador Marcia Bernicat.

The OECD Secretary-General stressed the need for effective global cooperation and coordination that is consistent with the shared values and commitment to democracy, human rights, the rule of law, market-based economic principles, a global level playing field, a rules-based international order and the promotion of people's economic and social well-being. The Secretary-General thanked founding members of the Blue Dot Network for entrusting the OECD to provide technical support.



Acting Undersecretary Marcia Bernicat highlighted that the United States' Biden-Harris Administration is committed to promoting innovative ideas and that the United States is fully supportive of the Blue Dot Network. The Acting Undersecretary also noted that the Blue Dot Network can support quality infrastructure investment and deliver lasting economic development particularly in emerging markets. Furthermore,

infrastructure that is sustainable will support a sustainable economic recovery from the Covid-19 pandemic and be crucial in building back better.

Generating conditions for integrity, transparency, accountability and sustainable financing

The opening panel highlighted how increased collaboration between the private sector, government, and civil society can ensure that the Blue Dot Network moves from a strong strategic value proposition, rooted in leading international standards and commitments to becoming a framework that supports action and implementation.

Key takeaways:



- Panellists identified a set of value propositions that the Blue Dot Network could offer for the financial sector to promote the financing of quality infrastructure and support the climate transition. For example, a well articulated ESG infrastructure strategy for investors based in the Blue Dot Network certification framework could prevent the greenwashing of investments or projects

across the infrastructure ecosystem.

- For large infrastructure projects, the Blue Dot Network can also provide a seal of approval and accelerate the participation of private sector financing by developing a common framework for multiple banks engaged in an infrastructure project, thereby streamlining the due diligence process.
- By engaging the private sector through collective action, the Blue Dot Network can support the fight against corruption, and create incentives for governments to genuinely walk-the-walk on transparency. To fully unlock its potential, the Blue Dot Network could leverage innovative tools such as open contracting, integrity pacts, and digitalisation and avoid becoming a check-the-box exercise.
- The Blue Dot Network was also seen to have the potential to promote the respect for human rights and community rights, given the notable risks that infrastructure projects may pose when planned and implemented poorly. Particularly in emerging markets, a Blue Dot Network certification that supports an adherence to international standards including the OECD Guidelines for Multinational Enterprises could support investment in such markets while mitigating social risks.
- Panellists and participants also raised certain challenges to consider, such as how the Blue Dot Network can ensure meaningful implementation of standards, guarantee the independence of its certification system, and support engagements with infrastructure projects over their full lifecycle.

Breakout Groups: Key Perspectives from Across Regions and Sectors

Following the high-level panel, the Executive Consultation Group members had the first opportunity to engage with one another and candidly discuss the strategic challenges and opportunities faced by the Blue Dot Network with the founding governments. Although the discussions were rich and time short, they set the stage for the upcoming discussions in the [Working Groups](#).

A Blue Dot Network that is efficient, yet legitimate, can ensure that investments meet international standards while not restricting their access to emerging markets

Facilitators: **Stanislas Pottier**, *Senior Advisor to the General Management, Amundi*; **Abraham Prada**, *Executive Director, Infrastructure Finance and Advisory, JP Morgan*; **Shaun Kenny**, *President, Infrastructure Global Business Unit, Bechtel*

The Investment Efficiency and Outcomes Breakout Groups examined how the Blue Dot Network can attract private investment in quality infrastructure, while ensuring that financial and non-financial outcomes are met by projects.

The discussion centred on the need for the certification framework to achieve both usefulness and simplicity, especially in an emerging market context, and that a certification framework should be considered at the planning stage of new infrastructure projects. The important role of governments in initiating projects that are suitable for Blue Dot Network certification was noted and that the Blue Dot Network could appraise well-governed projects.

One consideration highlighted was that the Executive Consultation Group and the Blue Dot Network should be inclusive enough to capture a wide range of investors and global actors. Additionally, in order for the certification to be considered legitimate and effective, it was noted that an independent expert body (third-party) could assess and monitor the certification process, and that a certification could be removed in response to negative changes in a project's circumstances or as related to challenges in political and macroeconomic stability. The importance of robust legal and regulatory frameworks was mentioned, and in so far as the Blue Dot Network can address or compensate weaknesses in this area, it could help catalyse private sector investment.

Supporting a consensus on environmental and social risk considerations and their practical implementation through the Blue Dot Network

Facilitators: **Linda Krueger**, *Senior Policy Advisor, Nature Conservancy*; **Mathilde Mesnard**, *Deputy Director for Financial and Enterprise Affairs, OECD*

The Environmental and Social (E&S) Considerations Breakout Groups focused discussions on how the Blue Dot Network can promote quality infrastructure that minimises adverse impacts and leads to positive environmental and social outcomes. Key highlights noted:

- There was a broad consensus that E&S issues are integral to investment decision-making and that the Blue Dot Network should have the capability to streamline global, environmental, and local community perspectives. Other participants noted that further incentives such as access to financing should be considered to promote meaningful E&S risk management integration.
- Discussions emphasised the growing gap in the uptake of environmental and social standards and the quality of their implementation especially in emerging markets, with certain participants expressing concerns over the ability for low and middle income economies to implement high environmental and climate standards.
- It was acknowledged that the environmental and social dimensions encompass a number of issues, and that the framework should focus on climate and on biodiversity and other ecosystem elements. Furthermore, a “just transition” and local community perspective should be considered as part of the design of the Blue Dot Network, in order manage the risk of green investments that





may impact the livelihoods communities, and the potential friction between environmental versus social considerations.

Governance and corruption are seen as the biggest risk in infrastructure investment

Co-facilitators: **Petter Matthews**, *Executive Director, CoST the Infrastructure Transparency Initiative*. **Nicola Bonucci**, *Partner in the Global Trade and Investigations & White Collar Defense, Paul Hastings*

The Transparency and Integrity Breakout Group had a dynamic conversation that discussed how the Blue Dot Network could support the fight against corruption and promote transparency and integrity across the infrastructure lifecycle.

Many organisations pointed out that there already is plenty of good guidance and checklists of certifiable issues for infrastructure in order to ensure good governance, and that the Blue Dot Network presents a unique opportunity to promote a broad-scale adoption globally, considering also that standards adoption are consistent with good business sense. One suggested checklist of core, certifiable issues that was outlined by a participant included:

- Proper, independent procurement process
- Project management process
- Financial management process that protects money on the project
- Reporting lines on the project
- Training mechanism for the project on integrity, and code of conduct
- Effective technical, financial and performance audit mechanism
- Some type of independent monitoring over all of that, plus full disclosure on website of all core project issues – payments, contracts, extensions, etc.

Participants also welcomed the move to streamline standards and develop a clear certification, while noting that independent monitoring will be key to its success.

The role of technology was also widely discussed, given that data availability can support open contracting approaches, as well as to ensure that Blue Dot Network achieves a streamlined certification and monitoring process.

Bridging the demand and supply gap for infrastructure from a quality and quantity perspective

The Ambassador Extraordinary and Plenipotentiary and the Permanent Delegate of Japan to the OECD provided forward-looking remarks to the plenary and drew on their personal experience working in emerging markets to highlight the huge gap between demand and supply for quality infrastructure. The Ambassador noted that increasing private and public capital are key factors for the success to supporting quality infrastructure projects. The meeting concluded with a quote by Carl Sagan who wrote that the image of our tiny world as a blue dot “*underscores our responsibility to deal more kindly with one another, and to preserve and cherish the pale blue dot, the only home we’ve ever known.*”



Meeting Resource Links:

Report: [Towards a global certification framework for quality infrastructure investment: Private sector and civil society perspectives on the Blue Dot Network](#)

[Keynote by Mathias Cormann](#)

[OECD Press Release](#)

[U.S. Department of State Press Release](#)

[OECD and the Blue Dot Network Webpage](#)

Background:

Launched in 2019, the Blue Dot Network's vision seeks to establish a global certification framework to promote quality infrastructure investment that is open and inclusive, transparent, economically viable, financially, environmentally and socially sustainable, and compliant with international standards, laws, and regulations. The Organisation for Economic Co-operation and Development's (OECD) [Trust in Business initiative](#) has been engaged to provide analytical support and advise the founding governments of the United States, Australia, and Japan on the design of the Blue Dot Network. To inform the design of the Blue Dot Network and ensure that it meets the needs of the market and of stakeholders, an Executive Consultation Group (ECG) was developed composed of senior leaders from the private sector, civil society, and academia from across the infrastructure ecosystem.