

Symposium on Quality Infrastructure Investment

Co-organised by the Ministry of Foreign Affairs of Japan
and the OECD, and sponsored by the Government of Japan

2 November 2020, 12:30 -15.00 CET

Summary

On 2 November 2020, the OECD and the Japan Ministry of Foreign Affairs co-organised a Symposium on Quality Infrastructure Investment. The Symposium served to launch the new *OECD Compendium of Policy Good Practices for Quality Infrastructure Investment*, welcomed at the OECD Ministerial Council Meeting the previous week on 28-29 October 2020. The event also provided an opportunity to discuss the *G20 Principles for Quality Infrastructure Investment* and other relevant G20 and OECD guidance aimed at supporting quality infrastructure investment (QII), especially in developing economies. The Symposium was sponsored by the Government of Japan.

The Symposium comprised two sessions: a first session served to launch the Compendium and involved high-level keynote addresses, followed by a discussion among high-level panellists. The second session was a Public-Private Seminar on the promotion of the G20 QII Principles in developing countries. The Symposium was moderated by Deputy Secretary General Masamichi Kono.

Session 1: Official launch of the Compendium

Keynote addresses: Angel Gurría (OECD Secretary General), Satoshi Nakanishi (Parliamentary Vice-Minister for Foreign Affairs, Japan) and Angela María Orozco (Minister of Transport, Brazil).

Speakers welcomed the *OECD Compendium*, noting that it provides a comprehensive summary of what to consider when implementing a project, and promotes an understanding of the essential and necessary elements for the implementation of quality infrastructure. Speakers stressed that QII is vital for sustainable, inclusive and resilient growth, particularly in the context of the recovery from the COVID-19 crisis, which is a human security crisis and has exacerbated the vulnerabilities of developing countries.

Further, it was noted, for instance by the Japanese Vice-Minister, that the implementation of QII is essential to “build back better” and overcome vulnerability in developing countries, and can support more significant autonomous economic development in the mid- to long term and robust regional connectivity. To implement QII, policymakers must be familiar with its specific methods. By offering good practices, and extending to financing perspectives, the Compendium provides a valuable resource for QII.

Speakers noted the importance of QII for their existing infrastructure plans and their continuity. Thus, as noted by the Colombian Transport Minister, many of the QII principles are already integrated into guidelines, and reflected in four government infrastructure programmes. The Minister highlighted the critical role of institutionality in achieving results, through the governance of public sector authorities and coordination with other authorities involved in projects. Speakers warned that the failure to develop infrastructure based on QII could hinder the recovery and growth.

The speakers emphasised the need to focus on implementation going forward, and, in this context, looked forward to the OECD’s continued contribution in this area, including promoting dialogue between various stakeholders and follow-up work on the Compendium, such as the completion of the *Implementation Handbook for Quality Infrastructure Investment* which will complement the Compendium.

The Colombian Transport Minister indicated that, going forward, they intended to disseminate the Compendium among stakeholders involved in transportation projects, while the Japanese Vice-Minister highlighted the need to continue dialogue among stakeholders, based on these QII deliverables.

Panel session was moderated by Greg Medcraft (OECD), with panellists from Australia (Lisa Elliston), Italy (Gelsomina Vigliotti), and Brazil (Martha Seillier), and a presentation on the Compendium provided by André Laboul (OECD).

Panellists welcomed the Compendium and noted that it, along with the G20 QII Principles, will help to develop quality infrastructure, deliver value for money for current and future generations, and get the most out of scarce resources. It was emphasised the Compendium is relevant for all countries, not just those of the OECD.

Panellists noted QII would continue to be a priority for the G20 agenda under the Italian presidency. They mentioned the need to focus on dimensions whose significance has been underlined by the pandemic including addressing regional disparities in terms of access to advanced, agile digital infrastructure, strengthening infrastructure resilience in the face of unpredictable events and future shocks, and improving social inclusion. The need to align infrastructure with long-term sustainability goals (including environmental) was highlighted. The G20 agenda will also emphasise continued collaboration with the private sector with a focus on ESG standards applied to infrastructure.

Panellists noted that countries are facing fiscal pressures because of the COVID crisis. Private investment will therefore need to play a greater role in meeting infrastructure needs. They highlighted the importance of QII for mobilising private financing for infrastructure investment. For example, Brazil is seeking to integrate QII and the good practices included in the Compendium in its private investment partnership programme, which includes an ambitious portfolio of projects across multiple sectors.

Panellists stressed the need to continue dialogue and the exchange of good practices among governments and stakeholders, through the OECD, and for further follow up work with the Compendium.

Session 2: Public-Private Seminar on the promotion of the G20 Principles in developing countries

The discussion was structured around three pillars, namely why, what and how.

Firstly, speakers highlighted “why” QII matters, especially in developing countries, which are facing traps to growth and development but also are likely to see significant infrastructure investment in the coming years. Beyond achieving short-term recovery, and integrated within frameworks of productive transformation and regional connectivity, QII crucially shifts the focus from asset development to the sustainable provision of services and opportunities and thus provides a basis for inclusive, sustainable and resilient growth. Three key aspects for building and accelerating change are adopting a systemic approach to infrastructure, building capacity and human capital, and scaling up (private) financing.

As regards the “what”, development partners such as the European Commission and JICA stressed the importance of integrating QII principles in infrastructure and policy dialogues with partner countries and of helping them develop adequate levels of institutional and individual capacity covering the whole project and asset life-cycle. In addition, officials from developing countries recognised the need to: enhance coordination across sectors, institutions and life-cycle stages; revamp institutional arrangements and structures, including by strengthening PPP units and reforming banking regulations; and bolster project management processes by mainstreaming and domesticating practices from the Compendium.

Finally, the panel addressed the question of “how”, i.e. the kind of multi-level governance and multi-stakeholder partnerships that are required to promote QII in developing countries. A key aspect that emerged from the discussion was the need for a collaborative and coordinated approach across the public (various ministries and

departments) and private sectors (citizens, financing institutions, construction companies, etc.) through continued dialogue. In particular, private sector engagement can contribute to efficiency as well as to filling the long-term infrastructure financing gap that many developing countries suffer from. This calls *inter alia* for increased efforts on institutional and regulatory reforms and de-risking for infrastructure projects.

In conclusion, the seminar showed that the guidance offered by the Compendium represents a fundamental starting point and reference framework for promoting QII in developing countries, with implementation being the next challenge on this journey. The OECD, including its Development Centre that has developing countries as members, will continue its efforts to provide international fora for engaging dialogues as well as better policy options for the implementation of G20 Principles.