

Building a more resilient future: quality infrastructure for all

6th Forum on the Governance of Infrastructure

27-28 October 2021



SUMMARY

The OECD Forum on the Governance of Infrastructure is hosted by the Network of Senior Infrastructure and PPP Officials and is organised by the Infrastructure and Public Procurement Division in the Public Governance Directorate of the OECD. This year the Forum brought together 330 participants, including government officials; civil society organisations; private sector representatives; international bodies such as EIB, GIH, EBRD, ADB, EC, IADB, WB and IMF. The 2021 Forum discussed the role of infrastructure governance in supporting a resilient, inclusive green transition. The key messages of the sessions are summarised below.

The green transition will depend to a large extent on our ability to deliver environmentally sustainable infrastructure. In the lead-up to COP26, strengthening the quality of governments' steering is key to deliver greener, cleaner, more inclusive infrastructure. Likewise, public and private sectors and civil society will have to join efforts to build consensus around climate and environmental action.

- Governments – as the major funders of infrastructure – have a responsibility to steer public and private resources towards the decarbonisation of infrastructure. The *OECD Recommendation on the Governance of Infrastructure* provides governments with the tools to strengthen their capacity to deliver on greener and cleaner infrastructure targets. The first step is to develop a long-term strategic vision for infrastructure that actively contributes to green goals. Costa Rica, for instance, has adopted a long-term strategic plan targeting the creation of a net-zero emissions economy that was carefully coordinated across levels and sectors of government. The EU Recovery and Resilience Facility has set a minimum spending of 37% of the EURO 723.8 billion package for climate investments and reforms. The Italian Ministry of Sustainable Infrastructure and Mobility has also created the centre for innovation and sustainability for infrastructure and mobility to advance innovation in sustainable infrastructure and mobility.
- Attracting additional private sector investment will depend on the capacity of governments to ensure a pipeline of quality, environmentally sustainable projects in order to towards cleaner infrastructure projects. Building capacity to create and use evidence-based tools and metrics will better inform infrastructure planning and prioritisation, providing countries with a clearer understanding of the environmental impacts of investments. Supporting innovative financing instruments, such as green and sustainable bonds, will further support the successful rollout of quality, environmentally sustainable project pipelines.
- New technologies and nature-based solutions (NbS) are transforming how infrastructure is operated and maintained. NbS offer innovative opportunities to decarbonise the economy as well promote inclusion, biodiversity conservation and infrastructure resilience. Infrastructure governance will help scale up the use of NbS, in particular through the analysis and evaluation of innovative alternatives during the infrastructure planning, needs assessment and prioritisation stages.



The path to net-zero emissions is closely linked to infrastructure adaptation and resilience. Strengthening infrastructure climate-resilience requires a systematic approach to infrastructure procurement and asset management, both in terms of optimising existing assets and building more resilient new infrastructure.

- The OECD report on *Building Resilience* proposes a framework to optimise infrastructure performance over the asset lifecycle, leveraging new technologies and NbS opportunities. By adopting governance approaches that take into account costs and risks over the whole life of infrastructure investments, governments can address short-term infrastructure challenges through maintenance spending while building resilient and sustainable infrastructure for the future.
- Governments can leverage their purchasing power in order to achieve carbon neutrality by 2050. Public procurement can be used as a strategic tool to rethink public infrastructure needs, reshape business practices and therefore achieve transition towards greener societies. A risk-based approach and sustainability lens in public procurement can be supported through specific procurement strategies to engage with the market and assess how environmental risks could be mitigated. The United Kingdom introduced a Carbon Reduction Plan requesting bidders for public works above a certain threshold to detail their commitments to green their business operations. The environmental benefits would in this case not only impact public contracts, but would also have a spill-over effect on the companies' entire portfolio of clients.

Achieving green objectives will also require adopting appropriate tools to measure the impact of infrastructure investments and public procurement strategies on environmental and climate outcomes.

- Efforts to promote greener, cleaner and more inclusive infrastructure decision-making and public procurement will depend on the availability of data and the appropriate tools to measure and monitor the impacts of infrastructure investments across its lifecycle. Measurement of environmental impact will be further strengthened by enablers for sound infrastructure decision making, such as strategic planning and value for money assessment tools that take into account a country's specific needs and commitments.
- Impact assessment methodologies for green infrastructure, public procurement, methodologies for integrating environmental considerations in investment decision making can support countries in translating green objectives into effective infrastructure policies and delivery. Ireland, for example, is developing a common methodology for the appraisal of environmental impacts of public investments throughout the entire infrastructure lifecycle. Given differences across national contexts, measures such as the OECD Infrastructure Governance Indicators, can help guide countries to identify where they need to reinforce their capacities and tools to steer and deliver more sustainable infrastructure. At the project level, the European Union's Horizon 2020 project CRAVEzero aims to identify and eliminate extra costs and improving nZEBs (net zero energy buildings) at all stages of infrastructure lifecycle.

The green transition is, above all, for and about people. Infrastructure investments should be informed by an understanding of gender, social and regional impacts in order to effectively contribute to a more inclusive green transition.

- Different groups of population face diverse economic and social challenges, which translates into differentiated needs and uses of infrastructure services. The OECD report on *Selected stocktaking of good practices for inclusion of women in infrastructure*, proposes a framework for incorporating gender considerations in infrastructure planning, decision making and delivery. To ensure that infrastructure investment decisions respond to the specific needs of different population groups, it is important to develop a long-term strategic vision and appraisal process that is informed by a thorough assessment of population-differentiated needs. The United Kingdom has adopted the



National Infrastructure Strategy which sets clear goals to address marked inequalities in the country while decarbonising the economy.

- Adopting an evidence-based approach is indispensable for mainstreaming gender, social and regional considerations in infrastructure strategic planning and appraisal. Norway, has adopted the Universal Design methodology for project appraisal and prioritisation, bringing an intersectional approach to ensure equality and inclusiveness in infrastructure investments. More efforts are required to identify gaps in disaggregated data and define strategies to facilitate its collection, sharing and systematic use for infrastructure needs assessment. To strengthen and improve gender statistics, Statistics Norway has also established a unit inside the Division of Social Welfare Statistics that coordinates gender statistics to inform infrastructure needs assessment. The Australian Bureau of Statistics, the Regional Development Australia committees, as well as other agencies in the country have also made advances in terms of collecting population, regional and local-disaggregated data on infrastructure needs.
- Good governance is key to ensure that infrastructure actively contributes to equitable, inclusive and resilient regional development. OECD reports such as the *Implementation Handbook for Quality Infrastructure Investment*, and *Innovative Infrastructure Funding and Financing in Regions and Cities*, guide countries on implementing quality infrastructure investments to promote regional development. Facing the challenge of large regional disparities, Australia has taken a place-based approach to infrastructure planning, needs assessment and delivery, with coordination across levels of government (national, state and local).
- To promote the voice and agency of different population groups in infrastructure decision making, it is important to enhance diversity and inclusion in infrastructure workforce. Professionalization of the infrastructure workforce to support inclusive infrastructure decision making can also enhance representation of different population groups in the process. For example, the United Kingdom provides training to infrastructure workforce on leading diverse teams and on how to incorporate gender and inclusion aspects in infrastructure decision making.

A meaningful engagement process with stakeholders is one of the most relevant ways to ensure inclusive infrastructure planning and delivery.

- Ensuring transparent, systematic and effective stakeholder participation in infrastructure planning and delivery creates an enabling environment for the implementation of quality infrastructure projects. It is crucial to ensure that long-term planning instruments are the product of a broad-based political consensus and stakeholder engagement process, properly coordinated across levels of government and across sectors. For example, the city of Bogota, during the preparation of its land-use plan 2022-2035 ensured a broad participation of multiple stakeholders both through the use of online tools and a dedicated unit to coordinate public consultation. The private investment fund Meridiam has also developed stakeholder mapping tools to conduct a more targeted and far-reaching stakeholder engagement.
- Meaningful stakeholder engagement with impacted communities can also contribute to achieving multiple policy objectives by enhancing knowledge on the main economic, environmental and social impacts of infrastructure projects. Governments will have to work collaboratively with private sector and civil society to increase the participation of under-represented stakeholders and extend infrastructure benefits to these groups. The Nature Conservancy has promoted the participation of local communities and Indigenous Peoples to inform infrastructure planning and support their objectives on sustainability and climate action. Similarly, Meridiam has developed tools to monitor the performance of infrastructure assets to ensure that they contribute to achieving SDGs and that they benefit all impacted communities.



- A meaningful stakeholder engagement process can enhance the performance of infrastructure projects by building legitimacy and trust, and ensuring transparency and identification of infrastructure needs. It can highlight potential risks for specific communities, enhance the stakeholders' knowledge on the project and secure the buy-in from society at large.

The Forum showed that there is strong consensus on the need to strengthen governments' capacity to deliver on greener and cleaner infrastructure targets nationally and internationally, and to engage with the private sector and the civil society to work collectively towards achieving these objectives. The OECD will continue its work supporting countries in implementing the reforms needed for achieving the green transition by providing evidence-based policies, comparative analysis and benchmarking tools to review and assess those reforms. In particular, the OECD will continue working on the development of comparative analyses and practical tools to understand how countries perform in terms of planning, prioritisation and delivery of infrastructure against the best practices brought by the OECD Recommendation on the Governance of Infrastructure. The results of this work will support country efforts to transform the way in which infrastructure planning and delivery can best serve ambitions for a green and inclusive recovery.