

High-level Workshop on Funding and Financing Inclusive and Quality Infrastructure Investment in Regions and Cities

in support of the Indonesian G20 Presidency

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When: 6 September 2022

Time: 12:00 CEST, 17:00 WIB, 18:00 PHST, 20:00 AEST, 06:00 EDT, 07:00 BRT

Virtual conference (Zoom)

[Register Here](#)

What's the issue?

Subnational governments are major infrastructure investors. In G20 countries, they are responsible for almost 60% of public investment¹. These state, regional and local governments often have the primary responsibility for providing the basic public infrastructure and services that are essential for economic development, well-being and poverty reduction (water, waste, education, healthcare and transport, etc.).

The COVID-19 crisis has highlighted the important role of these governments and revealed subnational disparities in access to health care, education and broadband infrastructure², among other areas. As we move beyond the COVID-19 crisis and look to address longer-term challenges (climate change, the digital transition, etc.), all levels of government will have a key role to support quality infrastructure investment. This requires getting the right enabling environment in place to support quality infrastructure investment in regions, cities and rural areas. It also requires helping these subnational governments to identify and adopt new funding sources and financing instruments that support inclusive, sustainable and quality infrastructure investment.

¹ OECD (2021), *Unlocking infrastructure investment: Innovative funding and financing in regions and cities*, OECD Publishing, Paris, <https://doi.org/10.1787/9152902b-en>

² OECD, Forthcoming, *Inclusive Infrastructure Investment: Addressing territorial disparities in future infrastructure needs in the wake of the COVID-19 crisis*

Policy toolkit to mobilise funding and financing for inclusive and quality infrastructure investment in regions and cities

In a February 2022 meeting hosted by the Indonesian G20 Presidency, Finance Ministers and Central Bank Governors from G20 countries agreed to “develop policies to mobilise inclusive infrastructure investment to enhance social inclusion and address subnational disparities in regions and cities”. As part of this agenda, the G20, the Organisation for Economic Co-operation and Development (OECD), with support of the Asian Development Bank (ADB), are developing a *Policy Toolkit to mobilise funding and financing mechanisms for inclusive and quality infrastructure investment in regions and cities*. The Policy Toolkit aims to support regional and local governments across developing, emerging and developed economies to implement the strategies and mechanisms to mobilise funding and financing for quality infrastructure investment that contributes to a balanced and inclusive post-pandemic economic recovery.

The Policy Toolkit will highlight a wide range of funding and financing instruments to support infrastructure investment in regions and cities and outlines key enablers to support their adoption. It will facilitate knowledge exchange to support subnational governments diversify their revenue sources and help them to unlock the use of private finance for infrastructure. The Policy Toolkit will build on the outcomes of this workshop and the report [Unlocking infrastructure investment: Innovative funding and financing in regions and cities](#), which was published in 2021 as an input to the Italian G20 Presidency.

Agenda

Time	Item
15 min	<p>Opening remarks</p> <ul style="list-style-type: none"> • Mr. Astera Primanto Bhakti, Director General of Fiscal Balance, Ministry of Finance, Indonesia; Indonesian G20 Presidency • Mr. Yoshiki Takeuchi, Deputy Secretary-General, Organisation for Economic Cooperation and Development (OECD) • Mr. Bruno Carrasco, Director General, Sustainable Development and Climate Change Department, Asian Development Bank (ADB)
15 min	<p>Introductory presentations: Creating the enabling environment to unlock inclusive and quality infrastructure investment in regions and cities during the recovery, and beyond</p> <p>Supporting inclusive and quality infrastructure investment requires creating the right enabling environment for subnational government investment. Introductory presentations will highlight the enablers for subnational infrastructure investment: fiscal and regulatory frameworks, institutional capacity, co-ordination and cooperation mechanisms, and access to financial markets.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Ms. Lamia Kamal-Chaoui, Director, Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), OECD • Ms. F. Cleo Kawawaki, Head of the Office of Public-Private Partnerships, ADB

40 min	<p>Roundtable 1: Unlocking funding sources for inclusive and quality infrastructure investment in cities and regions in an increasingly constrained fiscal environment</p> <p>Supporting inclusive and quality infrastructure in regions and cities requires mobilising funding for subnational governments. While in many countries, COVID-19 related fiscal stimulus is providing additional funding for these governments to address infrastructure gaps, new sources of funding are also required support continued infrastructure investment, as well as to operate and maintain infrastructure. In a potentially constrained fiscal environment, identifying additional funding opportunities will be critical to help provide inclusive and quality infrastructure and prepare for long-term challenges, such as climate change, supporting the digital transition and poverty reduction.</p> <p>This roundtable will highlight opportunities for mobilising funding for subnational governments to undertake infrastructure investment, and the enablers that need to be in place.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • What is the role of funding to support inclusive and quality infrastructure investment in regions and cities? How can funding help to unlock the use of financing? • What challenges do subnational governments face when seeking to identify new funding sources in their jurisdiction? • What opportunities are there to support subnational governments to sustainably overcome funding challenges? What enablers need to be in place? <p>Moderator:</p> <ul style="list-style-type: none"> • Mr. Courtenay Wheeler, Policy Analyst, CFE, OECD <p>Speakers:</p> <ul style="list-style-type: none"> • Dr. Christoph Schnaudigel (Mr.), Co-President, Council of European Municipalities and Regions; German Section of CEMR (RGRE); President of the County of Karlsruhe, Germany • Mr. Marcelino Pandin, Senior Policy Adviser on City Finance, United Cities and Local Governments Asia-Pacific (UCLG-ASPAC) • Mr. Axel Radics, Lead Specialist, Fiscal Management Division, Inter-American Development Bank (IDB) • Ms. Margot Eichinger, Project Manager, Financing Energy for Low-carbon Investment - Cities Advisory Facility (FELICITY), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
40 min	<p>Roundtable 2: Supporting subnational governments to harness financing for inclusive and quality infrastructure investment</p> <p>Finance plays a critical role to support inclusive and quality infrastructure investment in regions and cities. Yet many subnational governments find it challenging to access affordable finance to meet their infrastructure needs. Among other factors, access to finance may be limited due to the</p>

creditworthiness of subnational governments, insufficiently developed financial markets, insufficient funding, a lack of institutional capacity, fiscal rules and/or borrowing preferences.

This roundtable will discuss opportunities to improve access to finance for infrastructure investment by subnational governments across developing, emerging and developed countries.

Guiding questions:

- What challenges do subnational governments face when seeking access finance to support infrastructure investment?
- What opportunities are there to overcome these financing challenges? What enablers need to be in place to improve access to finance in regions and cities?

Moderator:

- **Ms. Ramola Naik Singru**, Principal Urban Development Specialist, ADB

Speakers:

- **Mr. Andre Permana**, Director of Business, Indonesia Infrastructure Guarantee Fund (*PT Penjaminan Infrastruktur Indonesia*)
- **Ms. Khomotso Letsatsi**, Chief Officer, Municipal Finance, Fiscal Policy, and Local Economic Growth, South African Local Government Association (SALGA)
- **Mr. David Jackson**, Director, Local Development Finance, United Nations Capital Development Fund (UNCDF)

5 min

Closing remarks

- **Mr. Junkyu Lee**, Chief, Finance Sector Group, Sustainable Development and Climate Change Department, ADB
- **Ms. Dorothée Allain-Dupré**, Head of Division, Regional Development and Multi-level Governance, CFE, OECD