



## Infrastructure connectivity : The contribution of the G20 Hangzhou summit

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# Content

G20's performance in Infrastructure areas

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## 1. G20's performance in infrastructure areas

Year	Content
2010	Seoul Multi-Year Action Plan. Infrastructure was listed as one of the nine pillars of Seoul Development Consensus
2011	An Infrastructure Action Plan was adopted by the MDB working Group(Cannes Summit)
2013	Infrastructure Finance Study Group was established.
2014	IIWG and GIH was established by G20.GIF was established by WBG.
2015	Workshop on Quality Infrastructure investment was organized.

## 2. G20 Hangzhou summit's contribution on infrastructure connectivity

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*Hangzhou Comprehensive Accountability Report on G20 Development Commitments*

*G20 Leaders' Communique Hangzhou Summit*

*G20 Global Infrastructure Connectivity Alliance Initiative.*

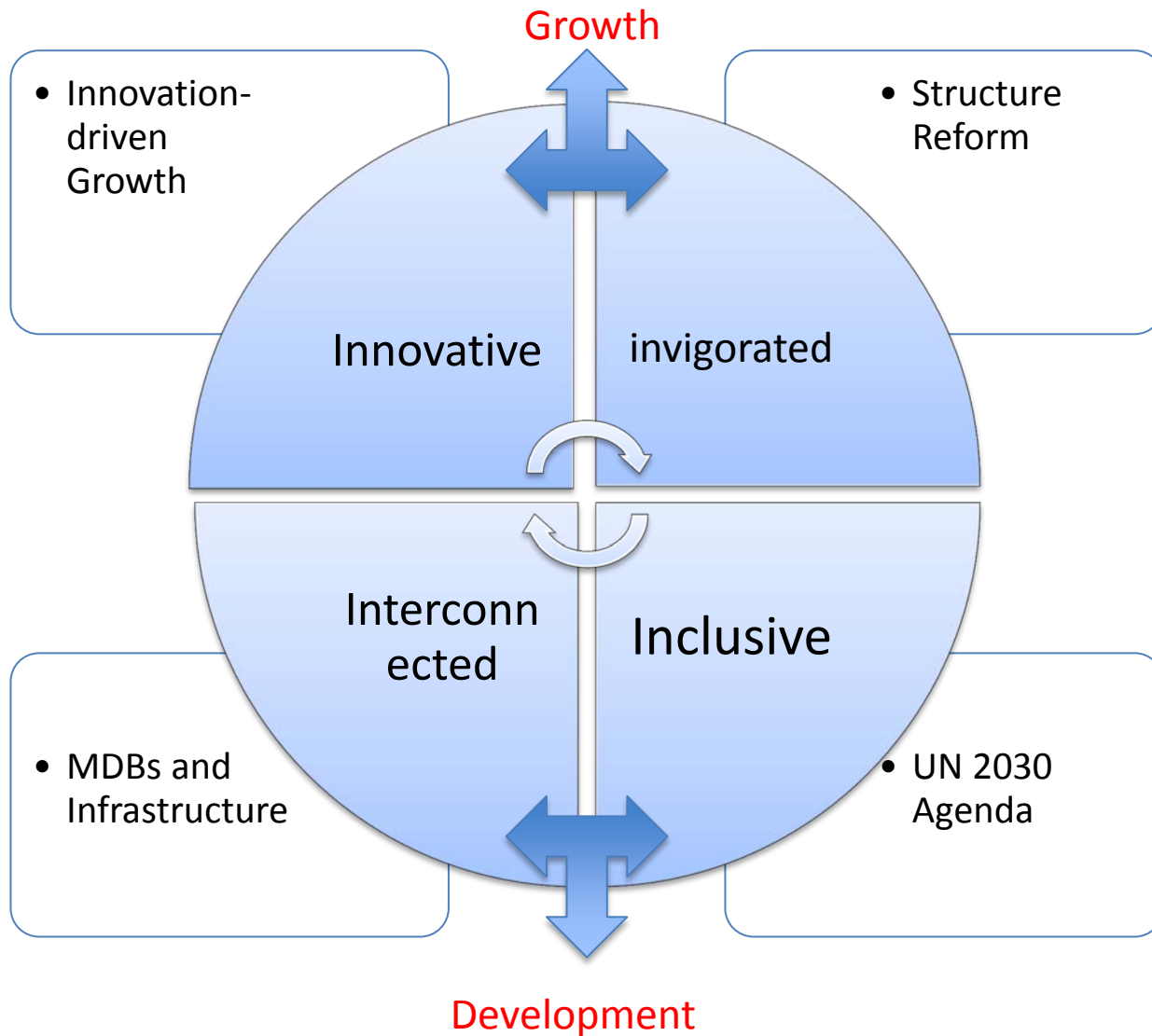
*MDB's Joint Declaration of Aspirations on Actions to Support Infrastructure Investment*

*GIH Report on Allocating Risks in PPP Contracts*

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*The Infrastructure Forum took place in Washington.*

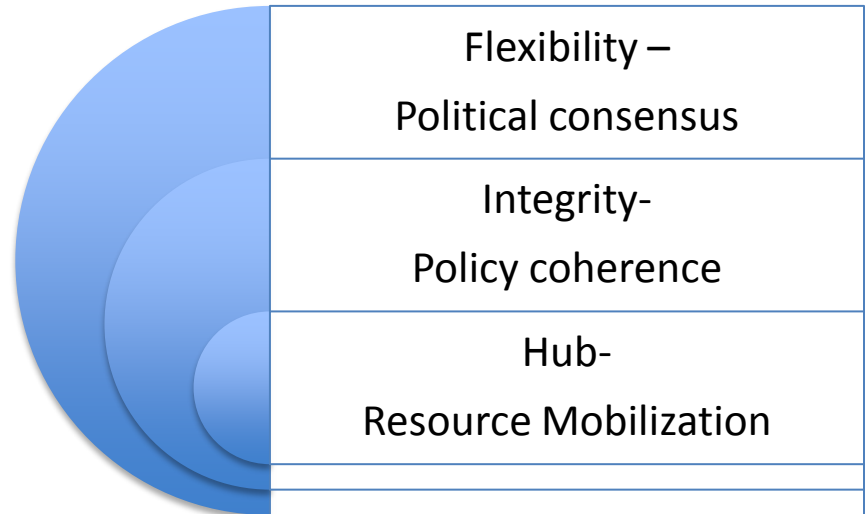
# Mainstreaming the development agenda



# G20 and the 2030 Agenda implementation

- Implement the 2030 Agenda for Sustainable Development including the Sustainable Development Goals (SDGs) and the Addis Ababa Action Agenda (AAAA), through collective and individual efforts, at home and abroad, in a way that makes use of the comparative advantage of the G20 as a global economic forum.

## G20's advantages



# G20 collective actions in implementing SDGs

- **Infrastructure,**
- Agriculture, Food Security and Nutrition,
- Human Resource Development and Employment,
- Financial Inclusion and Remittances,
- Domestic Resource Mobilization,
- Industrialization,
- Inclusive Business,
- Energy,
- Trade and Investment,
- Anti-Corruption,
- International Financial Architecture,
- Growth Strategies,
- Climate Finance and Green Finance,
- Innovation,
- Global Health.

## MDBs commitments to respond to the infrastructure needs (\$ billion)

MDBs	2016	2017	2018
AfDBG	7.3	9.5	6.0
AIIB	1.2	2.5	3.5
NDB	1.5-2.0	2-2.5	4-5
CAF	\$4.7 billion in 2015, expects to continue to grow its commitments by 3-7 percent annually		
ADB	Expects to about \$70 billion		
EBRD	\$4.9billion in 2015, expect to rise by up to 20% during 2016-2018		
EIB	Except s to finance between \$40-50 billion annual in the coming three years from 2016-2018		
IDBG	30-50% total leading in the hard infrastructure sector, and additionally 5-10% is social infrastructure.		
IsDBG	\$15-16 billion during fiscal years 2016-2018		
WB	30-50% of total leading in infrastructure sectors and 5-10% in social infrastructure.		
IFC	Aspires to achieve 5-10% annual growth in FY 2017-2019.		



# How to bridge the huge finance gap?

## **G20 launch a global infrastructure connectivity alliance initiative**

- The alliance aims to enhance cooperation and synergies of existing and future global infrastructure and trade facilitation programs seeking to improve connectivity within, between and among countries.
- The G20 Finance Ministers and Central Bank Governors have encouraged the Multilateral Development Banks (MDBs) to push forward joint actions to foster infrastructure investment, including formulating quantitative ambitions for high-quality projects, encouraging multipartite cooperation financing models, catalyzing private resources, fostering collaboration between new and existing MDBs, and strengthening project preparation to improve quality and bankability

## **Key principles of the Alliance**

- Leverage
- Openness
- Complementary

How to make the project bankable?

How to avoid the risk?

- The GIH lead to prepare a report on Allocating Risks in Public-Private Partnership (PPP) Contracts, 2016 Edition (the *Report*), with matrices showing the allocation of risks as between the public and private sectors in typical PPP transactions, along with related information on mitigative measures and typical Government support arrangements. Separate matrices are developed for 12 designated types of projects within the transport, energy and water and sanitation sectors.
- MDBs will explore new initiatives to mitigate risks, including political, regulatory, and foreign exchange risks. Such solutions include partial risk guarantees, credit enhancements, green bonds, increasing local currency financing, and the development of infrastructure investment as an asset class.

# Conclusion and suggestions

- As a network, the G20 provides the unique platform for the dialogue among developing countries, developed countries, MDBs and International organizations to improve broad and deep trust, which is very critical for global cooperation in infrastructure connectivity.
- G20 Hangzhou Summit has pushed the MDBs to commit to increase their financing for infrastructure . GIH gave the suggestions on how to decrease and share risks. All above efforts show that G20 is the core mechanism that could give the systemic solution on global infrastructure connectivity.
- G20's infrastructure connectivity project list is needed to guide MDBs , states, private sectors to carry out cooperation, which is critical for SDGs' implementation. For German presidency of G20 in 2017, and Argentina presidency in 2018, should work with the secretariat of Infrastructure Connectivity Alliance to make the G20 infrastructure project list.

Thanks for your attention!

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