

Working Session 1

**Perspectives from  
Multilateral  
Agencies**

10:15 – 11:30

Wednesday, 20th March 2019

Taj Mahal Hotel, New Delhi

# IWDRI 2019

## The Panel

### Chair

- Bangladesh

### Moderator

- Jyoti Shukla, Director, Singapore Infrastructure and Urban Development Hub, World Bank Group

### Speakers

- Sanny Ramos Jegillos, Regional Advisor, DRR, UNDP
- Dr Pandian, Vice President and Chief Investment Officer, Asian Infrastructure Investment Bank
- Joseph Stables, Regional Infrastructure Adviser, UNOPS

### Discussants

- Shantanu Mitra, Senior Climate & Environment Adviser, DFID
- Arghya Sinha Roy, Senior DRM Specialist, Asian Development Bank
- Marie Laure Crettaz Corredor, Swiss Development Corporation
- Loretta Hieber Girardet, Regional Advisor, UNISDR
- Dr Shaohua Wu, New Development Bank
- USAID
- Atul Bagai, Mr Souwmya Bhattacharya, UNEP
- Nagesh Kumar, UNESCAP\*

## Session Format

This session will have presentations by the speakers of 10 minutes each followed by a moderated panel discussion.

## Overview

Multilateral support to infrastructure development has acquired a renewed relevance against the backdrop of the 2030 Agenda (global commitments for the year 2030 envisioned in the Sustainable Development Goals, Sendai Framework for Disaster Risk Reduction, Paris Agreement and the New Urban Agenda).

50-70% of the Official Development Assistance (ODA) for infrastructure in low-income countries is attributable to multilateral agencies.<sup>1</sup> Multilateral development banks (MDBs) make an estimated annual investment of US\$ 45 billion on infrastructure through financial instruments like concessional and non-concessional loans, grants, equity investments, and guarantees.<sup>2</sup> Investment focus across the infrastructure sectors varies geographically – as reflected in the mandates of the Regional MDBs – and has also evolved in line with the needs of the times. During 2004-2013, transportation and electricity generation sectors constituted over 70% of infrastructure lending for the eight largest MDBs.<sup>3</sup>

MDB engagement in infrastructure development has evolved in the past seven decades, limited not only to the function of ensuring access to dependable and low-cost finance in developing countries but also providing technical resources for quality and planning. Over the years, MDBs have sought a shift from directly financing projects towards ‘crowding-in capital’ by using their reputational and financial strengths to de-risk projects and attract private investments.

Going forward, the challenge for infrastructure is not just one of scale. Although, that is a formidable challenge in itself – given that infrastructure added in the next 15 years will be more than the entire existing stock. The next 15 years also represent a time-scape fraught with climate and disaster risks, geopolitical uncertainty, large-scale population movements, and unprecedented urban and technological expansion. Another marked difference is the increased capacities of large middle-income countries to finance their infrastructure needs coupled with continued need for technical support towards design, innovations and quality. The launch of several large-scale, multi-year and sometimes, multi-country, infrastructure projects by these countries are indicative of these enhanced capacities, while also highlighting the potential to lock-in large-scale risks or resilience for the future.

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<sup>1</sup> Centre for Global Disaster Protection (2018), Financial Instruments for Resilient Infrastructure Technical Report

<sup>2</sup> Centre for Global Development (2017), Billions to Trillions? Issues on the Role of Development Banks in Mobilizing Private Finance

<sup>3</sup> Chris Humphrey (2015), Challenges and Opportunities for Multilateral Development Banks in 21st Century Infrastructure Finance, The Global Green Growth Institute and the Intergovernmental Group of Twenty-Four on Monetary Affairs and Development (G-24)

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This new context has spurred calls for newer ways of working for the multilaterals.<sup>4</sup> These have included recommendations to ‘shift from project-level to national or international-level reforms’, ‘enhancing MDB coherence and collaboration’, ‘mobilise private finance for sustainable infrastructure’, ‘understand changing client needs’ and ‘address systemic governance issues’.

Multilaterals have already begun steps in this direction, for example, several initiatives have been launched for multilateral cooperation in infrastructure development. Emerging from discussions at the Addis Ababa conference on financing for development in 2015, these initiatives seek to strengthen the enabling environment, institutional capacities and development of well-prepared investable projects. The global infrastructure facility, platforms like the PPP knowledge lab, the MDB Infrastructure Cooperation Platform and the annual global infrastructure forums are some examples.

2018 was an important year for further driving this shared narrative of infrastructure development towards disaster resilient infrastructure (DRI). The first IWDRI, held in January 2018, witnessed participation from the World Bank Group, Asian Development Bank, UNISDR, and UNOPS, with emergence of ideas for collaborative actions for DRI. These included the need for a global infrastructure inventory, a regional manual of practice, and harmonization of policy provisions amongst others. The World Bank Group and IMF Annual Meetings took place in Bali against the heels of the catastrophic natural disasters that struck in Indonesia, bringing the spotlight on fragility of infrastructure not built for resilience. At the Global Infrastructure Forum in 2018, also held in Bali, MDBs reaffirmed their commitment towards delivery of ‘resilient, inclusive and sustainable technology-driven infrastructure’.

Similarly, bilateral development financing is also increasingly echoing the need for ‘quality’, ‘sustainability’, and ‘climate resilience’ in infrastructure investments.

Whilst there has been substantive dialogue and interest evinced – both by multilaterals and national governments – a consensus is yet to emerge on a coherent narrative, consistent framework, clear role, concrete actions and investments at scale for disaster resilient infrastructure.

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<sup>4</sup> Bhattacharya et al. (2018) *The New Global Agenda and the Future of the Multilateral Development Bank System*, Brookings, Centre for Global Development and Overseas Development Institute; Write et al. (2018) *Sustainable Infrastructure and the Multilateral Development Banks: Changing the Narrative*, Third Generation Environmentalism Ltd (E3G); AIIB (2019) *Asian Infrastructure Finance 2019: Bridging Borders: Infrastructure to Connect Asia and Beyond*

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This session will bring together representatives from multilateral development banks, UN agencies and bilateral development agencies to explore the following questions:

1. What are the ongoing programs and initiatives by multilateral agencies towards disaster resilient infrastructure?
2. What are the experienced catalysts and barriers to creating an enabling policy environment for disaster resilient infrastructure?
3. How can multilaterals leverage systemic changes in policies and practice? Over the long run, what commitments are being made or may be expected to be made in order to bring about this systemic change?
4. How will these commitments be manifested within the Coalition for Disaster Resilient Infrastructure (CDRI), especially during the roll-out of CDRI in the first three years?

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