



Italian G20 Presidency

Concept Note for the

High-Level Conference on local infrastructure investment

(27th of September, 2021

Genoa,

Cotton Warehouses Conference Centre)



Background

While some types of infrastructure assets are traditionally under the purview of national governments, **local authorities play a significant role in both infrastructure asset management as well as in the provision of services**, also due to their closer connection to citizens' needs and preferences. For this reason, **integrating the local perspective into the G20 works on infrastructure could provide an alternative, bottom-up point of view**, shedding a light on issues and opportunities that may not be adequately considered by national policymakers.

Looking at infrastructure investment through local lenses means facing a multiplicity of diverse situations calling for local responses in water and waste management, electricity generation and supply, urban planning, mobility and land use. On the one hand, the persisting urbanization trend poses challenges to the supply of adequate housing, infrastructure and transport, that can exacerbate urban congestion and socio-economic disparities. At the same time, many rural and remote areas are lagging in terms of service accessibility, including digital services. Further, the shock of the unprecedented pandemic crisis has hit different areas with uneven impacts, reinforcing the need to put citizens' needs at the center of targeted recovery strategies and environmentally sustainable practices. **Infrastructure systems** – inherently linked to a given geography – **have the potential to smooth differences across territories and improve the inclusion of the most vulnerable groups**.

In the context of reviving and reorienting growth after the pandemic, **local experiences may present best practices** that could promote and contribute to a better calibration of national and supranational policies.

Conference Objectives

At their April 2021 meeting, G20 Finance Ministers and Central Bank Governors agreed to *“encourage knowledge sharing with the representatives from local authorities to facilitate enhanced coordination with national governments to achieve more inclusive societies”*.

The **G20 High-level Conference on local infrastructure investment** concludes an ongoing dialogue inaugurated under the Italian G20 Presidency with representatives of local authorities in the G20 infrastructure investment discussion. Two previous virtual workshops were jointly organized by the G20 Presidency and two partner organizations (Istituto Affari Internazionali – IAI, and Bruegel):

- On February 3rd, 2021: *“Financing infrastructure investments for local communities”* - organized by IAI (see the [event video recording](#))
- On March 15th, 2021: *“Think green act local: the role of the G20 in sustainable infrastructure”* - organized by Bruegel (see the [event video recording](#))

The final conference – which will be opened by the Italian Minister of Economy and Finance and the Mayor of Genoa – will gather representatives of local administrative entities from G20 countries, International Organizations and Multilateral Development Banks, seeking to encourage the information and knowledge sharing between the different stakeholders that can



contribute to building more sustainable and inclusive quality local infrastructure. It will include a session with **three brief keynote speeches** and **two panel discussions**.

Keynote Speeches

Three brief keynote speeches will be delivered by senior representatives from the European Investment Bank, the Organization for Economic Co-operation and Development and the Bank of Italy. These interventions will serve to set the stage of the discussion by presenting evidence on investment gaps, constraints and opportunities emerging from recent empirical works focused on local infrastructure investments.

Panel Session I - How to boost local infrastructure financing

The effects of the crisis and other persisting barriers hinder the financial flows towards infrastructure, especially to local projects. Sub-national governments experience difficulties in accessing private finance, while investors can be discouraged by a lack of opportunities of sufficient size and quality, or by high risk associated with local infrastructure projects. As a result, private investors are underrepresented in local infrastructure sector, in particular for greenfield investments, which are typically riskier. Further obstacles to efficient and effective public and private investments in local infrastructures are poor planning or procurement practices (with cost overruns and delays), lengthy administrative procedures, regulatory uncertainty and low coordination among national and local levels.

The panelists invited in Session I will illustrate possible solutions and initiatives that have helped solving these challenges to close the gap between local infrastructure needs and existing infrastructure financing constraints.

Panel Session II - Promoting sustainable and green infrastructure

COVID-19 has brought even sharper attention to the vital importance of infrastructure investment to support the global recovery and long-term economic growth. This panel is focused on the recovery phase as an opportunity to strengthen the sustainability of infrastructure investments in terms of the environmental impacts through the whole infrastructure asset lifecycle, as well as the type of socio-economic behaviors it enables.

Local authorities should be actively involved in long-term, national strategies in which they can play a crucial role in promoting infrastructure sustainability. More options are needed to promote local sustainable infrastructure investing (matching opportunities to the contextual project size, political autonomy and institutional capacity), as well as to mitigate the perceived risk associated to local green infrastructure investments (e.g. delays in approval or higher capital investments). The panel will also illustrate how National and Multilateral Development Banks can ensure a supportive and enabling investment environment, provide technical assistance to local governments and encourage investments for inclusive and green recovery.

Encountering the city of Genoa

Besides hosting the conference, the city of Genoa will be actively engaged in the dialogue on local infrastructure investments. Within the conference venue there will be the possibility to meet with local authority and business representatives, and to learn about local prominent infrastructure projects – also via dedicated multimedia exhibitions. Further, besides the conference sessions described above, the city proposes a roundtable with the key protagonists of the reconstruction of the Genoa Saint George Bridge, who will discuss its success and why this model might work elsewhere.