

IN CONVERSATION

India has put Sustainable Infrastructure on G20 Agenda



In this conversation with Manish Chand, President, Centre for Global India Insights, Nicolas J.A. Buchoud highlights the need for promoting sustainable infrastructure in the Global South, and underlines that India will have a pivotal role to play in this process. (Excerpts from the interview)

Q) How has India's G20 presidency promoted investment in sustainable infrastructure in the Global South?

A) The issue of infrastructure investments in the Global South has been on the table of the G20 in the past years, along with that of de-risking investments. Yet not much progress has been made as emerging and lower-income countries where new infrastructure investments would be needed, such as in the energy and mobility sectors, are also the ones with more limited capabilities to borrow money in global capital markets. Furthermore, many countries of the Global South have suffered more than their counterparts from the G7 from the macro-economic impacts of the Covid-19 pandemic. Some tools have been set up to try and overcome the risk gridlock such as the Global Infrastructure Facility by the World Bank. A Global Infrastructure Hub was initiated by G20 Australia in 2014 to promote the role of infrastructure investments in supporting growth. However, such initiatives have fallen short of

helping countries and cities most in need of capital.

During G20 Indonesia last year, we addressed the issue of de-risking in a different way, combining the expertise of the Think20 (T20) infrastructure investment and financing taskforce with that of the group of businesses (B20) and the group of cities (U20) in close coordination with the G20 Finance Track chaired by the Indonesian Finance Ministry. This followed the innovative process initiated during G20 Italy in 2021 and the joint declaration of the T20, B20, and G20 group of long term investors (D20).

Emphasis On Infrastructure

This year, the G20 presidency of India has brought up the issue of infrastructure investment in the Global South to yet another level, echoed in the T20 by the large taskforce devoted to Lifestyle for Environment (LiFE), resilience, ethics, and values. In the first days of the G20 presidency, in January 2023, the Prime Minister

of India convened the Voice of Global South gathering and the T20 organized a large meeting in Bhopal on LiFE. Ahead of the G20 Leaders' Summit in September, the BRICS Summit in South Africa focused global attention on finance and investment, and Brazil and South Africa will be chairing the G20 in 2024-25. The Global South is now affirming its leadership role, including in setting up future financial norms and rules to a much greater extent. This may be the most significant transformation of the global financial architecture since the end of the 1980s and perhaps the 1940s, with expected manifold impact, including in the delivery of sustainable physical, social, and digital infrastructure investments.

Q) How can G20 India contribute to reducing significantly the infrastructure finance gap while promoting eco-friendly development?

A) I believe that the infrastructure investment legacy of G20 India will have an impact on sustainable urbanization pathways in the world, especially in emerging and lower-income countries. About a decade ago, India launched a 100 Smart Cities Mission. I remember one roadshow taking place in Berlin for several days, where Western engineering companies and advisory firms would largely communicate about their know-how and skills. Things are quite different in the context of 2023 India where national standards tend to prevail over the copy-paste of international or Western processes.

The summit of Urban20 (U20), the engagement group of cities of the G20 hosted in Ahmedabad in July 2023, was another illustration of the current transformation of the making of urban India, reflected in the final communiqué endorsed not only by major cities across the G20 countries but also by over 50 Indian cities.

On a personal note, I regret that the dialogue about urban issues such as in the T20, in the U20 and in the ministerial Infrastructure Working Group (IWG) have remained somewhat limited. The regret is all the higher as

urbanization was the major theme of the G20 IWG. I hope that G20 Brazil will be the occasion to bring together the many achievements and breakthroughs of G20 India with a deeper dialogue between governments, civil society, the private sector, academia, and think tanks about the future of urbanisation with a renewed Global South focus.

Green Finance

Q) The issue of green finance has been exhaustively discussed during the past months of G20 India, including in the T20. How should the delivery of green finance be fast-tracked? What are your recommendations?

A) The issue of green finance goes hand in hand with improving the quality and quantity of infrastructure stock. The greening of infrastructure investments without any improvement of quality public services available to everyone is a societal dead-end. When we created the Grand Paris Alliance for Metropolitan Investments in 2011, we wanted to explore and understand how to maximize the socio-economic and environment spill-overs of large-scale infrastructure projects such as the €40 billion Grand Paris Express new metro in the Greater Paris area.

In the past decade, we have organized over a dozen international fora and dozens of working meetings with a very wide range of public, private, academic, and social stakeholders, from multilateral public and global private banking institutions to local and international philanthropies and charities, research groups, multinational companies, and highly specialized micro, small and medium enterprises (MSMEs), and so on.

There is much inequity in current ways of promoting environment, society and governance (ESG), starting with the varying capabilities of cities or metropolitan governments across the globe to raise capital and borrow money in global markets. ESG standards are very market-oriented but we can see that markets have largely failed

at delivering the resources, especially for large-scale infrastructure investments, where they are needed the most. The way T20 India has included the issues of green finance in a larger scope including ethics and values is very interesting and innovative, as was reflected by the Bhopal Declaration of January 2023 calling for the G20 to focus on inclusive development.

To summarize, we have entered into necessary but also highly volatile times of deep political and financial transformations, well reflected by the G20. The G20 can be the place to build new forms of synthesis between various ways to look into growth and sustainability, be it from the Global South, the G7, or BRICS, keeping in mind that for many, the aftermath of the Covid-19 pandemic meant high levels of inequalities within and among nations, and within nations, among cities and neighbourhoods.

Social Justice and Empowerment

Q) India has coined the motto, “Vasudhaiva Kutumbakam”, or “One Family, One Earth, One Future” as a driver for its G20 presidency and with a view to empowering the Global South. How do you view the long-term impact of G20 India on issues such as social justice?

A) The ‘one family, one earth, one future’ approach is both a very obvious and subtle way to assess that other sets of values are possible at the global level, beyond individualistic, CO₂-emitting

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lifestyles. The issue of lifestyles, including sustainable consumption and production, has nurtured G20 India even before it started, when Prime Minister Modi officially initiated the Mission LiFE campaign in 2022 with the Secretary General of the United Nations to take the economy from ‘mindless consumption’ to ‘mindful utilization.’ We have extensively discussed the issue in the context of the T20’s ‘LiFE, resilience, ethics and values’ taskforce, which is perhaps the largest and maybe the most ambitious taskforce ever in the history of the T20. I am very happy that the Director General of Research and Information System for Developing Countries (RIS) Professor Sachin Chaturvedi has managed to convince a global publishing house to edit a full volume on our LiFE discussions in the G20 and I hope that the LiFE summit, initially planned ahead of the G20 Leaders Meeting, will take place before the end of 2023.

For the LiFE concept to become a new global standard and the G20 India motto to live beyond the current presidency, gently breaking the forum’s routine will not be enough. The LiFE summit will be a critical moment to assess the outcomes of the LiFE Mission so far, to understand how much of it has progressed during the G20, in which specific fields, and to project it beyond 2023. We have engaged in discussions with Brazilian think-tank counterparts since last spring as they are preparing for T20 and G20 Brazil. At this moment, the ‘One Family, One Earth, One Future’ motto alongside the LiFE economy belong very much to India. It will take more time for them to become more universal. ■

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