

Global Infrastructure Connectivity Alliance Initiative

1. Background on Global Infrastructure Connectivity

Global Infrastructure Connectivity refers to the linkages of communities, economies and nations through transport, communications, energy, and water networks across a number of countries. It incorporates the inseparability of services -- in trade, logistics, human mobility, and information -- from the underlying infrastructure to improve the flow of goods, people and data. Successful connectivity combines planning for scale economies, development of suitable infrastructure capacity, efficient use of such capacity, and economic inclusion aspects. The pursuit of improved global infrastructure connectivity is built on the recognition of the impact of linkages in providing for economic growth and job opportunities, greater access to basic services and markets, enhanced resilience, and reduced vulnerability to shocks and to climate change-induced events.

Greater inter-connectivity of communities, economies and nations is a defining demand of the 21st Century global economy and is high on the policy agenda of most countries. With these linkages come economic dividends driven by improvements in productivity, gains in service efficiency, greater spillover benefits of investments, and growth in trade. Members of the G20 as well as non-G20 economies, International Organizations and other International communities, have long recognized the significance of infrastructure connectivity in achieving sustainable development and shared prosperity. Over the last 20 years, a plethora of economic corridors, cross-border investment programs, trade and logistics observatories, and regional bodies dedicated to promote connectivity and regional integration have emerged, such as Connecting Europe Facility, Power Africa, One Belt and One Road Initiative, Integration Initiative of South America, South Asia Association for Regional Integration, the Global Alliance on Trade Facilitation, and trade corridors ranging from the Plan Puebla-Panama to the Maputo Corridor to the Mekong Sub-Region Economic Corridor.

Nevertheless, existing connectivity initiatives have typically been focused either on only one region, when comprehensive in coverage, or on only one of the dimensions or sectors of connectivity, like trade facilitation, when more global. Moreover, the process is uneven among different regions. Common challenges still remain, especially in the following areas:

- i) Transparency and public knowledge of information about projects, objectives and sources of finance to lower risks and encourage coordination.
- ii) Coordination and cooperation mechanism to advance fair sharing of costs, benefits and risks associated with any multi-country connectivity program and to facilitate the alignment of local and domestic connectivity activities with such multi-country programs.
- iii) Harmonization of policies and rules that govern connectivity services (e.g., logistics, trade facilitation, trucking, power trading and dispatch, and telecom interconnectivity)

with the underlying infrastructure so as to turn transport corridors, energy networks and other infrastructure investments into economic corridors.

- iv) Development of regional infrastructure plans and bankable infrastructure connectivity project pipelines accommodating the economic goals of national countries so as to mobilize sufficient financing for cross-border, regional and corridor infrastructure investments.
- v) Policies to address sudden and frequent shifts in connectivity needs, triggered by disrupters such as new communication technologies and e-commerce, which rapidly change the level of participation in—or degrees of exclusion from—global value chains.
- vi) Capacity, data and tools for monitoring and evaluating corridors and connectivity programs to understand the impacts of existing initiatives. The availability of new technologies and data sources provide a novel way to monitor such success that should be exploited further.

To address such challenges to greater integration, an approach that is holistic and which provides for broad public goods is called for. A growing number of regional and sub-regional initiatives seek to improve connectivity and would benefit from closer interaction. Accordingly there is an opportunity in sharing lessons learned across regions and disciplines to develop synergies and common solutions, reduce overlaps and accelerate progress.

2. Objective of the Alliance

In this regard, G20 agrees to launch a global infrastructure connectivity alliance initiative, which 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 Alliance is expected to produce value by helping countries and promoters of connectivity initiatives to address bottlenecks related to connectivity globally, multi-sectorally and integrative of both the hardware and software of connectivity. This, in turn, will provide impetus to sustainable and equitable growth for concerned countries through increased flow of goods, capital, people and information (virtual connectivity).

3. Key principles of the Alliance

Leverage

- Catalyze private investment and facilitate the pooling of resources, knowledge and information for increased impact.

Openness

- Broad engagement, with G20 and non-G20 members, IOs, MDBs and UNOs, including with existing coalitions aimed at improving global infrastructure connectivity.
- Open membership; coalition of the willing.
- Open availability of information to membership, and broad communication of findings.

Complementarities

- Avoid duplication and reinforce MDB cooperation.
- Utilize existing institutions, initiatives and events, staff and resources as well as existing platforms wherever possible.
- Build on the convening power of the World Bank and the GIH.
- Keep the administrative cost and bureaucratic cost to a minimum.

4. Scope of Work of the Alliance and Indicative Deliverables

The main activities of the Alliance are expected to include activities such as the following:

- **Mapping Connectivity Initiatives.** The Alliance will produce a mapping of connectivity initiatives around the world, encourage those initiatives to share regular progress updates through the Alliance, and identify good practices in global connectivity improvements to facilitate their replication.
- **Developing Outlook on Global Connectivity.** The Alliance will develop an overview of mega trends in connectivity for a 5 year and 15 year time horizon to inform ongoing connectivity initiatives. It will seek to provide a holistic perspective on infrastructure and services required for connectivity and on the role different parties can play in such framework.
- **Addressing Information and Solution Gaps in Global Infrastructure Connectivity.** The Alliance will help address gaps in information, tools, standards and approaches to address infrastructure and cross-border connectivity and economic corridor development. The Alliance will consolidate lessons learned in conducting economic analysis and in sharing the returns and risks associated with infrastructure connectivity among multiple countries. It will support the development of tools on connectivity-related investments and policies.
- **Monitoring and Assessing Global Connectivity Performance.** The Alliance will help countries and promoters of connectivity initiatives in developing solutions to collect, analyze and consolidate available data and information related to cross-border performance, including freight flows, cost of transport, timing needed for custom clearance. This will help countries identify and address cross-border bottlenecks and review the impact of programs.
- **Facilitating Sharing of Good Practice on Connectivity.** The Alliance will facilitate knowledge sharing through an annual event as well as through a virtual space on global connectivity. The Alliance will also facilitate a number of virtual discussions on the main activities, at a practitioner level, on a voluntary basis. The Alliance will support

dissemination of identified resources through a virtual space, using preferably existing channels, such as websites (GIH/GFPTT.org) and newsletters.

- **Facilitating the Sharing of Information on Bankable Projects.** The Alliance will track and make publically available information about global, regional and national infrastructure development programs. In line with the mandate given to the GIH by the G20, members of the Alliance will be encouraged to share with the GIH the list of infrastructure projects requiring financing, for posting on the GIH website. This will allow for the GIH to document innovative financing mechanisms applied to such projects.
- **Supporting a regional or global infrastructure connectivity program.** Members of the Alliance may wish to propose a pilot regional connectivity program and develop a joint approach for such a program. The Alliance will apply, where applicable, the tools shared by its members to such program to assess bottlenecks, plan and prepare such program and its financing, support its implementation, monitor and evaluate its results.

5. Membership and Structure of the Alliance

The membership of the Alliance will be open to both G20 and non-G20 governments, GIH, OECD, MDBs, global and regional infrastructure programs, and other international organizations involved in integration through connectivity initiatives in infrastructure and related services. Activities will be undertaken through existing mechanisms and institutions.

The WBG will serve as the secretariat, working closely with GIH, OECD, MDBs, global and regional infrastructure programs, and other international organization to support the activities of the Alliance with respect to their comparative advantages. The secretariat functions will entail establishing a virtual space for the network, curating knowledge and populating such virtual space with content, initiating the mapping of all initiatives, inviting membership contributions on priority activities, organizing an annual event for the Alliance anchored to an existing event, facilitating technical virtual meetings on priority topics, and providing an overall update on progress every two years as requested by G20.

The GIH will provide leadership on the knowledge agenda related to the financing of infrastructure for connectivity, leveraging its Field Guide and presenting potential infrastructure projects for connectivity as part of the global project pipeline, maintained by GIH.

A broad swath of development partners including national development banks, corridor management groups, private financiers, investors, operators and other stakeholders, will be free to engage with the Alliance on a voluntary and non-binding basis.

Members will be encouraged to provide inputs to the Alliance by contributing information on the design, financing, management and/or operations of specific programs to improve global infrastructure connectivity. They will be encouraged by the Secretariat to draw upon their

respective comparative advantage and activities in the subject matter to share agendas of common interest; pool resources and expertise, where appropriate; carry out research work or joint design and implementation of projects; and share data, knowledge and ideas.

6. Conventions of the Alliance

Conventions will include one major event for the overall Alliance annually back to back with another anchor event. It may be organized along such anchor events as the G20 meetings, WB-IMF Annual Meetings, the Global Infrastructure Forum, the World Bank Singapore Infrastructure Finance Summit, or GIH-led events. The development partners will be invited to attend the convention of the Alliance.

7. Resourcing of the Alliance

Resources available to the World Bank for the work it undertakes as part of its Singapore Hub and in trade facilitation, logistics, regional projects and knowledge leadership in transport, energy, water and ICT services and investments will be utilized for its secretariat function to support the establishment of the Alliance network.

Overall activities will be undertaken through existing mechanisms, staff and institutions by making more effective use of existing resources through improved synergies and reduced duplication. As with the Global Infrastructure Forum and the initial Global Infrastructure Connectivity Forum, resources for further fora, conferences or summits may come from the anchoring events. If these additional resources are not forthcoming, the event can be tied to the annual Infrastructure Finance Summit which is financially self-sustaining. The members may also provide funding on a voluntary basis.

8. Implementation

Subject to the endorsement of the Alliance by the G20 Finance Ministers and Central Governors, the World Bank will reach out to potential members to confirm their membership. The inauguration Conference of the Alliance will be held within one year. To enable the preparation of the work plan of the Alliance, areas of potential cooperation as well as expected outputs will be discussed among the MDBs, GIH, OECD, and other interested members alongside the World Bank-IMF Annual Meetings in October 2016. Performance of the alliance will be reviewed within 5 years.