

CLIMATE ACTION & INFRASTRUCTURE FOR DEVELOPMENT TASK FORCE

Fostering the cross-border infrastructure for sustainable development and regional cooperation

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Abstract

Development of infrastructure is an important factor that allows achieving sustainable economic growth, and giving efficient impetus to provide steady ascension of social well-being indicators in long run. Globalization processes, supported by digital transformations, provide unique opportunities for further development of high-end solutions. The countries with emerging economies are interested in sustainable infrastructure development but due to their economic backlashes, do not have the resources needed to boost and support vital infrastructure projects. In these circumstances emergence of new kind of cross-institutional and cross-border regional entities (international network) aimed at development of territorial cohesion and fostering better level of cooperation within and across borders are highly anticipated.

Challenge

To successfully enhance knowledge and provide opportunities for institutions to share country experiences, stimulate public private partnerships and investments in infrastructure the following barriers should be considered and programs to overcome them should be designed and performed.

1. Legal and normative uncertainties in countries involved in cross-border infrastructure projects development in bilateral and multilateral formats.
2. Lack of policy coordination and economic inconsistencies in interactions of ministries, state enterprises and infrastructure managers, as well as financial institutions.
3. Lack of know-how or resources to implement the infrastructure projects in line of the Sustainable Development Goals, and reducing climate risk according to the Paris Agreement.
4. Insufficient use of data and digital content management of smart infrastructure generates additional risks.
5. Working practice, language and cultural barriers, including distrust between countries, negatively affect the quality of management and implementation of multilateral projects.

Coordination of joint efforts of all stakeholders at multilateral level may provide sufficient and proper solutions to address the given issues. To research the



possible thresholds and deepen the quality of analysis of current challenges it is purposeful to establish respective responsible entities - International Centers for Infrastructures Development (hubs). These entities may perform at different levels, but stay coordinated and updated with new information provided by joint communication platform, based on objective monitoring and thoroughly collected data. The international integrative network would give efficient solution for climate change challenges and foster governmental cooperation, since these parties would be commissioned cross-border status and will be given the authority to consider the supportive acts of peace and consilience. Realization of infrastructure projects helps to boost social mobility and smoothen territorial inequality, which in turn produces better connectivity processes and social welfare support (François Bourguignon, Boris Pleskovic, World Bank, 2018).

Proposal

Create a global network of regional and national Centers for Infrastructures Development (hubs) on cross-institutional coordination with the aim of supporting national governments, multilateral institutions, businesses, societies and local communities in the field of cross-border infrastructure development.

The network will strengthen multilateral engagements and provide sustainable basis for efficient cross-institutional interaction of the parties involved in cross-border infrastructure projects. The local hubs will promote sustainable economic development goals and human- centric approach to dialogue between cultures.

The Centers will be created as independent not-for-profit organizations based on the international bilateral or multilateral agreements between countries. The managing bodies could be formed by representatives of developed and developing countries. Foundation of the global network could be initiated in the framework of UN and under the auspices of UNIDO, UNDP and UNCTAD in partnership with national governments and multilateral development institutions (OECD, World Bank Group, etc.)

The global network aims to address the challenges and facilitate decision-making process, which in turn will accelerate cross-border infrastructure project development and implementation. Consider the following agenda for action as priority for global network:

- 1. To mitigate legal and normative uncertainties.** To organize among local hubs bilateral and/or multilateral working groups on harmonization in PPPs formation, SPVs and Investment Platforms, in financial instruments and



financial reporting standards. The network will support legal certainty with coordination in safety and dispute settlement procedures.

2. To support policy coordination and economic interaction of different state and non-state stakeholders. The coordination policies produced on comprehensive studies by the network should allow regions to realize their potential effectively targeting the aims of social and economic cohesion of the regions and development at global scale. The interactions supervised by local hubs in consistent communication with other counterparts will contribute to development of fair and open cooperation and will boost the integration processes at a mass.

3. To contribute to evaluation and implementation of comprehensive long term development national programs. Local and regional development is possible if considered as a part of long-term strategy. Synchronized economic, legal and budgetary processes form substantial conditions for efficient realization of complex infrastructure development programs.

4. To facilitate the data collection on climate change and environmental issues. Best cases and scenarios of future development might be disseminated through the network to obtain the most efficient practices contributing to the positive changes in climate globally. The network will perform cooperation with UN SDG authorities on regular basis, and assist in monitoring and processing of the data on Paris Agreement achievements. (CRED team, UNISDR, 2015).

5. To intensify the use and application of digital technologies in infrastructure projects development. The digital layer in infrastructure system provides foundations for new services and applications that raises the efficiency of infrastructure management and lowers different risks considerably. Digital platforms are most efficient in making the projects realization transparent and accountable to involved stakeholders and publicity (Siemens AG, 2014) (Persistence Market Research, 2017).

6. To establish partnerships in fields of training and education. The network will promote the actual required skills of management of cross-border team. Local hubs will contribute to supporting the development of intercultural dialogue, engaging in language practices, working in multinational environment.

A number of studies showed a positive correlation between investment in infrastructure and economic growth. Most importantly, infrastructure projects play positive role



in the short- term outcomes due to creating new jobs and development of local enterprises that increase the level of development of the region in the long term (PwC, January 2012) (International Monetary Fund, October 2014) (Daniela Carvalho).



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