



# THE SUSTAINABLE INFRASTRUCTURE IMPERATIVE: FINANCING FOR BETTER GROWTH AND DEVELOPMENT

## Key Messages and Executive Summary

### Key Messages

**Investing in sustainable infrastructure is key to tackling the three central challenges facing the global community:** reigniting growth, delivering on the Sustainable Development Goals, and reducing climate risk in line with the Paris Agreement.

5 Wa dfY Ybgj YXÜb]hcb'cZ]bZUgfi Wi fY]bWi Xyg' Vch hfUX]hcbU'ImYg'cZ]bZUgfi Wi fYfj Yfnh ]b[ ' Zca YbYf[ nrc'di V]WfUbgdcfzVi ]X]b[ gzk UMF' supply and sanitation) and, critically, also natural ]bZUgfi Wi fYfj WUgZcfYgh'UbXgWdYgzk YhUbXg' and watershed protection).

**Signif cant investment is needed over the next 15 years: around US\$90 trillion, which is more**

**than the entire current stock.** These demands UFXf]j Yb VmU] Y]b[ ]bZUgfi Wi fY]b Uxj UbWX economies and higher growth and structural change in emerging market and developing countries, especially rapid urbanization.

**The global South will account for roughly two-thirds of global infrastructure investment** fcf' Uvci hI G' ( hf]''cb'dYf nYUFL'H ]gbYk ]bZUgfi Wi fY cZfG'U[ fYUicddcfh b]mhc Í YUdZc[ Í h Y]bYZU]Yblž gdfUk ]b[ UbXdc''i h]b[ gngYa g'cZh YdUgh'

**Transformative change is needed now in how we build our cities, produce and use energy, transport people and goods, and manage our landscapes.**

**The challenge is urgent.** H Yk ]bXck Zf'a U\_]b[ ·  
h Yf[ \ hWc]Wg]gi bWa ZffUV'nbUfck VYMI gY  
cZ'cW!]b'cZWD]HU'UbXHWbc'c[ mUbXVYMI gYcZ  
Ug\fb\_]b[ WfVcb Vi X] YH'YbY h&' mUfgk]``  
VYMI WU' ]b Vf]b[ ]b[ U'Vei hUZ bXLa YbHU' WUb[ Y  
cZ]fYMIcb"K YWb'Vi ]XV]H]Ygk \ YfYk YWb'a cj Yž  
VfYU' YUbXVYdfcXi Wj] Yžk YWb ZgHf' WgngH'a g'  
that are robust and resilient, and we can avoid the  
dchYbHU' X]gd'UWa YbhcZa ]``cbgcZdYcd'Y'

**We have a historic opportunity to deliver  
inclusive economic growth, eliminate poverty  
and reduce the risk of climate change.** Now  
]gUb'cddcfli bY]ja Ylc UMI VYMI gYcZfYWfX`ck`  
]bhYfYghfUhgž`Uf[ YUj U] WYd'cc`gcZUbWU'UbX`  
rapid technological change.

**More money alone won't do the job.** A range  
cZVUff]Yfg'a i ghVYHUW'YXlc fUjgY'h Yei Ub]hm]UbX`  
h Yei U] ]hcZ]bZUgfi W' fY]bj Yg'a Ybh'7cbWfH'X`

DV UWA  
A r NE @ `iLQTIPDPLFOX [Ü 5• € ` p € `TML UWA\  
LQT GI LQLV\_H D „À€ P p À 0ŠiDPÜëi '€ P p À 0  
A change in the way we live and work is needed to  
a i Yg# h j i ]  
Uq =dUbg Yfmi e  
Uq A



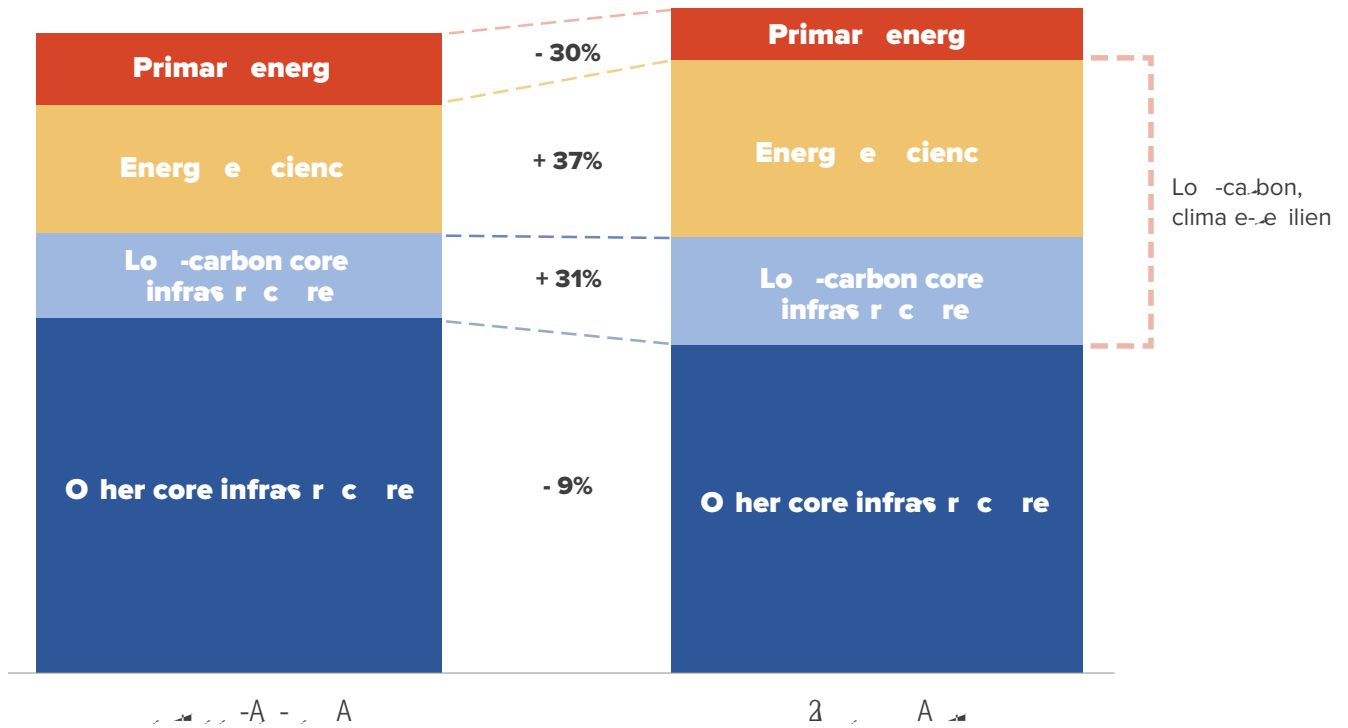


urbanising populations and an expanding middle class will create a massive capital need to manage, maintain and enhance ecosystem goods and services. Many advanced economies, meanwhile, have to replace and upgrade neglected bridges, water and sewerage pipelines, and other infrastructure.

**Transformative change is needed now in how we build our cities, transport people**

**and goods, produce and use energy, and manage our landscapes.** Investments in infrastructure will be made in the energy and transport sectors. Investments in oil, coal and gas must decrease by 30% while investments in low-carbon infrastructure must increase by 31%. Investments in other infrastructure must decrease by 9%.

Change in infrastructure spending required for a 2°C scenario (percentage change in expenditure over 2015-2030 compared to Business-as-usual)



- Primary energy: extraction of oil, gas and coal
- Energy efficiency: building, energy and transportation
- Low-carbon core infrastructure: renewable energy, nuclear, CCS, low-carbon transportation (e.g. light rail and Bus Rapid Transit), climate-proofed sea and aviation including some adaptation infrastructure (e.g. sea walls and flood protection)
- Other core infrastructure: roads, aviation, high-carbon transportation (e.g. road), energy production, and telecommunication

**We need to increase both the quantity and the**





5 bi a VYf'cZWl blf]YgUFYgUfH]b[ 'lc HU\_YgHdg]b' h Yf]] \hX]fYm]cb": cf'YI Ua d'Yz7c'ca V]U]gkcf\_]b[ to mainstream climate action across its national Xj Ycda Ybhd'Ub UbZ'Ua cb[ ghch Yf'dfc!UMj Y a YUg fYgZ\UgYgUV]g YXUZcWgYXdfc] fUa a Ycb' di V]Wdf]j UY'W'UVcfU]cbZk ]h 'df]cf]m]UH]b]h]cb' lc ]bj Yga Ybh]b ]bZUg]fi Wl fYUbXUW]Yj ]b[ Ybj ]fcb a YbHU'g g]U]bU] ]m'i-h\Ug'Ugc'di hUfUb[ Y cZUgW ]bWb]h] Yg]b'd'UWZcf ]bj Yga Ybh]b "ck! carbon technologies and environmentally resilient dfUM]WgZg W Ug]b h YZcfYg]fng]m]cf" =b h YUFYU cZfYg] ]bWZNUa V]U'Ug]fW]j YXI G % 'a ]'cb'lc' support a sustainable investment strategy based on its development priorities through the Pilot Program Zcf'7]a UY'F Yg] ]bWZUbX]ga U\_]b[ ]ccXdfc] fYgg' lc 'VcUXn]b]m] fU]Y'fYg] ]bW'cV'Ym]j Yg]b]c' ]lg' national development planning.

=b UXX]h]cb'lc' bU]cbU'g]fU]m] ]YgZ[ c] Yfba Yb]g'a i gi also develop and implement sectoral plans that U]]b'k]h' W]a UY[ cUg'6i ]X]b[ ]g' ddc]f]Zcf'h Yg' will not always be easy, especially given potential fYg]g]UbWZ'ca 'dck YZ' ]bW'a Yb]g'k\c VYbYU]i Z'ca 'Vi g]bYgg]Ug]i g' U''H'YfU]X]fUbgZ'ca U]cb' needed in the energy sector to meet climate goals is particularly challenging.

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These transition plans should include both measures to ensure that clean energy solutions are economically UhfUM]j YUbXUZc'fXU'VZ'UbX'h cgY'h Uk ]' V]H]f' fYU]m]h Yfi YWg]g'cZ'WU' UbX'ch Yf'Z'gg' 'Z Yg" H'Y; 'cVU'7ca a ]gg]cb'k YW'a Yg'h YYg]UV]g'a Ybh cZU>i gh'fUbg]h]cb'7Yb]fY'h U]g]b]h]U]X'Vn]h'Y =b]f]bU]cbU' fU]YI b]cb'7cbZ'X]fU]cb' f]H] 7'Ek ]h' emerging partnerships with business and civil society, Z'W'g]X'cb X]Uc[ i YV]k Yb [c] Yfba Yb]g'Ya d'cn]f'gZ' kcf\_Yfg]UbXW]j ]'g'V]m]l'fci bX'ck'lc' Ybg' fYU]'i gi hfUbg]h]cb] 'ck UFXg]bW X]b[ U]bU]cbU' UbX'g]m]cfU' levels.

**Third, we must transform the financial system to deliver the scale and quality of investment needed in order to augment financing from all sources (especially private sources such as long-term debt finance and the large pools**





WckX]b'ch Y'gci fWgcZÜbUw" H Y9i fcdYb'6Ub\_ Zcf F YWbgfi V]cb'UbX8 Yj Ycda Ybhif96F8 lzZcf' Yl Ua d'Yz\ Ugd'UnYXUg[ b]ÜWbhfc'Y]b UWYfU]b[ YbYf[ mYZM]bW]G]bWY&\$\$\*zWa i 'Uj Y96F8' ÜbUv]b[ 'cZG gU]bU] ]lm9bYf[ mi ]bUv]b[ : U] ]hYg' \UgfYUWYXa cfYhUb'Ö "( V' ]cb'fl G' '+V' ]cbE]b' cj Yf'\$\$SS\$g V'dfc'W]g' ]bj c'j ]b[ 'a cfYhUb'\$\$' dUfhYf'ÜbUv]b[ ]bg]h h'cbg]b' & ( W] blf]Yg' ]bW X]b[ 'Uf] Y]bh]fU]cbU' Vb\_g'UbXga U' Vb\_g]b'7Yb]fU' 5g]UUbXh Y7U W]g' g"

H YfY]g]bW]U]b[ 'dch]b]U'lc' a cV] ]gY[ fYb'ÜbUw' lc' Vc'g]f'g' ddcf]hZcf'ck! W]Vcb'UbXW]a U]mfYg' ]Ybh ]bZ]U]fi W] fYh'fci [ \ bYk' h'c'g'UbX'Uddfc'UWYg' ]\_Y [ fYb'VcbXg'UbX[ fYb' ]bZ]U]fi W] fY' H Y[ fYb'VcbX a Uf\_YhfYUWYXI G' ( &V' ]cb' ]b' &S%' "< G67zkcf\_]b[ ' k]h' h'Y7' ]a UY6cbXg'-b]h]U]j YzdfYX]W]g'h' U]h' Y Ua ci bhW] 'Xa cfYhUb'Xci VYh' ]g'n]U' "K ]h' h'Yf[ ]\ h' Uddfc'UWz[ fYb'VcbXg'W]b' VYdck'YfZ' ]bg]fi a Ybhg' UbXd'Un]Uf'Ya YbXci gfc'Y]bZ]U]fi ]h]b[ 'g' gU]bUvY ]bZ]U]fi W] fY]bj Yga Ybh'UbX[ fck'h'": cf'Yl Ua d'Yz' h'YD' ] ]dd]bYg]gg' YXh' YÜfgh]W]a UY'VcbXZcf' U [ Ych'Yfa U'dfc'W]b]Ub'Ya Yf[ ]b[ 'W]bca n]Ug'Z'fa' cZ]W]X]hYb'UbW]a Ybh' H YI G' &S' 'a ]' ]cb'! Yei ]j UYbh' local currency bond comes in addition to a direct Asian 8 Yj Ycda Ybh'6Ub\_ 'cW' WffYbW]h'c'Ub'cZI G' '++' a ]' ]cb' Yei ]j UYbh'G' W]W]X]hYb'Ub'W]X'dfc'W]b'VcbXg' cZ]f'Ub'UhfU]j YU]h]fU]j Ylc' Vb\_ ÜbUv]b[ z]UbX W]b'a cV] ]gY'cb[ !h]fa' W]d]HU'lc' \ Yd'Wc'g'Yh'YfY[ ]cb]g' ]bZ]U]fi W] fY[ U] "5dd'n]b[ [ 'cVU' g]UbXUfXg'W]b' Ybg' fY' h'U]h' Ydfc'W]Xg'UfYi g]X'lc' ÜbUv]W]dfc'W]g'k ]h' demonstrable W]a UY'cf'ch'Yf'Ybj ]f'cba YbHU' VbYÜg'"

\Uj Y]b'lc'HU'Ub'Yg]h'a U]X]I G' '\$\$ ]f' ]' ]cb' ]b' Ugg]Yg' under management.

K \ ]Yh' YgY]Ua d'Yg'UfYdfca ]g]b[ z]Z' f]h' Y' U] ]cb' ]g]f'Yei ]fYX'lc'g' ]Z]h' YÜbUv]U' g]g]h'a' lc'g' ddcf]h' ]bj Yga Ybh]b'g' gU]bUvY]bZ]U]fi W] fYz' ]bW' X]b[ ' h'fci [ \ h'Yi gY'cZ'Yei ]m]c'Z]f]b[ g'z'Uddfcdf]U]Yf]g' a ]h[ ]U]cb'UbX]X]j Ycda Ybh'cZ'cW' W]d]HU' a Uf\_Yg]lc' d'fcj ]X]h' Y'Uf[ Yg' a g]h'U]k ]' VYb'Y]X]XZcf' HU' Yci hi ÜbUv]W'9g]U]g' ]b[ 'gca YZ'fa g'cZ]bZ]U]fi W] fYUg'U distinct asset class could also help make it a standard dUfh'cZ] ]bj Yga Ybh'c'f]h'Z' ]cg'UbX'i b'cW' UW]gg]lc' "Uf[ Y dcc'g'cZ]W]d]HU'z]g' W]Ug'Z'ca' ]bg]h' h'cbU' ]bj Yg]lc'f'g'"

5 bi a V]f'cZa U'cf' ]bj Yg]lc'f'g' ]bW' X]b[ 'dYbg]cb' Z' bXg' UbX]bg] fUbW]W]a dUb]Yg'z'UfYUfYU]X]g]h]f]h]b[ 'lc'g' ]Zi h'Yf' ]bj Yga Ybh'g'": cf'Yl Ua d'Yz'cj Yf' ( \$\$ ]bj Yg]lc'f'g' k]h' I G' & ]f' ]' ]cb' ]b' Ugg]Yg' \ Uj Y'c' ]bYX'h' Y-bj Yg]lc'f' D'U]Z'fa Zcf'7' ]a UY'5W]cbg'z'W]a a ]h]X'lc' ]bW]U]b[ 'ck! W]Vcb'UbXW]a U]mfYg' ]Ybh]bj Yga Ybh'z' ]bW' X]b[ 'V]nk'cf\_]b[ 'k]h' 'dc' ]W]h'a U' Yf]g]lc' Ybg' fY' ÜbUv]b[ 'U]g]W]Y' H YB'cfk'Y[ ]Ub'G'cj YfY[ ]b'K' YU]h' : i bX]h' Y'Uf[ Yg]h]b' h'Yk'cf' X'z' U]g]HU' Yb'g]h'd'g'fYW]b]h]m' lc' X]j Yg]z'ca' W]a dUb]Yg'k ]h' "Uf[ YW]U' Ugg]Yg'" 5h]fU]b[ 'a cfY]bg]h' h'cbU' ]bj Yg]lc'f'g]lc' ÜbUv]W' g' gU]bUvY]bZ]U]fi W] fYk'ci 'XVYUv] [ 'df]n]z'U]g'h' Ym'

H\YW`hi fYUbX]bWbhlj YgZcf`ÙbUbVfmg`UggLfhXlc`  
WUb[ YVi hg\ci `X[ c Z fl\YfzZcf`Yl Ua d`Ylc`df]cf]hgY`  
UbXj Ui Ya cfYg`gU]bUVY`cb[!Hfa` ]bj Yga` Yblg`  
cj Yf`UbUffck`ZcWg`cb`g`cfHhfa` [ U]bg`Hc` YbUVY`  
h\gzk Y`U Ylc` Ybg` fYh`Uh`ÙbUbVU`fY[i` `U]cbgg` W`  
as capital and solvency rules do not inadvertently

## The New Climate Economy in Action in Key Economic Systems:

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