

G20- IWG Meeting at Visakhapatnam: Agenda and Outcomes

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Abstract

Visakhapatnam city in Andhra Pradesh became the venue of the Second Meeting of G20 - Infrastructure Working Group (IWG) under India's G20 Presidency from 28-29 March 2023. The two-day meeting was part of India's G20 scheduled meetings under the Finance Track, with the flagship theme of "Financing Cities of Tomorrow- Inclusive, Resilient and Sustainable". This paper details the agenda and outcomes of the prestigious event hosted in Visakhapatnam. It attempts to identify the imperatives for India as it has assumed the privileged G20 Presidency at a crucial juncture -- when the world is going through a war, an energy crisis, destabilised economies due to the COVID-19 pandemic and climate change. India's role in the global arena is crucial and it should be able to live up to its professed theme -- "Vasudhaiva Kutumbakam".

Key words: India's G20 Presidency, G20 Finance Track, Infrastructure Working Group, Cities of Tomorrow

India has been a founding member of **G20** – the premier forum for global economic cooperation-- since its inception in 1999. It has hosted the G20 Finance Ministers and Central Bank Governors (FMCBG) Meeting in 2002¹. India formally assumed G20 Presidency on 01 December 2022 coinciding with the country celebrations of *Azadi ka Amrit Mahotsav* (commemorating the 75th anniversary of Indian independence). During its G20 Presidency, India steers the G20 agenda for one year (from December 2022 to November 2023) and hosts the Summit. Accordingly, the Indian government has announced 230 scheduled meetings, with 60 cities across the country hosting these events.² The G20 process works in two parallel tracks -- Finance Track and Sherpa Track. India has been organising meetings of different tracks in different parts of India in the year-long calendar.

As a part of G20 Finance Track, second Meeting of the **Infrastructure Working Group (IWG)** under India's Presidency was hosted on 28 and 29 March 2023 in Visakhapatnam (popularly called **Vizag**), a port city and industrial centre of Andhra Pradesh, India. The meeting, with the flagship theme of "**Financing Cities of Tomorrow- Inclusive, Resilient and Sustainable**" was hosted by Department of Economic Affairs, Ministry of Finance of the Indian government, with Australia and Brazil as the co-chairs. India, as G20 President, is steering the 2023-Infrastructure Agenda to foster innovative thinking and expedite stakeholder collaboration across the outlined priorities.³

This paper details the agenda and outcomes of G20- IWG Meeting that took place in Vizag. It attempts to identify the imperatives for India, as India has assumed the privileged Presidency at a crucial juncture

when the world is going through a war, an energy crisis, witnessed destabilisation of economies due to COVID-19 pandemic and climate change. India role as an emerging leader of the global south, stands crucial, during this year.

What is G20 - IWG?

IWG is an organisation constituted under the G20 Finance Track which is led by Finance Ministers and Central Bank Governors (FMCBG) of the member countries.⁴As part of the G20 decision-making process, the Working Groups are in charge of leading an in-depth analysis of a range of internationally relevant issues. The members are experts belonging to the G20 countries, and they address specific issues linked to the broader G20 agenda, feeding into the Ministerial segments and ultimately into the Summit. Each group is coordinated by a representative of the competent Ministry of the country holding the G20 Presidency.

The G20 IWG has been deliberating on various aspects of infrastructure investments and advises on policies to improve preparation, financing and management of quality infrastructure investments to secure the provision of inclusive, sustainable and resilient basic infrastructure services to all. The Group aims to tackle the persistent gap in infrastructure investment so as to stimulate private sector involvement. Over the years, the IWG has been stressing on key themes of infrastructure development such as building infrastructure as an asset class, promoting quality infrastructure investment (QII) indicators, InfraTech Agenda, among others.⁵The IWG focuses on various aspects of infrastructure investments and identifying innovative instruments for mobilizing financial resources for infrastructure investment.

The 2023 Infrastructure Agenda under the Indian G20 Presidency is centred around the theme of “*Vasudhaiva Kutumbakam*”, which means, “One Earth, One Family, One Future,” which is drawn from the ancient Sanskrit text of the Maha Upanishad⁶It underlines the message of equitable growth and the theme is in tandem with the central agenda of building resilient, inclusive, and sustainable urban infrastructure. It also aligns with the work done under the previous Presidencies on Infrastructure Agenda.

The first G20-IWG meeting under India’s Presidency was held in Pune on 16-17 January 2023, wherein the workplan, priorities, and deliverables of the event have all been broadly supported by the members countries.⁷The meeting deliberated on all the core enablers of sustainable, inclusive, and resilient infrastructure. It highlighted ideas and actions for increasing investment to meet critical infrastructure needs. Work on these topics will continue throughout the year by the Global Infrastructure (GI) Hub -- the non-profit organisation, formed by the G20, that advances the delivery of sustainable, resilient, and inclusive infrastructure.

Second G20 IWG Meeting at Visakhapatnam

As a follow up of the first IWG meeting under the 2023 Infrastructure Agenda, the second meeting of G20 - IWG was hosted in the coastal city, Visakhapatnam in Andhra Pradesh on 28 and 29 March 2023. The second meet was preceded by various *Jan- Bhagidari* [people’s participatory] events, like model G20 sessions in schools and G20 Marathon in the city. Apart from these, a two-day regional workshop on

'How cities can leverage private finance' was jointly organised by the Department of Economic Affairs (DEA), Ministry of Housing and Urban Affairs (MoHUA), and International Finance Corporation on 22 and 23 March 2023 at Visakhapatnam. The Joint Secretary of DEA, Solomon Arokiaraj, the Manager of IFC Country for India, Wendy Jo Werner and Senior Program Manager of the EU Delegation, Delphine Brissonneau stated the significance of leveraging private financing for the cities and these would play a significant role as economic centres of growth.⁸

Experts from MoHUA, local and State political leaders, credit-rating agencies, regulators, and various financial institutions took part in the workshop. The sessions discussed on themes such as 'improving civic infrastructure, taking stock', 'constraints to commercial financing', 'international experiences', 'international and national case studies on preparation and implementation of innovative projects related to water and wastewater', 'innovative projects related to waste and affordable housing'. In one of the sessions, the scale and performance of each of the MoHUA missions were presented as case studies.⁹ The workshop, thereby, enabled a platform to crosslearn successful case studies from various States.

The workshop was attended by 70 participants, including municipal commissioners, mayors, and representatives from urban State departments from the States of Karnataka, Telangana, Andhra Pradesh, Tamil Nadu, Goa, Chhattisgarh, and Odisha and two Union Territories of Lakshadweep and Puducherry.¹⁰

The second G20 - IWG meeting at Visakhapatnam was conducted under tight security environment, which was co-chaired by Department of Economic Affairs, Ministry of Finance, Government of India along with Australia and Brazil. The meeting was attended by 57 delegates from 14 member countries, 8 invitees, and 10 international organizations.¹¹

On the inaugural day of the meeting the delegates discussed and deliberated on the flagship theme of 'Financing Cities of Tomorrow: Inclusive, Resilient and Sustainable', and focused on ways to augment financing in future cities, along with other priorities outlined in G20 Infrastructure Agenda-2023¹².

The meeting was complemented by a 'Roundtable of International Organisations', as a side event organised in partnership with the GI Hub, to discuss infrastructure taxonomies. Over 13 international experts discussed the role of infrastructure definitions and taxonomies in making better data-driven decisions. Experts from major international organizations such as UNDP (United Nations Development Programme), OECD (Organisation for Economic Co-operation and Development), IMF (International Monetary Fund), ADB (Asian Development Bank) and EBRD (European Bank for Reconstruction and Development) took part in the roundtable.¹³ In the evening, the delegates were hosted for "*Ratri Bhoj Par Samvad*" (Conversation over Dinner) that showcased Andhra Pradesh's local cuisines, alongside cultural programmes which displayed Andhra Pradesh's rich cultural heritage.

On the second day, delegates of the IWG meeting were treated to a 'health retreat' on the Visakhapatnam beachfront wherein the delegates were introduced to yoga, meditation and *sattvic* (Sanskrit term which means anything that is pure, positive and beneficial) food.¹⁴ On 30 March 2023, a Capacity Building Workshop was jointly organised by the Indian G20 Presidency and the Asian Development Bank for the

delegates. International experts from South Korea and Singapore discussed the best practices of urban infrastructure financing. A Korean representative spoke on how Seoul city, which houses half the population of South Korea, manages in providing a quality life for the citizens. On 31 March 2023, commissioners from 50 municipalities interacted with the Korean and Singapore experts in which the local public and students were allowed to participate. Inhee Kim and Ga Hui Shin of Seoul Institute, South Korea discussed specific challenges Seoul faced and the various redevelopment and restoration measures adopted to mitigate these challenges. Ah Tuan Loh, former deputy CEO and Director-General of the National Environmental Agency, Singapore, presented the island nation's principles and strategies for building inclusive, resilient and sustainable cities. He elaborated on dynamic urban governance systems, integrated master planning and development, waste and water management, environmental monitoring and education. Delegates from China, Russia, European Commission and India presented specific case studies to highlight various measures to increase the financing of urban infrastructure. Four municipalities along with Greater Visakhapatnam Municipal Corporation (GVMC) presented their respective case studies.¹⁵

As a complement to the workshop sessions, field visits were made by the delegates, to three successful projects of the GVMC -- the 24x7 water supply project with supply improvement and smart water management, the rejuvenated *Mudasar* Lake and the 2MW floating solar project that strengthened climate resiliency and Jindal Waste to Energy Plant. These projects highlighted private sector participation for effective solid waste management. The visits aimed to the innovative features and various financing schemes.

Agenda for IWG Meeting at Visakhapatnam

In the two-day G20 IWG meeting at Visakhapatnam, 8 sessions were held in total -- four sessions each day. The meeting aimed to carry forward key takeaways from the first IWG meeting and focus on crucial dialogue around financing and promoting infrastructure investment for future cities. The overall Agenda¹⁶ set forth for the Vizag meet included:

- innovative financing models to scale up private sector investment
- to address the infrastructure financing gap vis-à-vis creation of future cities
- exploring potential application of the QII indicators across the infrastructure projects.
- ways to collate the data on infrastructure spending and make the data useful for the private sector.

In line with other priorities outlined in the Infrastructure Agenda -2023, Day 1 Agenda for the second G20-IWG meeting were:

- Principles on Financing Inclusive, Resilient and Sustainable Cities of Tomorrow
- Furthering work on the implementation of QII indicators
- Side event on 'Roundtable on Infrastructure Taxonomies'¹⁷

Agenda for the Day-2 of the IWG meeting were:

- Finalising the future of the Global Infrastructure Hub (G20 Members only)
- Enablers of Inclusive Cities: Enhancing access to urban services and opportunities
- Framework on architecture of capacity building of urban administration for Cities of Tomorrow
- Complementing InfraTracker 2.0¹⁸

Outcomes of Visakhapatnam Meet

As mentioned earlier, the IWG Meeting at Vizag focussed on crucial dialogue around financing infrastructure for cities of tomorrow and promoting Quality Infrastructure Investments. As a follow-up on the discussions from the first IWG meet, delegates of second IWG meeting, discussed and deliberated on various facets of making cities economic centres of growth.

Financing Future Cities

On Day 1 of the meeting, the delegates focused on the progress made under Infrastructure Agenda 2023. They deliberated on a draft paper submitted by India under the flagship priority of future cities, along with other priorities, the discussions included:

- promoting QII
- developing infrastructure as an asset class
- identifying innovative instruments for mobilising financial resources
- exploring innovate financing models to scale up private sector investment.
- ways to build future-ready urban infrastructure and unlock private financing for energy-efficient and environmentally sustainable infrastructure investment
- exploring the potential application of the Quality Infrastructure Investment (QII) indicators in infrastructure projects.
- finding ways to collate the data on infrastructure spending and make the data useful for the private sector.

The major outcome of the Vizag IWG meeting was that the members agreed upon the way forward for important deliverables for the year.¹⁹ They agreed to review progress on the group's 2023 work plan during the ensuing IWG meeting set by the Indian G20 Presidency. They also shared their views on the technical and managerial capabilities needed to build the future cities. Furthermore, members discussed the challenges and opportunities that cities will bring in the near future, and reiterated the significance of setting a clear direction to ensure the liveability of future cities. On financing cities of tomorrow, the UAE team emphasised the need for developing frameworks that will guide innovation and risk management when raising capital for urban projects.

Infrastructure Taxonomies

In the "Roundtable on Infrastructure Taxonomies" organised on 29 March 2023, the IWG delegates explored ways to develop a global taxonomy on infrastructure for making better data-driven decisions. The members discussed as to how this notion can be productive and help close the infrastructure investment gap. Representatives from the National Institute of Statistics and Geography (INEGI), Mexico and the Office for National Statistics, United Kingdom, presented case studies on improving national infrastructure spending. The outcome of the capacity building workshop will complement the flagship priority of Financing Cities of Tomorrow – Inclusive, Resilient and Sustainable.²⁰

Best Practices

A Capacity Building Workshop was organised for G20 delegates on 30 March 2023 at Visakhapatnam wherein experts from the developed world showcased the best practices being adopted in their countries for modernising infrastructure.

Experts from Singapore, South Korea, Russia, China, European Commission and India presented the practices in their countries for urban infrastructure financing. The UAE delegation led by Amna Alshamsi, Head of Policies, Regulations and Procedures at the Ministry of Finance, and Asma AlZarooni, Head of Exchange of Tax Information Section at the Ministry of Finance highlighted the importance of including urban initiatives to promote social resilience in vulnerable regions against the current challenges including the rising cost of living. Furthermore, the UAE team reaffirmed the need to engage with the private sector to co-create sustainable infrastructure projects and include citizen views to enable impactful reform at local government levels²¹

The workshop highlighted capacity prerequisites for local governments to finance urban infrastructure for inclusive, resilient and sustainable cities. It comprised classroom sessions and field visits by delegates that enabled effective cross-learning. The outcome of the capacity building workshop will complement the flagship priority of Financing Cities of Tomorrow – Inclusive, Resilient and Sustainable²². The workshop marked the successful closure of the two-day second IWG meetings of G20 here. The next meeting of the Group is scheduled on June 26-28 in Rishikesh, Uttarakhand.

The G20 nations, led by India, is working to finalise the priority principles of financing sustainable urban infrastructure, which is expected to be endorsed by the bloc's FMCBG when they meet in Gandhinagar in early July. If approved, the priority principles of "Financing Cities of Tomorrow" could be the first policy statement to be endorsed by G20 leaders under India's presidency. Like all G20 prescriptions, they will be non-binding.²³

India and Importance of G20 IWG

Infrastructure is a key driver of economic prosperity, sustainable development and inclusive growth of a nation. It can advance countries' progress towards the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). Infrastructure links citizens to access better-quality jobs, healthcare, and educational possibilities. Infrastructure in areas such as transport, energy and ICT, health, sanitation, water management, housing, agriculture and education is equally important to achieve sustainable development and inclusive growth. Infrastructure is also a key for gender equality, as well-designed infrastructure projects have the potential to improve women's access to education, health care, employment opportunities and economic resources. However, research studies state a massive gap in financing has constrained its development.

The necessity of an integrated and coherent approach is confirmed in the G20 High Level Principles on Sustainable Habitat through Regional Planning in 2018 that considers integrated urban, peri-urban and rural development policies and planning, to harness their mutual strengths and advantages, aiming to achieve equitable regional development in social, economic and environmental terms.

Conclusion

G20) is a unique multi-lateral organisation that brings together, developed and developing nations, for partnership. Presently, the G20 member countries account for more than 85 per cent of global GDP, 75 per cent of global trade and about two-thirds of the world population.²⁴

The back-to-back Presidencies of developing countries came at a crucial juncture when the Ukraine war is going on, along with the COVID-19 pandemic that disrupted several facets of modern economies such as healthcare systems and incomes to supply chains resulting in a stagnation cum inflationary environment.

India has to steer the Infrastructure Agenda - 2023 during its G20 Presidency to foster innovative thinking and expedite stakeholder collaboration across the outlined priorities. The Ministry of Finance that leads the G20 Infrastructure agenda has to ensure that the Indian Presidency acts as a global prime mover to envision new ideas and accelerate collective action. The 18th G20 Summit meeting under India's Presidency which is scheduled during September 2023 would be the most high-powered Summit ever held in India.

Presidency is a key opportunity for India to showcase its leadership and further its global prominence. To live up to the ideal of 'Vasudhaiva Kutumbakam'— India has to carefully steer the global agenda while taking into consideration the collective good. It should work on the developmental agenda while creating a road map for achieving a more resilient and inclusive economic order. The G20 Presidency also provides India with an opportunity to test its mettle in dealing with the changing global order. India should make all efforts to strengthen multilateralism. India would be a step closer to become a leader of the global south, once the culminating G20 Summit under India's Presidency goes through successfully.

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