



G20 Infrastructure Investors Dialogue Encourages Private Participation in Fulfilling the Sustainable Development Financing Gap

Nusa Dua, 15 July 2022 – Sustainable Infrastructure Investment is one of the main agendas of the Indonesian Presidency at G20 in 2022, especially in the infrastructure sector (Infrastructure Working Group/IWG). The agenda is aligned with Indonesia's priority in G20 2022 towards sustainable, inclusive, and resilient recovery to embody "Recover Together, Recover Stronger". Sustainable Infrastructure Investment is the primary key to sustainable development and growth after the COVID-19 pandemic. Limited fiscal capacity, especially in developing countries, is a major challenge in meeting the gap in sustainable infrastructure needs.

The Investors Dialogue aims to hear the private sector's perspectives on the expected role of G20 countries through various global initiatives in supporting sustainable infrastructure development. The dialogue, which was divided into three discussion sessions, focused on: (i) investors' perspectives on how to drive G20's effort in providing investment opportunities in sustainable infrastructure, as well as elaborate on the risks and challenges of infrastructure investment; ii) developing countries and regional (sub-national) perspectives on what G20 countries can do to create sustainable infrastructure projects that are more bankable for developing countries and local (sub-national) governments, particularly in regards to Environmental, Social, and Governance (ESG); and iii) requesting inputs from speakers and investors on the draft G20 Framework on Sustainable Infrastructure which is currently being prepared by GI Hub as one of the IWG deliverables.

The role of the private sector and global investors is highly important in filling the gap in sustainable infrastructure financing, but this is faced with various risks and challenges in investing. To bridge this issue, the Indonesian Presidency collaborated with the Organization for Economic Cooperation and Development (OECD), the D20 Long-Term Investors Club (D20-LTIC), and the Global Infrastructure Hub (GIH) to hold the G20 Infrastructure Investor Dialogue. With the theme "Leveraging Private Sector Participation in Sustainable Infrastructure Investment", was held hybrid on 15 July 2022 in Nusa Dua, Bali. This event is part of a series of side events from the agenda of the Third Meeting of the Minister of Finance and Governor of Bank Indonesia (3rd FMCBG).

Indonesia, Italy, and India's Finance Ministers, the Governor of Bank Indonesia, the Minister of Finance of Saudi Arabia, and the Secretary General of the OECD attended the event to deliver remarks. In addition to being attended by G20 member countries, various international organizations, financial institutions, and the private sector were also invited to take part in a dialogue session with speakers from representatives of financial institutions and the private sector, including D20 LTIC, European Investment Bank (EIB), Clifford Capital Singapore, Saudi Industrial Development Fund (SIDF), CDG Development Morocco, KfW, Long-term Infrastructure Investors Association, and Global Infrastructure Basel Foundation. The CEO of the Indonesia Investment Authority (INA) and the President Director of PT Sarana Multi Infrastruktur (SMI) also spoke to share perspectives on sustainable infrastructure investment in Indonesia.

During her closing remarks, Indonesia's Finance Minister shared Indonesia's G20 Presidency's commitment, which is to form a continuation of sustainable infrastructure investment, as a part of G20's effort to continue the 2021 Sustainable Finance Roadmap, as well as developing infrastructure as an

asset class. “In 2022, FMCBG has agreed to develop a framework to drive the private sector’s participation to increase sustainable infrastructure investment. This framework aims to increase the effect, scale, affordability, and speed of infrastructure investment, at the same time ensuring an orderly and fair transition. For us to go in the right direction, ongoing dialogue with the private sector on this issue must be maintained.” added the Minister of Finance.

The result of this dialogue is expected to become an input in finishing deliverables on sustainable infrastructure investment agendas and send positive signals to investors to foster trust and mobilize private sector investment to sustainable infrastructure.

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