SECTION 3

Conclusion and areas for further development

Section 3

CONCLUSION

The analysis and guidance presented in this Reference Tool aim to help governments accelerate the development and implementation of inclusive infrastructure policies and projects.

The Framework for Inclusive Infrastructure presented in Section 3 of this Reference Tool identifies six key pillars driving inclusive growth. The six key pillars, i.e. the "Action Areas", are then discussed in detail in Section 2, in a manner that allows governments to identify potential initiatives at policy, program and project levels.

Critical success factors include:

- The placement of stakeholder identification and engagement at the forefront of inclusive infrastructure initiatives. The use of disaggregated identification data, and of proactive consultations with citizens, is essential to developing a full understanding of which groups of citizens are at risk of being excluded from receiving the benefits of infrastructure services, and in developing solutions to the barriers which they face.
- Political leadership that champions social inclusion and inclusive governance. Governments must ensure that public officials receive the training necessary to properly identify and address the infrastructure needs of all citizens.
- The use of transparent and accountable systems that help develop trust between the government and society.
- The integration of policy, regulation and standards into project implementation. Universal Design principles are increasingly being used as a minimum standard in infrastructure contracts. Accessibility audits can help to identify and address problematic issues in a proposed infrastructure project at an early stage, at a time when such issues can be more easily addressed.
- An inclusive lifecycle approach should be used throughout the project planning, development, and delivery stages of infrastructure projects. A Social Equity Plan can set out the agreed actions and targets at each step in a project's lifespan.
- The alignment of infrastructure projects with wider inclusive development policies, such as inclusive urban development plans.
- The appropriate use of incentives and regulatory mechanisms to align the private sector role with inclusivity objectives. The private sector is also likely to play an increasing role in introducing innovations and new technologies that can assist in meeting the specific needs of disadvantaged groups.
- A focus on issues of inclusion and affordability in infrastructure project business cases, with a careful analysis of financial assistance and the use of subsidies.

The eight case studies presented in Section 4 of this Reference Tool illustrate the challenges faced by many groups in society in regard to access to infrastructure services, and successful efforts in addressing those challenges, such as the initiatives taken in connection with Peru's El Metropolitano BRT system to deal with the problem of harassment faced by women using public transport.

As outlined in the report, inclusive infrastructure is a concept that is evolving, and that will likely continue to do so. The following paragraphs present some of the areas for further development, to promote learning on maximising the benefits from inclusive infrastructure. The GI Hub hopes that this Reference Tool will be a stimulus to further discussion of this topic, and very much welcomes any reader feedback and suggestions.

AREAS FOR FURTHER DEVELOPMENT

Defining the relationship between inclusivity and sustainability

Much of the current literature refers to "inclusive and sustainable" infrastructure in one breath. The two terms are, of course, closely linked, but there is a need to better distinguish and define the relationship between inclusivity and sustainability. Sustainability deals with challenges such as environmental impacts, climate change and disaster resilience, which, in many instances, disproportionately affect vulnerable groups of people. Accordingly, addressing these issues as part of the wider inclusivity agenda can help to ensure that vulnerable segments of the population are identified, and appropriate mitigation measures are put in place.

In June 2019, the G20 Leaders endorsed the Principles of Quality Infrastructure Investment, one of which is 'Integrating social considerations in infrastructure investment', providing the opportunity to more clearly define this relationship and reference relevant supporting resources[190].

Establish new success measurement and monitoring for inclusive development

While economic growth has been an important driver in reducing poverty, governments are identifying a need to go beyond a definition of socioeconomic development that reflects only the systematic use of GDP growth. In response to concerns about increasing income gaps, distrust in public institutions, disruption of political stability and civil unrest, some governments and international financial institutions have begun to explore the use of inclusive infrastructure to help address these broader concerns.

To measure inclusive development, some new metrics have been proposed, but these new metrics still need to be further evaluated and quantified. An example is the recent Inclusive Development Index (IDI)[191] developed by the World Economic Forum. The IDI conveys a more integrated sense of the relative state of economic development and performance than the conventional indicators based on GDP per capita. It ranks countries based on their performance of making their growth more inclusive.

Additional inclusive development indicators could help provide the evidence base for monitoring the wider impacts of infrastructure programs and projects. In addition, new indicators could help to assess the ability of such programs and projects to contribute towards the achievement of the UN Sustainable Development Goals.

Further define inclusivity KPIs at infrastructure project level, and monitor inclusivity benefits

The alignment of private sector incentives with objectives around inclusion is discussed in Action Area 5 of the Reference Tool. To achieve this alignment in the case of public-private partnership transactions, careful consideration needs to be given to the output specifications and measurable KPIs that governments develop for each infrastructure project. Additional guidance on this topic will be provided in the forthcoming GI Hub guidance note on *Output Specifications for Quality Infrastructure PPPs*[192].

Improvements in monitoring the benefits of inclusive infrastructure would also strengthen the understanding of their value, thereby enabling better quantification of benefits in the business cases of future infrastructure projects. Currently, the lack of reliable data quantifying the benefits of inclusivity is a common issue across virtually all infrastructure sectors.

Making inclusive infrastructure attractive to social impact investors[193]

The potential role of social impact investment in infrastructure has not been fully examined, since many social impact investment programs have, to date, focused on smaller community initiatives rather than large infrastructure projects. Increasingly, however, infrastructure investors are becoming concerned with economic, social and governance (ESG) issues, and this may lead to more social impact investing in infrastructure. In the business case for inclusive infrastructure projects, a social dimension complements the economic and financial dimensions and this complementarity may be particularly attractive to social impact investors.

[190] Please find the QII Principles at: https://www.mof.go.jp/english/international_policy/convention/g20/annex6_1.pdf
Relevant QII supporting resources can be found at: https://www.gihub.org/quality-infrastructure-database

[191] The Inclusive Growth and Development Report (World Economic Forum, 2017)

[192] The consultative version of this tool is available on the GI Hub website, as will be the case for the final version of the tool (https://www.gihub.org).

[193] Social impact investment, also known as sustainable, socially conscious, socially responsible, 'green' or ethical investing, is an investment strategy which seeks to maximise social benefits while also considering financial returns.