

“A G20 Urban Platform could be a catalyst for a new growth narrative, mobilizing macro-economic instruments and international (financial) institutions’ leverage to consolidate cities and communities’ social infrastructure in support of the global development and environmental goals.”

– Nicolas J.A. BUCHOUD, Global Solutions Initiative, Paris



Image Source: 10 years before the COVID-19 pandemic outbreak, the Shanghai Expo. Here, the third preparation summit in 2008 during the construction phase, marked the beginning of a decade of accelerated global transformations. Images by Nicolas J.A. BUCHOUD, all rights reserved ©.



Nicolas J.A. BUCHOUD (ed.)
Global Solutions Initiative
Paris, France



Katharina LIMA de MIRANDA
Kiel Institute for the World
Economy
Kiel, Germany



Hazem GALAL
PwC Middle East, Dubai
the United Arab Emirates



Luca TRIFONE
Diplomatic advisor to the
Mayor of Rome for the U20
Sherpa meeting, Italy

Towards the infrastructure of a new sustainable economy. Twenty-four months to build and implement a paradigm shift

We slipped from 'A World at Risk' to 'A World in Disorder' in just a few months, but the current reversal of fortune looks has more profound roots.¹ That pre-existing pandemic risks warnings have been not been heard is just one of the underlying problems. That nations and international institution have not sufficiently included urbanization as a dimension of multilateralism is another one. The pandemic now directly questions the ability of the G20 to reinvent itself beyond the coordination of rescue packages, among growing consensus that without a new definition of prosperity and economic growth, it will be impossible to effectively combat pandemics, climate change and global poverty. The United-Nations are questioned likewise, all the more as it has previously endorsed a New Urban Agenda that has proved of little relevance in anticipating the pandemic and managing its socio-economic consequences. However, there are indications that reshaping prosperity and welfare might be at our hands.

Convergence among several engagement groups of the G20 is rising to call for coordinated and transformative action. In 2020, the T20 has called for smart decentralization to improve community participation by reconfiguring urban policy. The Urban 20 for safeguarding the planet through national-local collaboration and empowering people to deliver a more equitable and inclusive future. The tryptic of people, planet, prosperity which has shaped the priorities of the

G20 Kingdom of Saudi Arabia presidency has become part of the Italian G20 priorities, with an emphasis on inclusiveness, women empowerment, innovation and knowledge.

Conducting structural reforms is necessary to address the COVID-19 pandemic impacts and to address interconnected deeper crisis factors, in particular:

- highly unequal access to development opportunities provided by physical and digital infrastructure, especially in emerging and lower income countries;
- systemic underinvestment in social infrastructure in a context of rising digitalization and continuous urbanization;
- worsening environmental inequities and risks of widening investment gaps to reach the global environmental and development goals.

Changes will need political steering and doctrinal changes in socioeconomics. For instance, macro-economic models should focus less on 'selfish individuals' and more on the mobilization of people's 'prosocial motives'.² This makes the Recoupling Agenda initiated by the G20 German presidency in 2017 and the Quality Infrastructure Investment (QII) principles introduced by the G20 Japan in 2019 even more timely. To build and implement a paradigm shift in institutions and practice, both agendas should 1) be further interconnected, 2) include cities in their granularity and scope, 3) be combined to favor a third-way for entrepreneurship

and free-market, differing from laissez-faire and centralized planning, out of a wealth of diverse urban experiences, enriching the portfolio of global solutions to the crisis.

As social solidarity and personal agency are fundamental sources of human wellbeing, including new measures of well-being into the reporting of national statistics is a priority. The theoretical foundations of the SAGE (Solidarity, Agency, Gain, Environment) framework can be strengthened to assess the socio-economic performances of community resilience, not just countries. Examples from participatory slum upgrading programs resulting in significantly fewer cases of COVID-19 than in other informal communities are good indications.³ The higher the solidarity within and between groups and individuals, the higher the trust and compliance with socially constraining containment policies, reviving the accuracy of a well-being economy. Among international institutions, the OECD has developed sets of empirical research tools linked with the COVID-19, analysing the impacts of crisis across levels of governments and prioritizing a territorial perspective and the support to micro, small and medium size enterprises. It has used the fresh data provided by the World Observatory on Subnational Government Finance and Investment. Now, the institution is creating a new center on Well-being, Inclusion, Sustainability and Equal Opportunities (WISE) to 'devise policy solutions to the global challenges of inequalities, environmental depletion and climate change'. This goes with an emerging global taxonomy of subnational investment

and debt issues, providing a way to structure future growth along an enduring recoupling narrative. The leverage provided by the G20 can now help build on initiatives such as the Social Progress Index⁴ and 'elevate social development to the same priority level as economic prosperity and public health and safety',⁵ supplementing standard statistics with more precise, disaggregated data on agency and solidarity, documenting not only average situations but looking at their actual (territorial) distribution.

Using investments to stimulate a green, resilient and inclusive recovery has been a rising thematic in global COVID-19 related literature since the spring 2020, with analysis pointing out to a number of key sectors yielding 'substantial economic dividends, creating millions of jobs, with a great potential to deliver quick, durable and inclusive, health and environmental outcomes' in cities.⁶ As we get a sense of the possible components of a 'new sustainable economy' as called for by the Institute for International Political Studies (ISPI) in preparation of the T20 2021, there are other indications in the global infrastructure conversation of how international finance institutions and multilateral development banks could help tackle local gridlocks. The renewal of infrastructure spill-over effects doctrines focusing on local economy support triggered by the T20 Japan in 2019, is one of the ways to connect local and global, public and private assets.

Lessons learned through climate finance articulating global financial engineering with local and urban perspectives, illustrated by the launch of the City Climate Gap Fund in October 2020 and the work of the Cities Climate Finance Leadership Alliance, could serve as a benchmark in the COVID-19 context. Following this direction, a Special Working Group set up under the Urban 20 Riyadh presidency and co-chaired by the city of Rome and Buenos Aires, has recommended the creation of a Global Urban Resilience Fund, intended to support cities in addressing and mitigating the impacts of future shocks on urban services and key social functions. Although traditional sources of funding such as transfer of national resources and local taxes remains key, cities can facilitate connections across public and private spheres and provide incentives as well as sustainable procurement programs. While cities will not manage to cut through (hyper)complexity just on their own, they are the key places where linkages are experienced to support long-term transformations. Cities can also be place for more effective pandemic and other natural risks preparedness. Similarly, detailed investigation of the preparation of the post 2020 Global Biodiversity Framework conducted by the Urban 20 has allowed to identify several mechanisms to value the role of cities.⁷ In 2021, the engagement of a new series of Global Solutions Dialogues on Circular Economy for the period 2021-2023 and that include an urban dimension could strengthen the delivery of the newly launched Global Alliance on Circular Economy and Resource Efficiency.⁸

Since the beginning of 2020, the unfolding of the COVID-19 pandemic has sometimes resonated as a compilation of bad news, spurring distrust and a sense that citizens were losing grasp on decision-making processes, risks that have been illustrated throughout INTERSECTING. Instead, cities could act as promoters, facilitators and enablers connecting the pieces of a reform jigsaw within the G20, devising a new range of multilateral solutions protecting the rights of citizens and the foundations of local democracy, in support of prosperity and well-being. The Urban 20 could be the anchor for the deployment of a cross sectoral G20 Urban Platform under the G20 presidency of Italy, and beyond in 2022-23. Based upon cooperation and partnership, a G20 Urban Platform would be a catalyst for a new growth narrative. It would help mobilize macro-economic instruments and international financial institutions' leverage to consolidate cities and communities' social infrastructure in support of the effective delivery of the global development and environmental goals.

1. A World at Risk, Global Preparedness Monitoring Board (GPBM), September 2019 and A World in Disorder, Global Preparedness Monitoring Board (GPBM), September 2020, https://apps.who.int/gpmb/annual_report.html
2. Dennis J. Snower, The socioeconomics of pandemics policy, Global Economy and Development Working Paper 138, Brookings, April 2020
3. Example of the Vila area in Buenos Aires, in Nicolas J.A. Buchoud (ed.), R. Almarzogi, M. Cohen, M. Cook, H. Kuhle, J. Meyer, S. Parnell. A Sustainable urbanization and Infrastructure Response to the Covid-19 Pandemic. A T20 Policy Brief., T20 Special taskforce on Covid-19

4. The Social Progress Index aims at measuring the social and environmental health of societies and intends to accelerate social progress (<https://www.socialprogress.org/about-us>). Reference to the Social Impact Index (SII) <https://impactresearch.center/social-impact-index/#page-content>
5. T20 Statement on Social Development Measurement, September 2020, T20 Saudi Arabia, Marc Fleurbaey et al., https://t20saudiaria.org.sa/en/news/Pages/Social_Development_Statement.aspx
6. Green construction and retrofits, renewable energy, active transport, nature-based solutions, R&D for clean technologies, clean mobility, waste and resources and circular economy are regularly listed as key sectors. See Gulati et al., 2020, Hepburn, Stern, Stiglitz et al., 2020.
7. 'The U20 can be instrumental in elevating the voice of cities and highlighting their contributions in the participatory process on the Roadmap to the UN CBD's 15th COP and in the preparation of the Post 2020 GBF, in particular through the 24th meeting of the CBD Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA 24), the Subsidiary Body on Implementation meeting (SBI-3) and the Inter-Sessional Open-Ended Work Group (OEWG3) Meeting.' We 'Endorse the call for a dedicated, stepped-up Decision on local and subnational governments and adopt such a decision at COP 15 to renew Decision X/22: The Plan of Action for Subnational Governments, Cities, and other Local Authorities (2011-2020).' In Towards Transformative Change. Urban Contributions to Achieving the Global Biodiversity Agendas, ICLEI, WWF, TNC, Lee Kuan Yew Center, Montreal, Amman, Urban 20, September 2020, <https://www.urban20riyadh.org/sites/default/files/2020-09/UrbanContributionsToAchievingGlobalAgendas.pdf>
8. GACERE, the Global Alliance on Circular Economy and Resource Efficiency was launched on Monday 22 February 2021, https://ec.europa.eu/environment/international_issues/gacere.html