



PLANNING AND INVESTMENT IN INFRASTRUCTURE IN CENTRAL ASIA: ASSESSMENT OF SUSTAINABILITY

The OECD Sustainable Infrastructure Programme in Asia (SIPA)

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A triple emergency

1. The infrastructure gap

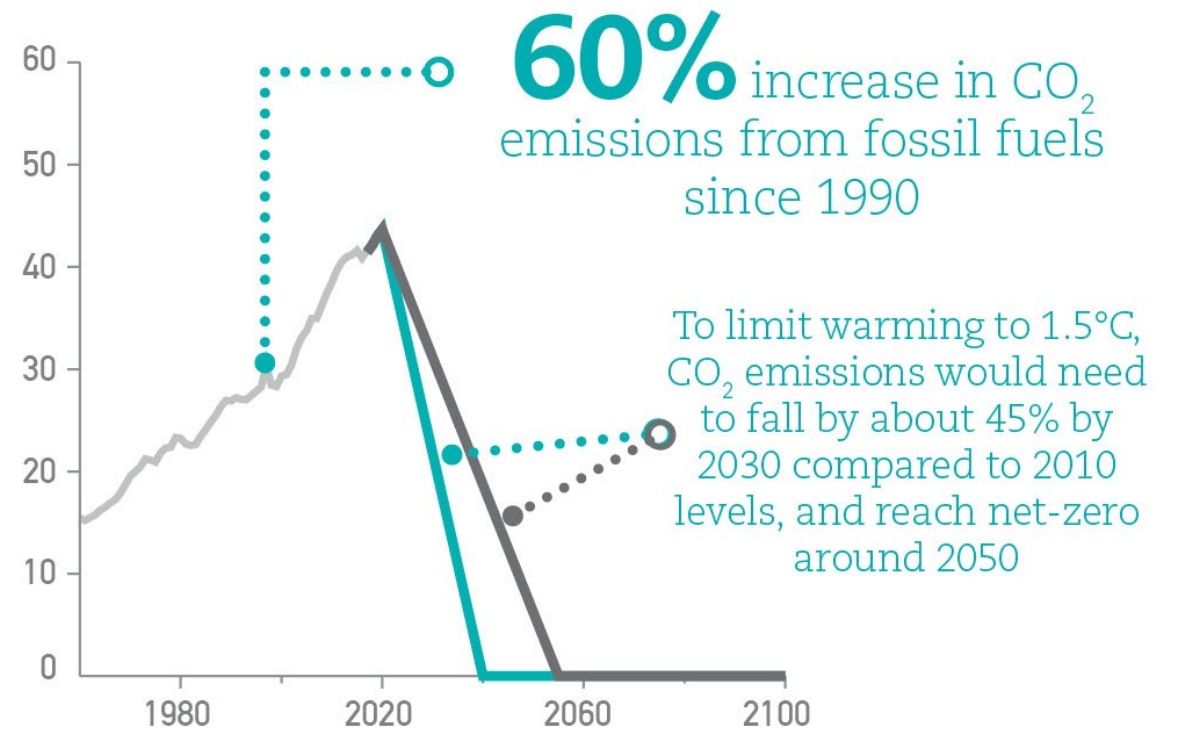
- Needs: 8% GDP
- Spendings <1% GDP

2. The need to support economic and social recovery

3. The climate and biodiversity emergency

STYLISTED NET GLOBAL CO₂ EMISSION PATHWAYS

Billion tonnes CO₂ per year (GtCO₂/yr)



ADDITIONAL CONSTRAINT: Scale-up investments in sustainable infrastructure aligned with climate, growth, ENERGY SECURITY and job creation



A unique momentum for transformational climate action and infrastructure investment

- At COP 26, many economies committed to ‘**net-zero**’ emission by mid-century
- Shrinking finance for coal-related investment (IFIs, bilateral export credit, institutional investors)
- Massive national rescue and post-COVID recovery packages – **14.6 trillion USD (17 trillion USD)**
- International infrastructure initiatives (BRI, Build Back Better World (B3W))

Channel new sources of finance in projects compatible with Paris goals and SDGs

Opportunities and threats for Central Asia economies

OPPORTUNITIES

- Better integration in global and regional value chains
- Capturing co-benefits of international investments for national and regional development
- Channelling energy investment in innovation

THREATS

- Significant environmental externalities in the absence of strong environmental criteria
- Low local benefits if countries become only transit corridors
- Fiscal burden
- Vulnerability to climate change and carbon lock-in



What does sustainable infrastructure mean?

- Sustainable infrastructure broader term encompassing:
 - Usefulness
 - Viability
 - Efficiency
 - Technical stability
 - Financial sustainability
 - Integrity
 - Governance
 - Environmentally and Socially Sustainable
 - Aligned with climate mitigation & adaptation objectives





Sustainable Infrastructure Programme in Asia

An ambitious technical assistance and capacity building programme



PROJECT GOALS

- Support Asian governments transition towards net-zero, resilient energy, transport and industry systems
- Leverage business and private sector investments
- Promote international standards for sustainable infrastructure

ACTIVITIES AND SCOPE

- **Country-level** technical assistance, policy dialogues and capacity building in **Kazakhstan, Mongolia and Uzbekistan** as well as Indonesia, the Philippines and Thailand
- **Regional and international** peer learning through regional conferences, trainings and workshops

PARTNERS



Implementation started on 1 October 2021



Outcomes - four transformative areas

1. PLANNING	<ul style="list-style-type: none">• Long-term strategic infrastructure planning• Project-level evaluation and prioritisation
2. ENABLING POLICIES IN ENERGY, TRANSPORT, INDUSTRY	<ul style="list-style-type: none">• Decarbonising transport strategies (national and regional)• Clean Energy Finance and Investment reviews• Greening energy-intensive industries
3. MOBILISING FINANCIERS AND BUSINESSES	<ul style="list-style-type: none">• Sustainable finance principles• Due diligence for responsible business conduct
4. REGIONAL AND INTERNATIONAL PEER LEARNING	<ul style="list-style-type: none">• Regional Policy Network on Sustainable Infrastructure• Regional training programmes through local knowledge institutions

IDDRI





Overall objectives if SIPA in Central Asia

- Through this new programme, we aim to create a **Central Asian community on sustainable infrastructure** decision makers, practitioners and experts.
- We aim to engage **key participants in Central Asia across the infrastructure project cycle**, from upstream strategic planning, investment project preparation, financing, implementation and delivery.



Selected examples of programme outputs

- **Output I: Strategic infrastructure planning and project evaluation :**
 - Support to the drafting of Kazakhstan’s Low Emission Development Strategy to 2050
 - Asset-level assessments for the promotion of sustainability criteria in infrastructure investment projects: application of the SAVi methodology to 2 infrastructure projects in Uzbekistan and Kazakhstan
- **Output II: National framework conditions**
 - Accelerating investment in clean energy: Fossil-Fuel Subsidies in Uzbekistan
 - Decarbonising transport systems
- **Output III: Mobilising financiers and businesses**
 - Mobilising financiers and businesses: green bonds review in Uzbekistan
 - Responsible Business Conduct in Central Asia



Thank you!
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