Sustainability, infrastructure and resilience in the era of the SDGs

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The global development agenda: The MDGs to the SDGs

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The Sustainable Development Goals

ECONOMIC DIMENSION

1. Economic effects of lack of access to essential services
2. High levels of debt, especially in lower-income countries
3. Prioritizing lower-income countries
4. Partnerships are key

ENVIRONMENTAL DIMENSION

- 01: The Paris Agreement
- 02: Carbon Pricing
- 03: Funding requirements for investments in adaptation and mitigation

SOCIAL DIMENSION

- INCOME EQUALITY
- GENDER EQUALITY

GOVERNANCE DIMENSION

- The role of effective, accountable, and inclusive institutions at all levels
- Ensuring that institutional arrangements are built on institutional reforms
- The challenges of tax assistance and tax evasion

Achieving the SDGs contributes to addressing the challenges of the 21st century

Source: International Monetary Fund, 2018
The evolution of sustainability

- Charity
- Obligations
- Corporate Social Responsibility (CSR)
- Sustainability
Global megatrends

Demographic Transitions

Market volatility and commodity cycles

Urbanization

Fragility and violence

Climate Change

Technological changes

Shifts in the global economy

Renewed debate about globalization

Opportunities and Challenges
Gain real-time insights into people’s well-being and target development interventions to vulnerable groups

Enable more agile, efficient and evidence-based decision making that is inclusive and fair

Shed light on disparities in society that were previously hidden

May impede data sovereignty and individual rights without sufficient data protection measures

Possible increases in inequality between the data ‘haves’ and ‘have nots’
Using Big Data to track the SDGs

1. **Spending patterns on mobile phone services can provide proxy indicators of income levels.**

2. **Crowdsourcing or tracking of food prices listed online can help monitor food security in near real-time.**

3. **Mapping the movement of mobile phone users can help predict the spread of infectious diseases.**

4. **Citizen reporting can reveal reasons for student drop-out rates.**

5. **Analysis of financial transactions can reveal the spending patterns and different impacts of economic shocks on men and women.**

6. **Sensors connected to water pumps can track access to clean water.**

7. **Smart metering allows utility companies to increase or restrict the flow of electricity, gas or water to reduce waste and ensure adequate supply at peak periods.**

8. **Patterns in global postal traffic can provide indicators such as economic growth, remittances, trade and GDP.**

9. **Data from GPS devices can be used for traffic control and to improve public transport.**

10. **Speech-to-text analytics on local radio content can reveal discrimination concerns and support policy response.**

11. **Satellite remote sensing can track encroachment on public land or spaces such as parks and forests.**

12. **Online search patterns or e-commerce transactions can reveal the pace of transition to energy efficient products.**

13. **Combining satellite imagery, crowdsourced witness accounts and open data can help track deforestation.**

14. **Maritime vessel tracking data can reveal illegal, unregulated and unreported fishing activities.**

15. **Social media monitoring can support disaster management with real-time information on victim location, effects and strength of forest fires or haze.**

16. **Sentiment analysis of social media can reveal public opinion on effective governance, public service delivery or human rights.**

17. **Partnerships to enable the combining of statistics, mobile and internet data can provide a better and real-time understanding of today’s hyper-connected world.**

Source: UN Global Pulse 2017
Job creation as a result of competing forces in technology

The changing nature of work

Employment in each sector

Lost employment in old sectors

Automation

Innovation

Remaining employment in old sectors

New employment in new sectors

Sectors (ordered by susceptibility to automation)

The changing nature of work

What is changing?
Diversification of jobs

What is changing?
Skills demand

Percentage point changes in share of workers in each job type, 1998-2014

Source: OECD, 2018

Source: Ridao-Cano and Bodewig, 2018
The changing nature of work

What is changing? Scale without mass

- M-Pesa
- AirBnB
- Didi Chuxing

What is NOT changing? Informality

- Average rate of informality: 64.7%

Source: World Bank, 2018
The World Bank Group’s Human Capital Project is a global effort to accelerate more and better investments in people for greater equity and economic growth.

- The cost of inaction on human capital development is going up.

- HCP is expected to help create the political space for national leaders to prioritize transformational human capital investments.
Invest in human capital

- Informality
- Changing skills demand
- Population growth
- Inequality

Investments in education, health, skills

- Increased survival
- Improved health
- Prosperity and quality of life

Adaptable and productive workers
Ability to manage the wide range of shocks and stresses which may occur:
• natural
• technological, or
• socioeconomic

Examples of investments include:
• Expansion of social protection coverage while giving priority to the poorest people
• Strengthening of all aspects of climate and disaster resilient development, including coordinating institutions, risk identification and reduction, preparedness and resilient reconstruction
Invest in digital infrastructure: Three B’s of Technology

**Build**
- Develop the foundational building blocks for sustainable, technology-led economies (for example, the Digital Economy for Africa Initiative, and Identification for Development).

**Boost**
- Expand the capacity of people and institutions to thrive in a resilient society in the face of disruption (for example, ongoing citizen engagement).

**Broker**
- Harness disruptive technology, data, and expertise to solve development challenges and manage risks through collaborations (for example, with partners including Airbnb, Amazon and LinkedIn).
We conduct rapid **proof of values** and **prototyping** to test new capabilities and expedite learning and understanding of the applicability of emerging technologies.

We provide **technology advice, hands-on experience** and **learning by doing**, and a lab environment for the WBG stakeholders to test the potential of emerging technologies.

We serve as an **internal technology advisor** and **knowledge hub** around emerging technologies.
WBG example: Blockchain for land management

**THE CHALLENGE:**

- 70% of the world's population does not have access to affordable land administration services. Corruption, fraud, inconsistencies in land rights and ownership, fragmented, costly and labor-intensive administration are common challenges in the land administration sector.

**THE OBJECTIVE:**

- Explore and test ways to ensure immutability of land title records, increase transparency across records and processes, and provide resiliency of records by using blockchain technology.

**THE BENEFIT:**

- The blockchain solution will increase transaction transparency and auditability while reducing corruption, improve trust and disintermediation, promote multi-party transactions (supporting women & other vulnerable groups), and introduce digitized asset for trade.
Invest in sustainable finance: **bond-i**

The world’s first bond to be created, allocated, transferred and managed through its life cycle using distributed ledger technology

Two-year bond raised A$110 million, marking the first time that investors have supported the World Bank’s development activities in a transaction that is fully managed using the blockchain technology.

Explores innovative technologies, such as Artificial Intelligence, to guide earlier interventions in famine situations to where they are needed the most.

Works closely with countries and partners to enable all people to exercise their rights and to access services, including to provide identification to the estimated 1 billion people currently without one.

A partnership with the African Union, governments, and the private sector, including the Gates Foundation, to ensure that every African individual, business and government is Digitally Enabled by 2030.

Explores innovative technologies, such as Artificial Intelligence, to guide earlier interventions in famine situations to where they are needed the most.
Invest in sustainable finance: IFC Social Bond

Projects will generally involve support for low-income populations, in the areas of:

01 Smallholder farming
02 More affordable health, education, utilities or housing services
03 Goods and services
04 Access to telecommunication and payment platforms
05 Lending to financial intermediaries; proceeds of which must be on-lent to women-owned enterprises

Source: IFC Social Bond Program Presentation, 2017
Invest in sustainable finance: WBG’s investing for impact principles

Strategic intent
1. Define strategic impact objectives consistent with the investment strategy
2. Manage strategic impact and financial returns at portfolio level

Origination & Structuring
3. Establish the investor’s contribution to the achievement of impact
4. Assess the expected impact of each investment, based on a systematic approach
5. Assess, address, monitor and manage the potential risks of negative effects of each investment

Portfolio management
6. Monitor the progress of each investment in achieving impact against expectations and respond appropriately

Independent verification
9. Publicly disclose alignment with the principles and provide regular independent verification of the extent of alignment

7. Conduct exits, considering the effect on sustained impact
8. Review, document and improve decisions and processes based on the achievement of impact and lessons learned
Implementation: WBG’s localization of the SDGs

U.K. Midlands:
Successful locally owned businesses help develop local markets, create innovation, success and redistribution in a self-reinforcing cycle.

Indonesia:
A program is being implemented to enhance the capacity of local governments to improve efficiency and effectiveness of local public spending. Also implemented the PNP program: community driven development.

Colombia:
214 KES million paid out to over 12,000 pastoralists
• A partnership between the World Bank Group and the Wharton Business School, among others

• Encourages youth to put forth their innovative ideas on how to finance the SDGs

• Top 10 winners will be published in a book, top 3 winners will participate in the WBG-IMF Annual Meetings

• Next round of submissions opens in August 2019

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