



Society for International Development
Washington Chapter



FY 2019

ANNUAL REPORT

Infrastructure & Urban Development Workgroup

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INFRASTRUCTURE & URBAN DEVELOPMENT WORKGROUP

The SID-Washington (SID-W) Infrastructure and Urban Development Workgroup is a group of individuals actively engaged in the improvement of developing cities and urban centers, as well as infrastructure issues. With events ranging from developing resilience in cities to how cities can attract private investment, this workgroup aims to discuss infrastructure and other issues that affect urban development and the strategies for and importance of developing better and stronger urban centers.



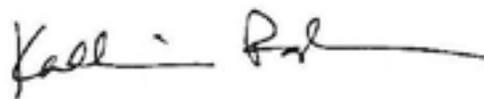
Dear Members of the Infrastructure & Urban Development Workgroup,

We are happy to report that we had another exciting year! As we reflect on last year, the workgroup produced several great events, ranging from [Where's the New Frontier in Sanitation Service Provision?](#) to [Market-Based Finance for Developing Cities](#) to [Underpinning Sustainable Development: Infrastructure's Role in the SDGs](#). We are currently working on events for FY2020, so stayed tuned for more information!

This workgroup focuses on issues pertaining to both infrastructure and urban development as well as the importance of developing better and stronger urban centers.

Thank you for your continued interest and support of the workgroups. We hope to see you at future SID-Washington events! If you have any questions, please feel free to send an email to events@sidw.org.

Best regards,



Katherine Raphaelson



Paul A. Sherman



**Judith
Hermanson**
President and CEO,
IHC Global

Judith Hermanson is the President and CEO of IHC Global (formerly the International Housing Coalition) a global membership coalition for education, awareness and advocacy focused on the challenges of rapid urban growth and urban inequality. With 30 years of international experience in both the development and humanitarian space, her sector specialty is housing and urban development. Her expertise includes community-based development, participatory approaches and civic engagement, gender and equity, and program design and effectiveness. She has carried out short term technical assistance assignments in 50+ countries in all geographic regions, has published frequently on international development issues, including urban development, and presented her independent research with an emphasis on linking policy and practice both internationally and domestically.

Elected to Phi Beta Kappa, Judith received her undergraduate degree with high honors from Smith College and her PhD from The George Washington University. She received an honorary doctorate from the American University of Paris in 2014 for her services to international education and development.

For full biography on Ms. Hermanson, please visit our website: <https://sidw.org/judith-hermanson-0>.



**David
Painter**
Independent Advisor

David Painter is an independent advisor with over 35 years of experience on the financing of urban development. He provides advice on policy, strategy and investment operations to organizations such as the World Bank, the Global Platform for Sustainable Cities (GPSC), Evensen Dodge International (a public finance advisory firm), the Public Private Infrastructure Advisory Facility (PPIAF), the Cities Alliance, the International City Management Association (ICMA), USAID, and others. David focuses on policy reform for promoting long-term financing of urban infrastructure as well as strategies for mobilizing long term capital in developing countries.

David is a former member of the Senior Foreign Service of the United States and Director of the USAID Office of Housing and Urban Programs, where he implemented the agency's urban strategy, "Making Cities Work", and helped create the USAID Development Credit Authority partial credit guarantee mechanism (DCA). Among his overseas assignments, David directed the operations of two USAID Regional Housing & Urban Development Offices; one based in Asia (Bangkok), and the other in the Near East/North Africa (Tunis). As the senior USAID officer in those offices, he was responsible for negotiations with top level country officials on development policies and the use of USAID resources to leverage local investment. David's leadership of the two regional offices was recognized with USAID's Superior Honor Award for "his extraordinary and sustained creativity in promoting reforms in urban policy across Asia and the Near East".

David earned an M.P.A. in Economic Development Studies from Princeton University, and a B.A. in Economics and Political Development (magna cum laude, Phi Beta Kappa) from Colgate University.

For full biography on David, please visit our website: <https://sidw.org/david-painter>.

EVENTS CALENDAR

Tuesday, December 4, 2018

4:00PM - 5:30PM | SID-Washington

Where's the New Frontier in Sanitation Service Provision?

Thursday, February 7, 2019

4:00PM - 5:30PM | SID-Washington

Market-Based Finance for Developing Cities

Thursday, May 2, 2019

9:00AM - 11:00AM | SID-Washington

Underpinning Sustainable Development:
Infrastructure's Role in the SDGs



Where's the New Frontier in Sanitation Service Provision?

Moderator: **Judith Hermanson**, President and CEO, IHC Global

Speakers: **Michael Blair**, Associate Program Manager, AECOM
Rebecca Gilsdorf, Water Supply and Sanitation Specialist in the World Bank's Water Global Practice, World Bank
Joel Kolker, Program Manager of the Global Water Security and Sanitation Partnership (GWSP), World Bank
Eddy Perez, Technical Director, WASH and the Health, Global Communities
Ruthie Rosenberg, Director of Citywise Advisory Services, Sanergy
John Sauer, Senior Technical Advisor, WASH, Population Services International (PSI)

Event Description: Every year, the U.N. calls for increased awareness to address the challenges associated with sanitation services delivery through its World Toilet Day. In 2018, World Toilet Day takes on the theme of "When Nature Calls" and seeks to convey progress toward meeting the Sustainable Development Goal (SDG), Target 6.2 - ensuring access to basic sanitation services for all. A staggering 4.5 billion people do not have access to a safe toilet and 62.5% of the global population do not have access to safe sanitation.

Since 1990, the number of people gaining access to improved and safely-managed sanitation has risen from 54% to 68%. However as the urban population grows, cities are struggling to deliver safely-managed sanitation services. In rural areas, access to sanitation facilities has contributed to ending open defecation, but other factors affect open defecation-free conditions such as high maintenance and repair costs of latrines, poor latrine quality, and inconsistent facilitation and monitoring. There are, however, increasing opportunities for disruption to allow 'leapfrog' moments that rapidly increase access to safely-managed sanitation services through technology, software approaches and the economic value proposition of the sanitation management chain. Through a moderated panel discussion, this event sought to convey lessons learned around sanitation services delivery, in both urban and rural areas, and recognize how technological/non-technological innovations and a circular economy approach may close the gap to meet SDG 6.2. The panel discussion provided an overview of approaches that have worked, share field-based experiences, highlight ongoing technical solutions and policy lessons to deliver sanitation services, and identify opportunities for valuing by-products from effective sanitation treatment processes.

This event was followed by a reception sponsored by AECOM and IHC Global.

This was a joint event with the Environment & Sustainability Development Workgroup.

Key Takeaways

1) Sanitation affects many international development sectors; thus, sanitation interventions require a holistic approach

Joel Kolker (World Bank) explained that water is interconnected with many of the indicators for the Sustainable Development Goals (SDGs) and works across multiple sectors, such as the environment, health, education, and economic development. As a result, international development actors must examine and address the entire sanitation supply chain, including housing, solid waste, and drainage. **Michael Blair (AECOM)** discussed that the remoteness of rural communities in Ethiopia compound sanitation issues because they were so disconnected from infrastructure and resources. Similarly, **Rebecca Gilsdorf (World Bank)** added that local water utility actors and municipalities must communicate better about their work because their work affects one another.

2) Using market-based approaches and engaging the private sector are necessary to address supply-side issues in nutrition

Ms. Gilsdorf explained that a holistic approach to sanitation must address the enabling environment in the different regional areas, which includes regulation, policy, and funding. Because the private sector provides most of the sanitation services in certain countries, governments must be able to regulate the sanitation provision and ensure that they meet specified criteria. For example, in Ethiopia, the government requires waste emptiers to meet a certain level of quality to dump at treatment plants. John Sauer (Population Services International) provided an example of a funding issue that affects the enabling environment: in India, consumers do not have access to sanitation finance because of the high costs for microfinance institutions to offer sanitation loans. While addressing this market failure of sanitation loans is important, Mr. Sauer emphasized that international development actors must address all the market failures, not just one at a time.

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3) Because of high private-sector engagement in sanitation services, finding new sources of local financing is vital to address the whole sanitation economy.

Ruthie Rosenberg (Sanergy) explained that while people might have toilets in Nairobi, Kenya about 60% of the waste is never treated. Therefore, in Nairobi, Sanergy incorporates a full-value-chain approach, selling “Fresh Life” toilets that are hygienic and easy-to-use, and Sanergy collects and treats all the waste. The sanitation plants use personal protective equipment and community-based organization support for the emptiers, which further grows the sanitation economy. Mr. Sauer highlighted the untapped market potential in many of these countries that lack formal sanitation services. For example, in Vietnam, Population Services International (PSI) partnered with ROTO tank manufacturer to increase the use of septic tanks in home. However, Mr. Sauer argued that PSI could have possibly diverted more resources to convince ROTO to invest more in rural markets and expand even further.

4) Changing community norms matter in sanitation interventions

Eddy Perez (Global Communities) argued that the power of behavior change and social norms is often underestimated. While providing access to sanitation is a necessary step, educating trainers and educating the community ensures that individuals use the new sanitation resources and services. For example, to truly improve sanitation, communities should perceive it as wrong for anyone to dump waste into freshwater sources. Mr. Blair described the focus on increasing demand for sanitation products and services in AECOM’s rural sanitation work in Ethiopia. The interventions included the training of trainers, hygiene promotion, and other awareness-raising programs to help change individuals’ outlook on hygiene and sanitation so that they use the available products and services.



Market-Based Finance for Developing Cities?

Moderator: **David Painter**, Independent Advisor

Speakers: **Franck Daphnis**, President and CEO, Development Innovations Group
Fernando J. Gama, Senior Vice President, Evensen Dodge International, Inc.

Event Description: The panel discussed the innovative financing approaches to support the development of cities through both, large scale infrastructure development and small-scale housing/community economic development for the urban poor. The panelists also unfolded the knowledge about how finance can be mobilized to support urban development through two complementary market-based approaches:

1. Local Capital Markets: Promote the use of local capital markets to finance city infrastructure.
2. Microfinance: Promote the use of the market-based microfinance for pro-poor housing and enterprise development.

Key Takeaways

1) Financing Developing Cities: Different Models and Approaches

David Painter (Independent Advisor) mentioned that developing cities around the world have a wide range of histories in terms of financing their urban development. According to **Fernando Gama (Evensen Dodge International, Inc.)**, the two significant challenges in financing local capital are: (a) the missing legal framework in regulating the financial market's contribution to the local capital and (b) the mechanism to mobilize the financial market's capital to the local funds has flaws. Gama added that there are up to 12 different approaches in activating market trust and mobilizing capital to the local market. Each city developed due to different circumstances, so a variety of strategies is essential to produce results. However, each approach shared common themes, including: (a) enabling government participation to encourage local investment, (b) analyzing the level of local and national tax revenue and focus on streamlining revenue sources that support long-term infrastructure investment goals, and (c) building a system that roots out the potential for corruption.

2) Collective Effort: The Importance of Empowering Actors to the Sustainable Goal

Franck Daphnis (Development Innovations Group) showed that managing the urban housing financial system and social dynamic takes a collective effort of the responsible stakeholders. While approaches such as microfinance, micro-mortgages, and metafinance produced results, it is essential to: (a) develop a legal and institutional framework for the local capital market (i.e., strengthening the Central Bank with the necessary regulations), (b) create and generate a cash flow by turning urban housing into an active asset, and (c) work collaboratively with public finance

and local and national governments.

3) International Development Institution Role in Emerging Cities' Development

According to Daphnis, stakeholders – from development organizations to government entities – must work together to ensure that they have the same level of information and understanding before starting a project. The panelists also highlighted the importance of supporting the multilateral banking system, as it does not compete with the local capital market. At the same time, international development organizations provide financial and technical assistance to local and national governments.

Underpinning Sustainable Development: Infrastructure's Role in the SDGs

Speakers: **Steve Crosskey**, Head of Strategic Initiatives, UNOPS Infrastructure and Project Management Group
Larry Hannah, Former Principal Economist, World Bank
Eduardo Rojas, Independent Advisor

Event Description: SID-Washington's Infrastructure & Urban Development Workgroup held a discussion regarding the importance of infrastructure on the Sustainable Development Goals (SDGs). Recently, the United Nations Office of Project Services (UNOPS) published a report on how infrastructure supports the Sustainable Development Goals. It highlights the need to understand infrastructure as an integrated system of systems – the interdependencies across sectors requires us to break down the 'silo mentality' in infrastructure development. According to the report, infrastructure supports between 70 and 80% of the SDG targets. This event explored these themes, and asked how efficient infrastructure policy and disciplined investment decisions can help attain the

Key Takeaways

1) The Future of Infrastructure

Steve Crosskey (UNOPS Infrastructure and Project Management Group) opened the discussion by explaining what UNOPS does and where they operate around the world. His viewpoint for infrastructure was that it enables and protects development. He gave the example of natural disasters that occur in a developing region: if the infrastructure fails, the impact of the natural disaster is more harmful, leading to setbacks in the physical development of the region. Moving on from infrastructure, Crosskey discussed the challenges to global development, which include population growth, rapid urbanization, and climate change. These challenges are related to infrastructure and need to be addressed immediately. Crosskey cited the Global Infrastructure Hub's prediction that \$97 trillion will need to be spent on infrastructure by 2040.

2) The Report and Methodology

UNOPS collaborated with Oxford University's Infrastructure Transition Research Consortium to develop a report on the SDGs. The goal was how to frame infrastructure's role across the SDGs. The research aimed to define how the global community talks about infrastructure and how it is used. The researchers used SDG targets instead of the goals or indicators of infrastructure. They divided infrastructure into two types – network infrastructure (i.e. water lines, electricity, sewage) and non-networked infrastructure (i.e. schools and hospitals) – to see which type affects the targets. The findings were that 92% of targets are influenced by infrastructure in some way. Mr. Crosskey also pointed out was that most of the targets are influenced by more than one type of infrastructure, confirming the importance of infrastructure to the SDGs.

3) Interconnectedness of Infrastructure

Larry Hannah (World Bank) highlighted three points he found from the UNOPS report and his work with organizations like the World Bank.

- a. Crisis of sustainability: In Ghana, fisheries are nearing its collapse due to overfishing. The interconnectedness or complexity of infrastructure: All problems are complicated, meaning the solutions will be as well. Mr. Hannah referred to a diagram that mapped the targets and their related infrastructures in Mr. Crosskey's presentation to show how complex everything is. The complexity also lies in the implementation.
- b. An approach to deal with this complexity is to think of the solution in terms of costs and benefits: The main reason why some infrastructure systems do not make sense is because the builders were thinking about the costs rather than the benefits. The primary example Mr. Hannah gave was the Washington Dulles International Airport. The airport, located in Virginia, is nowhere near a stop on the DC Metro system. Travelers expecting to arrive at the airport have to take a shuttle to actually reach the airport. The complexity of trying to get to the airport by the DC Metro is the result of the builders not wanting to pay the money to build a station next to the airport. If they had thought about the benefits rather than the costs, it would not be so complex for travelers to arrive at the airport by using the DC Metro.
- c. "The internet of things": What Mr. Hannah used to identify as combining technology sensors with inexpensively collected data in large quantities is now referred to as big data. The truth is that people only use one percent of big data; however, if they were to process more than the one percent, then development and infrastructure planners could predict problems before they occur. The one percent of data that is used does not inform people about money distribution or the equity implication. Thinking of infrastructure from a policymaker's point of view, it is hard to make infrastructure policy if the policymakers do not understand the key role that infrastructure can play in the development of their

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the one percent, then development and infrastructure planners could predict problems before they occur. The one percent of data that is used does not inform people about money distribution or the equity implication. Thinking of infrastructure from a policymaker's point of view, it is hard to make infrastructure policy if the policymakers do not understand the key role that infrastructure can play in the development of their constituents' lives. Policymakers having more of that data would cause them to create more policy for infrastructure and improve the lives of their constituents solutions for the problem, but the political reforms are behind.

4) The Governance Factor

Eduardo Rojas (Independent Advisor) focused on the issue of governance and how governments are, or in some cases are not, focusing on the long-term. His examples showed that the issues of the most dramatic questions are expressed at the local level even though infrastructure is decided at the national level. Rojas believed this gap needs to be addressed. The governance issue also became a question of how to think about the long-term perspective. Rojas said the answer is to look at countries that have successfully used the long-term perspective. When looking for the common element in those countries, it is usually having an infrastructure planner that is thinking long-term and creates a plan which predicts potential problems or future ways to expand a project.





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