

# Global Infrastructure Hub

## Strategic Plan 2019 - 2022

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## 1. Executive Summary

This Strategic Plan ('the Plan') sets out the direction for the Global Infrastructure Hub (GI Hub) for the next four years, from 2019 through to 2022\*.

The Plan is informed by the activities of the GI Hub since it was initiated by G20 Leaders in November 2014, especially the period since late 2015 when the GI Hub began active operations.

The Plan is based on the proposition that the GI Hub will continue to work towards supporting the G20's objectives of increasing the quality and quantity of infrastructure globally, working collaboratively with governments (in both G20 and non-G20 countries), the private sector, Multilateral Development Banks (MDBs) International Organisations (IOs), and other stakeholders.

Given the 'lessons learned' since our launch (the key aspects of which are set out in [Appendix A](#)), we now have a much clearer sense of how the GI Hub can support this ambition.

Our work since 2015 has shown us that there are specific areas where we can best leverage our partnerships, our connection with the G20, and our staff expertise and resources, to drive change in an industry that is extremely resistant to rapid transformation. Those areas are:

- supporting the development and delivery of the G20's infrastructure agenda, which includes the creation of an infrastructure asset class, promotion of quality infrastructure and greater connectivity (see [Appendix B](#));
- addressing information asymmetries and promoting collaboration across the global infrastructure agenda; and,
- working with our public and private sector partners, the MDBs and relevant IOs, to help both G20 and non-G20 countries deal with frequently-encountered but challenging infrastructure delivery issues.

We develop and disseminate, with partners and in a timely and efficient manner, pragmatic knowledge products and tools for infrastructure markets. We focus on collaborating with governments, the private sector and our MDB and IO partners to promote the enabling environments that will allow the identification and development of infrastructure projects that are high-quality, resilient, sustainable and needed, in a rapidly-evolving world.

Against this background, we believe the three elements of our value proposition are as follows:

### **The GI Hub Value Proposition:**

- 1. We support the G20 in developing and implementing its global infrastructure agenda.**
- 2. We facilitate better understandings, between the public and private sectors, of their respective perspectives on infrastructure.**

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\* As discussed herein, the GI Hub proposes to have the Strategic Plan reviewed periodically by the G20, and revised, as necessary, with the approval of the GI Hub Board of Directors.

**3. We offer targeted and pragmatic assistance to countries to help them address their infrastructure challenges, working with our MDB and IO partners to leverage the best results.**

Our work will be guided by the following principles: transparency, unbiasedness concerning legal systems and cooperation with all relevant stakeholders, seeking to harvest synergies and to avoid redundancies.

## 2. Who the GI Hub Serves

The GI Hub sits at the intersection between the public and the private sectors. Together with partners, we provide advice to governments as to how they can harness the private sector, in appropriate circumstances, to help achieve their goals. To do this, we must continuously develop and maintain our market knowledge and be seen to add value by both governments and the private sector.

During the next four years, the GI Hub will continue to respond to the needs of the global infrastructure market (a summary of the key GI Hub initiatives launched to date, and those currently under development, is found in [Appendix C](#)).

Going forward, we propose to work particularly closely with the G20, and its Infrastructure Working Group (IWG), to deliver products and services that improve infrastructure markets in both G20 and non-G20 countries, and contribute to the creation of infrastructure as a recognised investment asset class globally.

Where the GI Hub can add value to existing work is in its ability to reflect the priorities of the G20 and to respond flexibly and rapidly to emerging issues and needs. In doing so, the GI Hub will closely monitor its activities to ensure that we recognise the distinctive attributes of the countries using our products – such as, for example, the need to take a dual approach in developing our tools, adapting them to both common law and civil law systems. In addition, we will ensure that we continue to operate in a complementary manner to the existing knowledge providers in the infrastructure space, especially the MDBs and the IOs.

### **Box 2.1: Collaborations on Risk Allocation**

One of the GI Hub's first knowledge products was the [PPP Risk Allocation](#) tool. In creating this tool, the GI Hub sought to complement existing work by the MDBs, notably the World Bank. From our research, it was clear that an annotated set of sample risk matrices, showing the successful allocation of risks between the public and private partners in public-private partnership (PPP) transactions, could form an important part of simplifying and commoditising PPPs. The World Bank already offered recommended contractual terms for such transactions, so the GI Hub looked to create a companion tool to guide countries through risk apportionment.

The tool has led to further collaborations between the GI Hub and the MDBs, primarily through regional workshops – providing opportunities for the MDBs to showcase their tools alongside the [PPP Risk Allocation](#) tool. The Inter-American Development Bank (IADB) signalled the value of this knowledge product by translating it into Spanish, and the China PPP Center arranged to translate it into Chinese, both of which have increased the reach of the tool into relevant markets.

### 3. The Role of the GI Hub

Despite the unprecedented level of private sector capital that is potentially available to finance infrastructure, the lack of properly prepared projects with appropriate funding (i.e. revenue sources) is inhibiting this financing from being mobilised. At the same time, fiscal constraints continue to restrain infrastructure investment in many countries. Additionally, the MDBs have recognised that their traditional sovereign lending model will not, by itself, close the global ‘infrastructure gap’.

Governments are alive to these problems, as are the MDBs that are increasingly focusing their efforts on the leveraging of private sector investments in infrastructure through the use of guarantees and similar instruments. Against this background, the GI Hub is working with our MDB and IO partners, looking for new and innovative solutions to address global infrastructure needs. The G20 also recognises this challenge, and has continued to stress the importance of developing policies and reforms to promote the delivery of infrastructure, thereby lifting growth and creating jobs.

With the establishment of the G20 IWG, the GI Hub can serve as a key instrument for advancing the G20’s infrastructure priorities, in regard to issues such as the establishment of infrastructure as an investment asset class; the need for greater standardisation; and the importance of a pipeline of high-quality infrastructure investments. These issues have already been identified as priorities at the outset of Argentina’s 2018 G20 Presidency.

The relationship between the G20 and the GI Hub is a critical one in terms of the ability of the GI Hub to meet its objectives, and as a means for the G20 and the IWG to deepen their engagement with the private sector. Discussions with key stakeholders highlight the importance that governments, the MDBs, IOs and the private sector place on this link.

The following characteristics allow the GI Hub to play an important role in the global infrastructure agenda:

- we are a global institution purely focussed on infrastructure development;
- we have strong links with the G20, through both the membership of our Board of Directors and our active participation with the IWG – this aligns our agenda with the G20, without precluding us from engaging with non-G20 countries;
- we also seek to have strong links with key private sector participants in the infrastructure space, including through our relationship with the B20;
- we seek to integrate our activities with, and complement the work of, the MDBs and IOs;
- we have a high-quality team with extensive experience in infrastructure across both developed and developing markets;

- we do not have commercial objectives, so are not competing with providers of finance, which enhances our ability to play a facilitating role in developing tools and disseminating knowledge; and
- we are a small organisation relative to other knowledge providers, but we have the advantage of being able to be agile and flexible in response to emerging issues.

## 4. Strategic Priorities

This Strategic Plan defines three priority areas to be pursued over the next four years.

1. *Support the development and delivery of the G20's infrastructure agenda* – enhancing the broader public and private sector infrastructure community's ability to implement the G20's infrastructure priorities.
2. *Addressing information asymmetries and promoting collaboration* – by providing clear guidance, data and tools to support transparent procurement and effective project implementation across the infrastructure project lifecycle, and facilitating knowledge sharing across entities and jurisdictions.
3. *Working with our public and private sector partners, including the MDBs and IOs, to identify knowledge and tools that will assist countries as they deal with frequently-encountered but challenging infrastructure delivery issues* – helping to address challenges that are faced in many jurisdictions.

The GI Hub can be successful in its collaborations by recognising and supporting the broad network of players who have long histories of promoting infrastructure development. It will continue to focus on adding value by collaborating with stakeholders, notably the MDBs, the Bilateral Development Financial Institutions (Bilateral DFIs) and other IOs. In this regard, GI Hub management is very aware of the risks of duplicating efforts and, indeed, is required to report and discuss the risk of duplication, and how it will be avoided, with the Board of Directors. In all of its activities, it looks to provide tools and resources that are additive, building on or drawing together existing products, knowledge or services.

Engaging with MDBs, Bilateral DFIs and IOs in a positive and collaborative manner has been, and will continue to be, the most effective way to address concerns regarding the potential duplication of efforts. The close working relationships which the GI Hub now has with a variety of MDBs (including the World Bank Group, the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the Asia Infrastructure Investment Bank (AIIB), and the European Investment Bank (EIB)); Bilateral DFIs (such as the UK's Department for International Development); and IOs (including the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the World Economic Forum (WEF), the United Nations Economic Commission for Europe (UNECE) and the Financial Stability Board (FSB)), are exemplars of these mutually beneficial collaborations. We will continue to work closely with these entities, as well as seek to establish other strategic partnerships where appropriate.

However, the GI Hub recognises the need to do even more. We have not yet achieved the same level of close collaboration with the Asian Development Bank (ADB), the African Development Bank (AfDB), the Islamic Development Bank (IsDB) and the New Development Bank (NDB). The GI Hub is committed to finding opportunities to do this and to forge ever closer relationships.



Going forward, the GI Hub would welcome the opportunity to explore with MDBs, Bilateral DFIs and IOs the establishment of a more comprehensive framework for our future collaborations, moving beyond the individual Memoranda of Understanding that we currently have with many of these organisations. The objective would be to establish deeper relationships, and more fully exploit synergies that can maximise the impact of our respective efforts to develop better infrastructure markets.

**Box 4.1: Pulling Together Knowledge Resources: the [InfraCompass](#) Report**

The GI Hub's [InfraCompass](#) report provides practical information for 50 individual countries as to their ability to attract private investments in infrastructure. However, this tool was only able to be created by drawing on data from a number of existing sources, including the WEF, the OECD and the World Bank. Therefore, when the World Bank approached us to support the next iteration of the World Bank's PPP Benchmarking Study – which is an important data source for [InfraCompass](#) – we were pleased to do so. That collaboration has broadened into a technical and financial partnership, ultimately strengthening and securing the underlying data of both products.

Furthermore, discussions with the World Bank Group's International Finance Corporation (IFC) have led to the GI Hub agreeing to collaborate on deepening and broadening the next version of the [InfraCompass](#) report. The IFC vision involves including more African countries in the tool (a present weakness) and making it more investor-friendly, utilising aggregated data from the MDB's Global Emerging Markets (GEMs) Risk Database. The GI Hub is now starting the process of collecting data for the G20's Compact with Africa countries, whilst the IFC is investigating what might be created using the GEMs data set.

## 5. Delivering on the Priorities

The research and tools that the GI Hub has produced to date have formed the basis for how we organise to deliver against our refreshed mandate. That work helps us define those countries that we are best-positioned to help, and also identify those more systemic issues where we can help bring clarity to move the market forward.

We will divide our activities into the following work streams, to reflect the Strategic Priorities identified above and the alignment with the G20 agenda:

- Data and Knowledge Development
- Development of Standardised Approaches
- Risk Mitigation and Credit Enhancements
- Focused Country Engagements
- Knowledge Networking

Key Performance Indicators (KPIs) and other tools for monitoring the achievement of the objectives within each of these five categories will be detailed, and reported upon, in the GI Hub's annual Business Plans, which will set out the specific activities and action plans of the GI Hub for each Financial Year.

### **Box 5.1: Partner Inputs for GI Hub Products**

The GI Hub would like to thank those individuals from the MDBs, IOs and other partners who have given their time to sit on the steering committees guiding the creation of GI Hub products, or in selecting consultants to work on new content. Some examples include:

- the work done by the EBRD to assist with the design of the Hub's [Global Infrastructure Projects Pipeline](#), and the 2017 Memorandum of Understanding signed with the European Commission's European Investment Project Pipeline (EIPP);
- the active participation of the World Bank, the EBRD, the IADB and the ADB on the [InfraCompass](#) Steering Committee; and
- the assistance provided by the IADB, the IMF and others in the preparation of the [Global Infrastructure Outlook](#) report.

Without this input, the GI Hub would be unable to access the levels of expertise and experience needed to help guide our activities.

Our Business Plans will also set out new practices and policies in respect of communications and stakeholder relations, to ensure that all of the GI Hub's stakeholders understand both our specific

product offerings and, equally importantly, the overall role of the GI Hub in the infrastructure marketplace. Emphasis will be placed on developing and maintaining strong relationships with our partners, and ensuring we provide value-added services.

The following specific activities and major initiatives have been identified, grouped under the five work streams listed above.

### ***Data and Knowledge Development***

Despite the efforts of many organisations and governments so far, infrastructure remains an industry that is short on quality data. Without a rigorous fact-base to build from, there is a danger that even the insufficient monies being spent on infrastructure will not be spent efficiently and effectively. The GI Hub has sought to help address data gaps by creating reports that help to bring clarity to the challenge faced by countries, supported by a suite of tools to address specific issues at discrete stages of the infrastructure project lifecycle.

The datasets and tools that we have launched to date have been well-received by both the public and private sectors, have benefited from collaboration with the MDBs and IOs, and have helped to move towards more standardised approaches to private sector investments in infrastructure. The next step is to institutionalise these tools and datasets, building teams that can maintain them over time, tracking progress across countries.

We have a number of major new product launches already in the planning stage, which will work alongside our, and our partners', existing products, to help bring consistency and clarity across the infrastructure value chain.

Major initiatives under the GI Hub's Data and Knowledge Development work stream will include:

- continuing to respond to government and private sector requirements for pragmatic tools and knowledge products;
- using [InfraCompass](#) and the [Global Infrastructure Outlook](#) to target specific products for regions or countries, and to help form alliances between countries, facilitating knowledge-sharing between them;
- promoting the broader take-up of the GI Hub [Global Project Pipeline](#) through a program of greater integration with national and other pipeline databases, with the support of the G20;
- working on a potential new *Infrastructure Data Initiative*, in collaboration with the EIB, other MDBs, the OECD, other IOs and long-term lender organisations, to establish a freely-available source of reliable performance data on infrastructure as an investment asset class, allowing evidence-based decision-making by infrastructure investors and by financial regulators;

- providing an up-to-date analysis, on a global scale, of the relative advantages of infrastructure procurement approaches involving public and private finance; and
- creating market-leading knowledge on future-proofing infrastructure, with particular emphasis on flexible contractual provisions and financing structures.

As indicated, one of these potential products could be a new *Infrastructure Data Initiative*, with the objective of creating a consolidated database on historical long-term data on infrastructure at an asset level. The aim is for a collective effort to map and mobilise existing information held by the MDBs, other development finance organisations, institutional and other private sector investors and governments, to establish a new infrastructure asset database, with project-level long-term performance data.

The database would be designed to address the needs of three types of users:

- investors: the initiative will provide prospective investors, particularly institutional investors (such as pension funds), with information that will enable them to assess infrastructure investment opportunities more easily and accurately;
- financial regulators: the initiative will provide more accurate information on the risks and returns of infrastructure investments, allowing regulators to make appropriate adjustments to the restrictions currently placed on commercial and institutional lenders in regard to infrastructure investments; and
- governments/infrastructure policymakers: the initiative will mean that governments are better informed on the risk/return appetite of investors, enabling the establishment of effective policies to incentivise greater private investment in infrastructure.

The EIB, the OECD and the Long-Term Institutional Investors Association (LTIIA) asked the GI Hub to help to implement the proposed database, and discussions are now underway with other MDBs and IOs on the initiative's scope and governance, including a discussion of confidentiality issues and cost implications. If a way forward can be agreed, the initiative has the potential to expand significantly the pool of infrastructure investors, and to help achieve the recognition of infrastructure as an established investment asset class.

### ***Development of Standardised Approaches***

G20 members have clearly highlighted the need for greater 'commoditisation' of infrastructure investments for primary investment and later tradability in secondary markets. Formulation of recommended approaches would assist in developing common documentation and instruments – such as standardised securities – that can be widely used.

The GI Hub does not intend to become a 'standard-setting body'. Instead, the plan will be to help develop common approaches which are of assistance to both G20 and non-G20 countries. The GI Hub's efforts to date in this regard have included the development of recommended risk allocation arrangements for public-private partnership (PPP) transactions, i.e. the [PPP Risk Allocation](#) tool,

developed to work alongside the World Bank's Guidance on PPP Contractual Provisions. As noted above, this is an example of the benefits of working in a cooperative framework with MDBs and IOs.

The GI Hub will continue to develop and disseminate resource materials for countries that wish to follow common approaches that have proven to be successful. In addition, the GI Hub will continuously enhance its existing products — for example, by expanding the range of the current [PPP Risk Allocation](#) tool, so as to include 'social infrastructure' projects, such as schooling, housing and hospital projects. In this regard, the GI Hub will ensure that its products are equally adapted to both common law and civil law systems, and will systematically seek to achieve a balance of source materials from each legal system.

Going forward, the GI Hub would also welcome the opportunity to discuss, with MDBs, IOs and other concerned stakeholders, the creation of 'system-wide' approaches in areas such as project preparation, which the G20 has identified as being of high priority. The GI Hub will take cognizance of existing entities and resources in this area, including the various Project Preparation Facilities (PPFs) and the SOURCE project preparation tool, considering all opportunities for cooperation.

### ***Risk Mitigation and Credit Enhancement***

Private investors desire effective, transparent, and consistent risk mitigation facilities to increase investment. There are a number of existing arrangements for the mitigation of risks in privately-financed infrastructure projects, but they are currently fragmented, and lack consistency and general application. We need replicable tools and better standards for assessing risk levels, and less fragmented and incomplete arrangements for delivering required risk guarantees.

More consistency – in risk assessment, documentation and investment instruments – is a pre-condition for developing such conforming tradable securities. The GI Hub will work with countries, the private sector, MDBs and IOs, to identify and promote the use of leading practices in respect of risk allocation arrangements, guarantees and government support mechanisms for infrastructure projects. The GI Hub would also be interested in exploring, with the MDBs and Bilateral DFIs, the establishment of a 'Global Platform' for credit enhancements, as has been discussed by the G20 IWG.

### ***Focused Country Engagements***

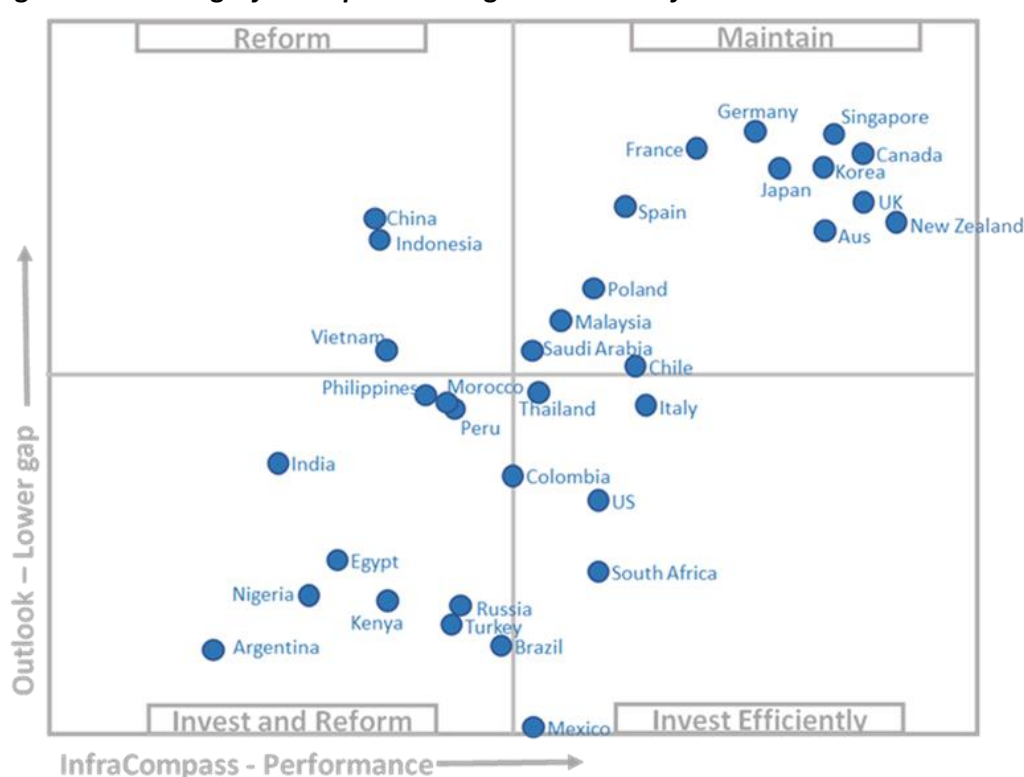
Although the GI Hub has been quite successful, in the short time since we were established, in developing tools and products that have been well-received by our stakeholders, we have only had sporadic interactions to date with countries that want to use those tools and products. Many governments are keen to use our procurement and project implementation tools and also feel that hands-on learning – i.e. 'building capacity through doing' – is the best approach.

This country-level work was always envisaged as an important activity for the GI Hub by the G20. To date, we have worked closely with, among others, Canada, China, Indonesia, Korea, Mexico and

Peru, in response to requests for assistance on specific topics. A number of these engagements have been done in collaboration with an MDB or IO. Going forward, we will be proactive in seeking out such collaborations that will allow the GI Hub to support MDB and IO initiatives while leveraging the GI Hub’s own capabilities. We will use our [InfraCompass](#) and [Global Infrastructure Outlook](#) tools to help focus our activities, building an understanding of where the shortfalls in investment are most likely to occur, and the policy changes that are likely to reverse those shortfalls.

The following graph shows the strong and revealing correlation between the data in the two tools.

**Figure 5.1: Plotting *InfraCompass* Data against *Global Infrastructure Outlook* Data**



As can be seen, countries can be grouped into four main categories:

- “Maintain” (i.e. countries that have well-developed enabling environments and a strong recent history of infrastructure investment, which they would wish to maintain);
- “Reform” (i.e. countries where the enabling environments are not fully developed, but where there has been a strong recent history of infrastructure investment, such that the primary focus should now be on enabling environment reforms);
- “Invest Efficiently” (i.e. countries that have well-developed enabling environments but do not have a strong history of infrastructure investment, such that the primary focus should now be on increasing the level of investment); and
- “Invest and Reform” (i.e. countries where the enabling environments are not fully developed, and where sufficient investment have not been made, such that there is a requirement for both new investment and enabling environment reforms).

The GI Hub will use this macro picture to provide guidance as to where and how we should focus our efforts.

On this basis, the GI Hub will undertake future country engagements if all five of the following tests are met:

- the partner country is fully committed to working with the GI Hub;
- the GI Hub's engagement is part of a collaborative program with a development partner, MDB, IO or another stakeholder;
- the proposed engagement addresses specific needs of the country, as revealed by the [InfraCompass](#) and [Global Infrastructure Outlook](#) tools;
- the work provides an opportunity to address a multi-jurisdictional problem (i.e. an issue faced by a number of countries); and
- the proposed work avoids duplication of existing efforts.

Major initiatives that will deliver on this strategic priority will be developed following consultations with our partners.

#### **Box 5.2: The Proposed Africa Intern Program**

The GI Hub has been asked by a number of leading private sector investors to work closely with the UNECE and the WEF to create a programme of capacity-building for infrastructure officials in African countries. The *Africa Intern Program* (AIP) will provide government officials with experience working in private sector infrastructure companies, and tailored education provided by selected institutions. Initially, the principal focus will be on countries participating in the G20's Compact with Africa initiative.

The education element is expected to include training and assessment through the MDBs' PPP Certification Examination and also through collaborations with partner universities. Universities working both in English and in French would be engaged to provide relevant skill-acquisition programmes.

Upon returning to their ministries, AIP graduates would then be assigned a mentor with whom they could discuss the day-to-day issues they face. This level of connection created through shared experience would be facilitated through a secure communication network, allowing them to continue to learn from their peers.

### **Knowledge Networking**

Organising knowledge network events, where our stakeholders can come together to interact, will be a key mechanism for delivering on our priorities. We will run, by ourselves and in collaboration with our partners, a programme of events that take innovative thinking out to a broader market – and in these events we want to challenge the orthodox ‘sit-and-be-talked-to’ approach, bringing in technology to make the events truly interactive and participatory.

Events will fall into three broad categories:

- firstly, web-based interactive events based around our core web products – a joint GI Hub and International Project Finance Association (IPFA) webinar attracted 500 practitioners who wanted to have a deeper understanding of the GI Hub’s [PPP Risk Allocation](#) tool; and
- secondly, workshops where practitioners can meet to discuss specific issues and create solutions; and
- thirdly, conferences where public/private or public-only audiences can meet to discuss systemic issues.

#### **Box 5.3: Sharing Platforms**

Over the last two years, through direct participation, financial contributions and facilitating speaker and guest attendances, we have supported conferences organised by the EBRD, the IADB, the World Bank, the OECD, the AIIB, the WEF and the FSB.

Where the GI Hub has organised its own conferences, we have and will continue to invite our colleagues and partners to showcase their products and initiatives, as was the case with the 2017 GI Hub Conference in Mexico City.

Major initiatives under this work stream include:

- designing and delivering events that create stronger partnerships between the public and private sectors – the relationship between the private sector and public sector in delivering public infrastructure is crucial, but this relationship is often transactional at best and hostile at worst; and
- organising events, independently and in conjunction with the MDBs and IOs, to provide our stakeholders and partners with opportunities to engage with a diverse cross-section of government representatives and private sector experts, allowing them to share perspectives and discuss their respective priorities.



## 6. Governance, Management, and Operational Arrangements

To position itself to deliver on these strategic objectives, the GI Hub will re-examine its governance and management arrangements.

In regard to governance, the Board of Directors currently consists of a number of representatives of the finance ministries of G20 members and some – but not all – of the donor countries. There are also two Independent Directors. The Board has determined that, should the G20 decide to renew the mandate of the GI Hub, there will be an in-depth review of the existing governance arrangements. In conducting this review, the Board and management will consult extensively during 2018 with the GI Hub's various stakeholders, including G20 and non-G20 countries, MDBs, IOs, private sector representatives and other concerned parties.

In regard to management issues, with an updated mandate and strategy, some elements of our organisation will need to be recalibrated, to ensure we can deliver on our objectives. We are refreshing our executive team, and will invest in strong policies that support staff, including a suite of initiatives to build staff engagement, performance and collaboration. We will undertake a review and implement achievable strategies to increase diversity amongst the staff at all levels, ensuring we are 'fit for purpose' and that we continue to have a high-performing team, with a balance of individuals possessing public and private sector experience. We will also review and redesign our business plan, budget setting and risk management frameworks, to be clearer and more comprehensive, and ensure KPIs are aligned. We will remain a dynamic and agile organisation that has the ability to respond quickly where we can be most useful, maintaining our ability to deliver and disseminate innovative and useful products on an accelerated basis.

The GI Hub will also improve the transparency of our operations. At present, all of our operations are open source and free at the point of use, and our accounts are public documents and freely available. However, the GI Hub is keen to go further, and we will make recommendations to the Board that key documents, such as our Constitution, Strategic Plan, work programs and Annual Reports (including the financial data therein), be made available through our website.

As indicated above in Section 2 of this document, the GI Hub is committed to aligning itself with the infrastructure priorities of the G20, as developed by the G20's Infrastructure Working Group. To that end, the GI Hub proposes to report to the IWG, on a quarterly basis, on both:

- its existing products and initiatives, including dissemination efforts, feedback received, impact analysis and suggestions for enhancements; and
- proposed new products and initiatives, including outlines of the substance of the proposed work.

In addition, we will commit to having this Strategic Plan reviewed periodically by the IWG, with the first such review taking place in 2020.

We will also continue to develop our communications strategy, to underpin the delivery of our strategic priorities. This includes both traditional and social media, refreshed public-facing branding, and new communication products.

The work undertaken to date by the GI Hub has helped address, and overcome, some initial resistance to our formation. We have also built productive relationships with governments, the private sector, MDBs, Bilateral DFIs and IOs, and will work to make these even stronger.

Looking forward, the challenge for the GI Hub is to pivot more towards deeper engagements with governments, the private sector, the MDBs, IOs and other stakeholders. This is a huge task, and the GI Hub will focus its efforts selectively and collaboratively, by leveraging the tools and relationships we have established. In this respect, the GI Hub will ensure continuity in that all its products can be used on an ongoing basis into the future.

## Appendix A: ‘Lessons Learned’ During the GI Hub’s Initial Mandate

Our ‘key learnings’ to date are:

- Our stakeholders recognise a core role of the GI Hub in keeping infrastructure on the agenda at the G20, ensuring that governments are aware of the scale of the challenge, and the approaches that need to be taken to address it. Having the backing of the G20 is also crucial to our ability to collect, disseminate and apply best practise lessons.
- The extensive research pieces we have launched have added well-regarded new resources in what is a data poor area. We can build on this by continuing to invest in new research, as well as updating our tools. We can also add value by working with the MDBs, IOs and various research organisations to promote our collective goal of providing rigorously developed and disseminated infrastructure-related data.
- Where we have the opportunity to have the greatest impact is in emerging market countries at a specific stage of development, namely those countries that have already seen some involvement of the private sector in their infrastructure markets but who are struggling to standardise, broaden and deepen that involvement.
- As we have been focused on building our working relationships with governments, MDBs and IOs over the last 30 months, we recognise that we have fallen short in engaging with the private sector. We will rectify this through three steps:
  - firstly, management will establish a private sector advisory body, consisting of a senior group of private sector individuals, to help guide the GI Hub’s activities, on a transparent and unbiased basis;
  - secondly, we will request guidance from active investors as to the countries with which we should focus our engagements; and
  - thirdly, we will increase our efforts to involve the private sector even more actively in our events programme.
- Where we have held events, they have been well-attended and well-received, and we need to do more of this to reach a broad range of stakeholders – but we need to focus on issues that are not being adequately addressed, and deliver events that stand apart from the conferences that flood this market.
- Feedback from our key stakeholders has recognised the benefits of having the GI Hub located in Australia, a country that has an innovative and advanced infrastructure market. Sydney has also proven to be a strong base from which to operate in Asia. However, operating efficiently in Latin America, Europe and Africa is difficult, as is achieving the levels of diversity the organisation should exhibit. Subject to the approval of the GI Hub Board of Directors, management will explore cost-efficient solutions to address these challenges.
- We have an extensive and complex network of stakeholders and clients, and we recognise that our communications with these stakeholders will need to expand and deepen as the GI Hub matures.

- If the GI Hub is to be effective in supporting reform of a market that is as resistant to change as the infrastructure marketplace is, it will need a refreshed governance structure, including an engaged Board of Directors that understands the challenges faced, and supports an appropriate level of highly innovative initiatives.
- The global infrastructure market has evolved in the years since the G20 created the GI Hub in 2014. Private sector developers are now searching harder for projects, with good projects that have strong funding flows being financed at very attractive rates. However, the trend line – in terms of the number and the total value of private sector infrastructure projects – has moved in a negative direction since 2014, particularly in developing countries. The market now needs help in areas such as:
  - the mobilisation of the large pools of private sector money that are available, by facilitating a better understanding of infrastructure assets on the part of institutional investors and by catalysing investments using infrastructure banks and other innovative government programmes;
  - the upskilling of government officials to develop pipelines of market-ready projects; and
  - dealing with new issues that are attracting increasing public attention, such as infrastructure governance, the quality and sustainability of infrastructure services, the future-proofing of infrastructure assets, and issues of inclusiveness and social equity.

## Appendix B: The Priorities of the G20's Infrastructure Working Group

Following the initial meeting of the G20's re-established Infrastructure Working Group (IWG) in Buenos Aires on 5 December 2017, the IWG Co-Chairs circulated agreed Terms of Reference for the Group, identifying the following four work streams, designed to support the G20's overarching objective of establishing infrastructure as a recognised investment asset class.

### **1. Infrastructure Financing**

#### *1.1. Risk, standardisation and scalability to achieve asset class*

*In order to better catalyse private capital, it is important to consider the different stages of project development. Financing will often evolve over the life of the project as the risks change. As a greenfield infrastructure project manages its initial construction risk, then its patronage risk and ultimately its operational risk, so will the nature of its financing change. The G20 IWG could undertake further work on frameworks for innovative financing, especially in the areas of risk management and credit enhancements. The portability of loans, guarantees and financing structures through the project life cycles, as its risk profile changes, also needs further examination. Part of this work will consist of exploring the merits of standardisation and transparency of financing vehicles and documentation, which will reduce administrative costs and promote the commoditisation of the asset. This work stream will also foster collaboration with other relevant organisations that have an interest in evidenced based work, including the Financial Stability Board.*

*Jump-starting the market of infrastructure backed securities would involve identifying approaches to improve scale (within and across sectors and regions). Work could involve securitization of mature infrastructure projects in MDB portfolios. Moreover, some projects are just too small to attract large institutional investors. Pooling arrangements could address this and provide scale to the market.*

#### *1.2. MDBs' actions*

*Infrastructure financing from multilateral and national development banks is an important source of finance for many economies facing a significant infrastructure gap. The G20 will continue to work with these institutions to optimise their performance in the delivery of infrastructure in this area. While such financing can play an important catalytic role in crowding-in the private sector, it is not sufficient to meet the global infrastructure challenge. As such more attention needs to be given to the role MDB's have with mobilising private sector capital. The G20 IWG will examine what are the impediments for MDBs to mobilising private sector capital and suggest ways forward.*

### **2. Project Preparation Capabilities and Facilities**

*Project preparation consists of significant administrative costs and is often a barrier to new proposals. The G20 IWG will leverage MDBs' wealth of experience in this area and identify innovative approaches to project preparation facilities. As part of this work stream, the G20 IWG will examine models to build enduring project preparation capacity through arrangements that incentivise and reward host country engagement in projects.*

*The transferability of effective arrangements will be examined. This could include a greater understanding of national capabilities and the efficiency of public procurement.*

### **3. Addressing Data Gaps**

*Data is one of the keys to delivering private finance to infrastructure. Investors rely on quantitative data analysis before making investment decisions. Prudential regulators use data for their assessment of risk, as do many infrastructure asset regulators. The G20 IWG will draw on work that is underway on creating an infrastructure data repository that is trusted, open sourced and manages confidentiality, and will aid the development of benchmarks for asset performance. The first stage of this work is expected to be delivered during Argentina's G20 Presidency in 2018.*

### **4. Quality Infrastructure Investment**

*The quality infrastructure investment work stream is designed to promote activities that will maximise economic benefits, minimise infrastructure life-cycle costs and deliver sustainable, smarter and affordable infrastructure projects. For example, 'maintenance' is a key aspect of infrastructure that is sometimes missed and can cost more than the initial construction costs. This work stream will explore best practice approaches to planning, cost benefit analysis, and institutional settings, aiming to result in the highest priority quality infrastructure being delivered to the most needed regions.*

## Appendix C: GI Hub Initiatives to Date and Under Development

The GI Hub has been fully operational since late 2015. In that relatively short time, management and staff have focussed on laying the foundations for our ambitious work program, building strong and productive relationships with key stakeholders such as governments, MDBs and IOs, and delivering a range of knowledge tools to provide greater clarity to the global infrastructure market.

Over the last 18 months, the GI Hub has:

- created new data, tools and products, such as [InfraCompass](#) and the [Global Infrastructure Outlook](#), that provide credible and detailed information and advice to both the public and private sector;
- delivered research, such as the [Report on MDB Internal Incentives for Crowding-in Private Investment in Infrastructure](#), that supports the MDBs own efforts to drive behavioural and operational changes leading to better infrastructure outcomes;
- laid the foundations for a knowledge network across infrastructure markets to support and deliver leading practice initiatives and key reforms, such as the [PPP Risk Allocation](#) tool (which has now been translated into Chinese by China's PPP Center and into Spanish by the IADB);
- begun the process of establishing our position as a global organisation that is available to help countries with the capacity-building of officials dealing with current infrastructure issues; and,
- created and delivered a [Global Project Pipeline](#) which, although it was well-received by the private sector, has not yet attracted the desired level of engagement with governments – an issue which the GI Hub is currently addressing through a program of greater integration with national and other pipeline databases, along with other measures to make it easier for governments to take advantage of the showcasing of projects listed in the *Pipeline* database.

The following table sets out the GI Hub's progress to date in respect of the major products that have already been publicly released, along with the partnerships and collaborations that have contributed to the products.

**Table C.1 GI Hub Initiatives Launched to Date**

<b>2014 Mandate area</b>	<b>Project</b>	<b>Description</b>	<b>Release Date</b>
<b>Addressing Data Gaps</b>	<b>Global Infrastructure Outlook</b>	An online interactive platform showing infrastructure investment needs in 50 countries to assist governments and private sector in prioritising and planning future spending.	<b>Launched July 2017</b> <a href="http://outlook.gihub.org">(<a href="http://outlook.gihub.org">outlook.gihub.org</a>)</a>
<b>Addressing Data Gaps</b>	<b>GI Hub and EDHECinfra Global Investor Study</b>	A global study by GI Hub and EDHEC Infrastructure Institute, investigating investor expectations for infrastructure globally.	<b>Latest Release in November 2017</b> <a href="https://www.gihub.org/news/infrastructure-continues-to-attract-global-investors/">(<a href="https://www.gihub.org/news/infrastructure-continues-to-attract-global-investors/">https://www.gihub.org/news/infrastructure-continues-to-attract-global-investors/</a>)</a>
<b>Leading Practices</b>	<b>Allocating Risks in Public Private Partnerships</b>	A guide to typical risk allocation in infrastructure projects between public and private sector partners (which has now been translated into Spanish by the IADB and into Chinese by the China PPP Center). Going forward, the plan is to expand the range of the sample projects in the tool, so as to include 'social infrastructure' projects, such as schooling, housing and hospital projects.	<b>Launched August 2016</b> <a href="http://ppp-risk.gihub.org">(<a href="http://ppp-risk.gihub.org">ppp-risk.gihub.org</a>)</a>
<b>Leading Practices</b>	<b>Report on Multilateral Development Banks</b>	Advice to the G20 Finance and Central Bank Deputies on how the MDBs can 'crowd-in' private finance for public infrastructure.	<b>Released December 2016</b> <a href="https://www.gihub.org/news/g20-releases-gi-hub-report-on-multilateral-development-banks/">(<a href="https://www.gihub.org/news/g20-releases-gi-hub-report-on-multilateral-development-banks/">https://www.gihub.org/news/g20-releases-gi-hub-report-on-multilateral-development-banks/</a>)</a>
<b>Project Pipeline</b>	<b>Project Pipeline</b>	A free online platform with early stage data on government infrastructure projects to help the private sector.	<b>Launched December 2016</b> <a href="http://pipeline.gihub.org">(<a href="http://pipeline.gihub.org">pipeline.gihub.org</a>)</a>
<b>The Knowledge Network</b>	<b>InfraCompass</b>	An online interactive platform with data and analysis of 49 countries which pinpoints leading practices for planning, procurement and delivery of public infrastructure.	<b>Launched May 2017</b> <a href="http://infacompass.gihub.org">(<a href="http://infacompass.gihub.org">infacompass.gihub.org</a>)</a>



<b>Capacity Building</b>	<b>Regional PPP Seminar, Athens</b>	A two day conference jointly hosted by the EBRD, the World Bank and the GI Hub, focussed on mechanisms for increasing private investment in public infrastructure.	<b>March 2017</b> <a href="https://www.gihub.org/events/2017-ppp-seminar-athens/">(https://www.gihub.org/events/2017-ppp-seminar-athens/)</a>
<b>Capacity Building</b>	<b>2017 GI Hub Conference, Mexico City</b>	A 1½ day conference held in partnership with Mexico’s Ministry of Finance and Public Credit focussing on mobilising private investment to deliver public infrastructure projects (at which the World Bank was invited to present new knowledge products, including the PPP Selection tool which the Hub had supported during its development phase).	<b>May 2017</b> <a href="https://www.gihub.org/news/2017-global-infrastructure-hub-conference/">(https://www.gihub.org/news/2017-global-infrastructure-hub-conference/)</a>
<b>Capacity Building</b>	<b>Roundtable on Infrastructure Governance, Cape Town</b>	This landmark event gathered together representatives from 27 African governments, the global private sector, multilateral institutions, civil society organisations and other development partners. Hosted by the Development Bank of Southern Africa (DBSA), it was the first in a series of roundtables being delivered by the World Bank, OECD, the GI Hub and other partners, which aims to help countries move towards infrastructure planning and governance frameworks that facilitate inclusive and sustainable investment decisions.	<b>November 2017</b> <a href="https://www.gihub.org/news/africa-roundtable-summary/">(https://www.gihub.org/news/africa-roundtable-summary/)</a>

In addition to the initiatives that are already ‘live’, the GI Hub also has a range of additional projects underway that will continue to deliver against the original 2014 mandate areas, as shown below in Table C.2.

**Table C.2 GI Hub Initiatives under Preparation**

<b>2014 Mandate area</b>	<b>Project</b>	<b>Description</b>
<b>Data Gaps</b>	<b>Infrastructure Data Initiative</b>	This proposed initiative, undertaken in collaboration with the EIB, other MDBs, the OECD, other IOs and long-term lender organisations, seeks to create a consolidated database on historical long-term data on infrastructure at an asset level. The aim is for a collective effort to mobilise existing information held by the MDBs, other development finance organisations, institutional and other private sector investors and governments, to create

		a new infrastructure asset database, with project/asset-level long-term performance data, so as to facilitate the establishment of infrastructure as a recognised investment asset class.
<b>Leading Practices</b>	<b>Managing PPP Projects After Contract Signing</b>	Examination of 250+ projects globally to understand major issues arising post procurement and how they were handled. Findings will then be workshopped with the ultimate goal of developing and disseminating guidance on leading practices in the neglected area of PPP contract management, including renegotiations.
<b>Leading Practices</b>	<b>Inclusive Infrastructure and Social Equity</b>	Looking at inclusivity and social equity in the planning, design, and implementation of major infrastructure project, this work will create a practical tool for governments grappling with these issues in the context of large-scale infrastructure projects.
<b>Leading Practices</b>	<b>Showcase Projects</b>	Papers outlining key ingredients and success factors of leading infrastructure projects (such as the UK Thames Tideway Tunnel and the Turkish Elazig Hospital projects)
<b>The Knowledge Network</b>	<b>Connectivity Alliance</b>	Working with the World Bank, other MDBs and other members of the Connectivity Alliance to support improved design and delivery of infrastructure connectivity projects
<b>Building Capacity</b>	<b>Focused Country Engagements</b>	Responding to opportunities for wholesale improvement to infrastructure planning or programs in target countries.
<b>Data Gaps</b>	<b>Global Study Evaluating Traditional and PPP Procurement Approaches</b>	<p>A global study evaluating the time and cost performance of PPP and traditional public sector infrastructure projects.</p> <p>The key objectives of the study are to:</p> <ul style="list-style-type: none"> <li>• inform government decision making processes with respect to PPP and other infrastructure procurement methodology selection and</li> <li>• contribute best practice knowledge on performance trends with respect to procurement methods trends.</li> </ul>

These real-world tools and products will offer unique practical insights into the global infrastructure market and are relevant across the spectrum, from mature to emerging markets. Our research and tools point the way to truly scalable reforms and more effective infrastructure markets.