



Global  
Infrastructure  
Hub

# Global Infrastructure Hub Update

G20 Infrastructure Working Group, January 2019



A G20 INITIATIVE

# Introduction

Dear IWG members,

After a successful 2018, we start 2019 with great enthusiasm, ready to deliver on a number of products and initiatives outlined in our previous *GI Hub Update*.

Since the September 2018 IWG meeting, we have released the reference tool on *Governmental Processes Facilitating Project Preparation* and prepared an initial report for the reference tool on *Output Specifications for Quality Infrastructure*. Both of these are discussed in this edition of the GI Hub Update.

In addition, we are working with EDHEC Infrastructure Institute-Singapore to finalise the third iteration of the *Institutional Infrastructure Investor Survey*; the largest study of its kind involving C-level executives, investment directors and senior advisers in the infrastructure sector.

Work also continues on the *Guidance Note on Infrastructure Banks and Similar Financing Facilities*, the reference tool on *Inclusive Infrastructure and Social Equity*, and we are making steady progress with our *African Infrastructure Fellowship Program*.

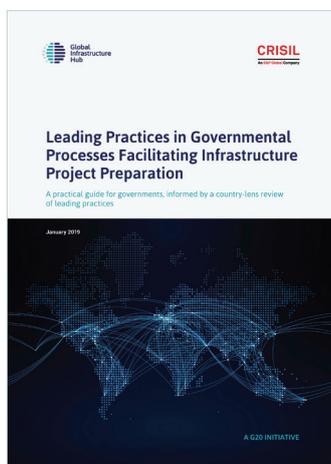
Looking further ahead, we intend to release our updated *PPP Risk Allocation Tool* – which is being jointly developed in conjunction with the World Bank's new version of its *Guidance on PPP Contractual Provisions*. We are also working with the UN Sustainable Development Solutions Network to build upon the forecasts already included in *Global Infrastructure Outlook* on the investment needed to meet the UN Sustainable Development Goals related to infrastructure.

The GI Hub has again set an ambitious and challenging agenda for the year ahead, closely linked to the priorities of the IWG. We look forward to working with our partners in 2019 to ensure that we can continue to deliver initiatives that will help countries build capacity, develop sound policy and governance frameworks, and facilitate greater investment to help provide the infrastructure their citizens need.

**The GI Hub Team**

*January 2019*

## Finalisation of the Leading Practices Tool on Governmental Processes Facilitating Infrastructure Project Preparation



The reference tool on *Governmental Processes Facilitating Infrastructure Project Preparation* closely examines the relationships between countries' institutional arrangements for project preparation, funding programs, project identification, feasibility studies and project structuring, through the lens of country-level governance and

implementation. This initiative closely aligns with the *G20 Principles for Project Preparation* endorsed by the G20 Leaders in November 2018.

The GI Hub and our consultant, CRISIL Limited, have now completed stakeholder interviews and finalised the reference tool.

Guidance is provided around eight central themes for country-lens analysis, including the existing enabling environment, public sector capacity for project preparation, project preparation financing, project identification, feasibility and structuring, and project approvals processes, with close attention being paid to the interfaces between the various entities involved throughout the project preparation process, and how these relationships have led to the development of quality infrastructure projects.

This tool, which is designed to be used by government policy-makers, captures leading practices and lessons learned in national and sub-national project preparation processes currently being implemented around the world, as demonstrated by 15 geographically and economically diverse country case studies. Countries covered in detail include the United Kingdom, Canada, Brazil, Indonesia, India, China, Australia, South Africa, and Mexico, amongst others.

The reference tool can be accessed at <http://gihub.org/project-preparation/>

## Initial Report on the Leading Practices Tool on Output Specifications for Quality Infrastructure

In November 2018, the GI Hub awarded the consultancy contract for the upcoming Leading Practices reference tool on *Output Specifications for Quality Infrastructure* to Mott MacDonald. This work has now commenced and will be closely aligned with the G20 discussions on the Quality Infrastructure Investment workstream; a priority area highlighted by Japan.

The objective of this Leading Practices initiative is to provide guidance for government PPP units and line ministries on the development of output specifications for quality

infrastructure in PPP projects, including representative examples of appropriate key performance indicators (KPIs), for projects in a variety of sectors. An initial report from the first phase provides further information and is available for discussion.

The final output will be a reference document, with guidance notes and a number of case studies of the specifications used in various sample PPP projects, that will be available on the GI Hub website in mid-2019.

## Progressing the Reference Tool on *Inclusive Infrastructure and Social Equity*

The GI Hub is now finalising a reference tool for governments interested in maximising socially inclusive outcomes and tackling inequality in the planning, design, and implementation of major infrastructure projects. Quality infrastructure that is inclusive can be an important enabler of equitable growth and job creation for disadvantaged groups.

The reference tool presents guidance on the principles and practices of maximising inclusive outcomes through a framework of six structured 'action areas', as well as eight detailed case studies on existing infrastructure projects that have tackled issues of inclusion in transport, energy, water and ICT projects in various countries. The reference tool will be published in Q1 2019.



## Development of the Leading Practices Guidance Note on *Infrastructure Banks and Similar Financing Facilities*

Work has been ongoing on the forthcoming *Guidance Note on Infrastructure Banks and Similar Financing Facilities*. Our consultant, Cambridge Economic Policy Associates (CEPA), has now submitted their final draft of the Guidance Note, which is designed for use by policy makers considering the establishment of a new infrastructure bank or the reform of an existing institution.

The Guidance Note will contain detailed case studies that explore lessons learned in setting up and operating national infrastructure banks in eleven countries, including Brazil, India, China, Indonesia, Japan, Germany, South Africa, and Canada.

Each case study also explores how that institution has incorporated aspects of green finance into its activities, with three case studies focusing specifically on green finance institutions.

The final version of the Guidance Note sets out recommendations for countries wishing to establish new infrastructure banks or reform existing institutions, based on an analysis of existing approaches of national infrastructure banks and similar facilities, supplemented by stakeholder interviews.

It will be finalised in the first quarter of 2019.

## Ongoing Dissemination and Feedback on the PPP Contract Management Tool

Following the launch of the *PPP Contract Management* tool in July 2018, dissemination of the product has continued, with the tool having been workshopped at a number of events, recently including:

- at a two-day workshop hosted by the GI Hub in Abuja, Nigeria, which was opened by Nigeria's Vice President in October 2018;
- at a workshop with Treasury and other government officials in Johannesburg, in South Africa, also in October; and
- at the Third Istanbul PPP Week conference in Turkey, hosted by the Istanbul PPP Centre of Excellence, the Turkish Ministry of Trade and the Turkish Foreign Economic Relations Board in November 2018.

The tool has been well received at all events, which were together attended by over 30 countries. The online version of the tool has been accessed in 134 countries.



Working with the China Public Private Partnerships Center (CPPPC), the tool is currently being translated into Chinese. The GI Hub is also seeking partnerships with other governments and organisations for translation into other languages.

## Engagement of Consultants for the Updated PPP Risk Allocation Tool

The GI Hub has engaged the international law firm of Allen & Overy to update and expand the content of the *PPP Risk Allocation Tool* to include new projects in the social infrastructure and economic infrastructure sectors.

The tool will also be expanded to address:

- feedback on the detail of the demand risk and foreign exchange risk sections;
- the impacts of underlying civil law codes on risk allocation arrangements; and
- additional clarifications, and evolutions in global PPP markets.

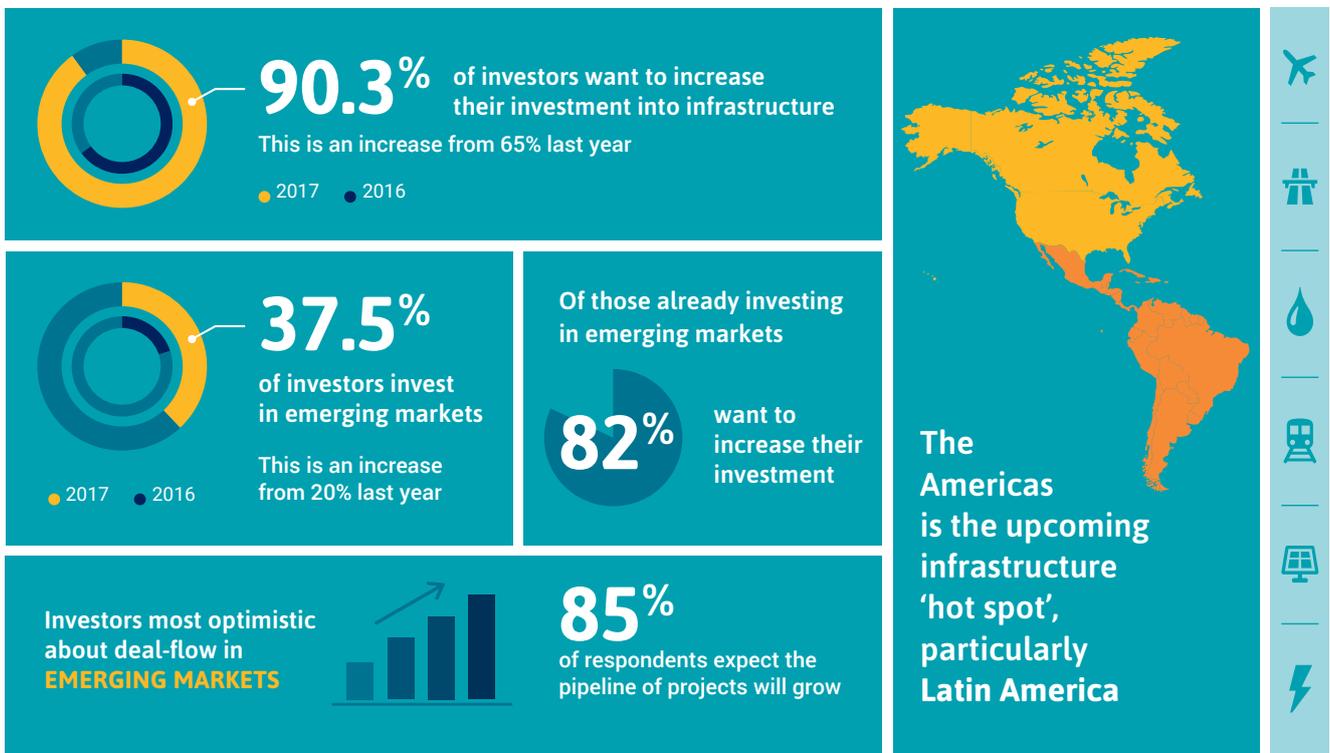
Further, the GI Hub is working closely with the World Bank to integrate the tool with the forthcoming new version of the World Bank's "Guidance on PPP Contractual Provisions".

Work is well underway on the updated draft of the *PPP Risk Allocation Tool*, with an early consultative workshop delivered at the Third Istanbul PPP Week conference in

Turkey; an event organised by the Istanbul PPP Center of Excellence, where over 20 governments were represented.

The updated draft of the tool is expected to be launched in February 2019. This will be followed by a three-month consultation period, to be undertaken in conjunction with the consultations on the World Bank's new "Guidance on PPP Contractual Provisions".

## The Third GI Hub / EDHEC Institutional Infrastructure Survey



Findings from the 2017 Infrastructure Investor Survey

In partnership with EDHEC Infrastructure Institute-Singapore, the GI Hub will be releasing the third iteration of its institutional infrastructure investor survey in March this year.

The survey will reveal not only private sector interest in developed markets, but also in emerging markets. We will also survey investors on the importance of social and environmental impact of investments.

The study is the largest of its kind involving C-level executives, investment directors and senior advisers in the infrastructure sector from around the world. It provides a 'deep-dive' analysis which reveals investor preferences and trends in infrastructure markets.

The 2017 survey can be found on the GI Hub's website: <https://www.gihub.org/resources/publications/edhec-annual-global-infrastructure-investor-survey-2017/>

## Countries and Projects Added to the Global Infrastructure Project Pipeline

The GI Hub continues to focus on country engagement and participating in key global events to promote the *Global Infrastructure Project Pipeline*.

In March 2019, the GI Hub will be partnering with Infrastructure Investor at the Global Infrastructure Summit that will take place in Berlin, Germany, and will be chairing the Global Projects Forum day.

As of the end of December 2018, there are 4,000 users and 50 countries have published infrastructure projects. In the last quarter of 2018, South Africa, Mauritania and Tunisia have joined the Project Pipeline.

Looking further ahead in 2019, the GI Hub will continue to engage and assist individual countries in developing their own pipelines.

## Selected Recent GI Hub Events and Presentations

- **6–7 September 2018, England:** International Conference on Infrastructure, Growth & Development
- **11–12 September 2018, the Netherlands:** 9th Annual World Energy and Infrastructure Summit
- **12–13 September 2018, Japan:** Ministry of Japan/OECD/World Bank – Seminar on Quality Infrastructure Investment
- **13–14 September 2018, Japan:** G20 IWG meeting
- **17–20 September 2018, South Korea:** Global Infrastructure Cooperation Conference (GICC)
- **9–10 October 2018, Zambia:** The Giant Awakens: Africa, Infrastructure & You
- **9–10 October 2018, South Africa:** 7th Annual Infrastructure Africa Business Forum
- **10–14 October 2018, Indonesia:** IMF/WB Annual Meetings and Meeting of the G20 Finance Ministers & Governors
- **16–17 October 2018, Nigeria:** GI Hub PPP Risk Allocation Workshop
- **16 October 2018, Singapore:** Global Infrastructure Facility (GIF) Advisory Council Meeting
- **5–7 November 2018, Turkey:** Third Istanbul PPP Week
- **5–7 November 2018, Canada:** Canada's National Conference on Public-Private Partnerships
- **14 November 2018, China:** Central Asia Investment Forum
- **15–16 November 2018, Paris:** G20/OECD Taskforce on Long-term Investment Workshop
- **15 November 2018, Hong Kong:** Infrastructure Investor Summit
- **22 November 2018, China:** 4th China Public Private Partnership Financing Forum

## Selected Upcoming GI Hub Events and Presentations

- **17 January 2019, Japan:** G20 Finance Deputies' meeting
- **29 January 2019, India:** Infra India GRI
- **30 January 2019, Singapore:** G20/OECD Taskforce on Long-term Investment Workshop
- **31 January–1 February 2019, Singapore:** G20 IWG meeting
- **11–12 February 2019, Australia:** Informa 18th Annual PPP Summit
- **21–22 February 2019, Kenya:** 1st East Africa PPP Conference
- **14 March 2019, Japan:** APEC Conference on Quality Infrastructure
- **18-20 March 2019, Germany:** Infrastructure Investor Global Summit

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