

# Global Infrastructure Hub Update

G20 Infrastructure Working Group, June 2018

A G20 INITIATIVE

# Introduction

Dear IWG members,

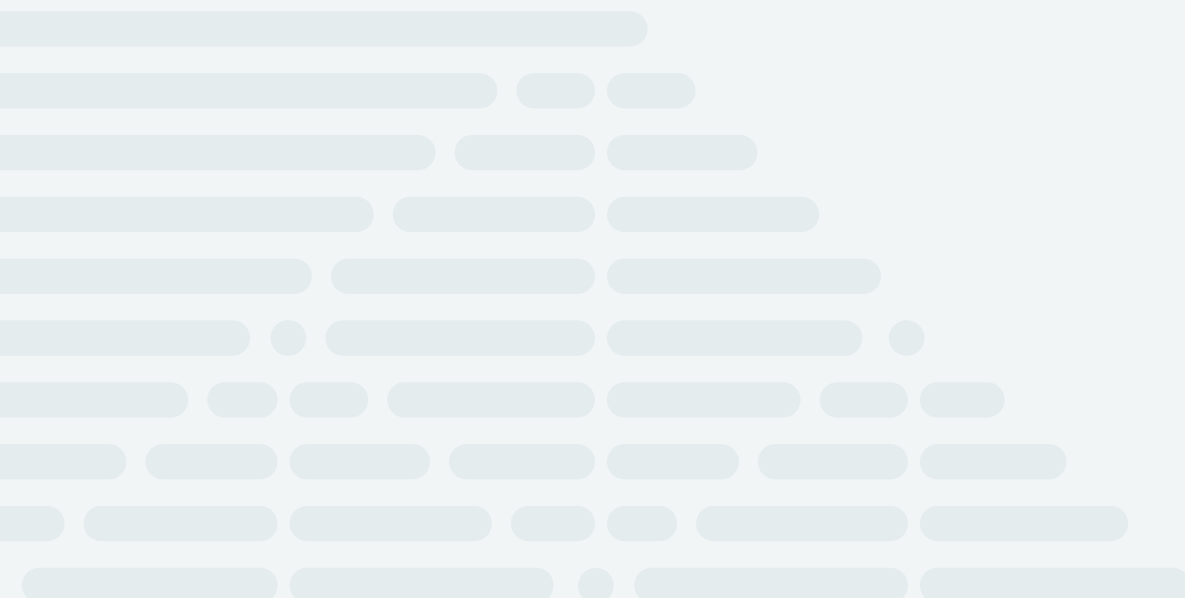
Welcome to the first edition in a series of updates that the GI Hub will provide in advance of each G20 Infrastructure Working Group (IWG) meeting. As committed to in the GI Hub's *Strategic Plan 2019-22*, and in response to requests made by members of the IWG, these updates will provide both a description of activities undertaken since the last IWG meeting and a preview of upcoming initiatives.

For each of the GI Hub products discussed in the update, we will identify the relationship between the product and the workstreams in the IWG Terms of Reference.

We hope that you will find these updates informative and, of course, we welcome any questions or feedback.

**The GI Hub Team**

*June 2018*





## Launch of the PPP Contract Management Tool

In June 2018, the GI Hub will be releasing its *PPP Contract Management Tool* to help governments with the often-neglected subject of managing PPPs during the construction and operation phases of the project, after the procurement processes have been completed.

It will provide evidence-based guidance on leading practices in the management of PPP contracts, dealing with frequently encountered issues such as requests for renegotiation and the handling of disputes.

The tool is informed by an analysis of 250 infrastructure projects globally and includes 25 case studies, selected to illustrate 'lessons learnt' by managers in line ministries handling a variety of projects in different sectors and jurisdictions.

This new product, which links to the IWG's 'Quality Infrastructure' workstream, will be available from 4 June as an interactive tool on the GI Hub's website, as shown below.

Visit [managingppp.gihub.org](http://managingppp.gihub.org)

The screenshot displays the homepage of the PPP Contract Management Tool. At the top, there is a navigation bar with the logo on the left and links for 'Report', 'Case Studies', 'Data', and 'Q&A' on the right. The main header area features a large image of a bridge at night with the text 'A G20 INITIATIVE' and 'PPP Contract Management' in large white letters. Below this, a subtitle reads: 'The PPP Contract Management Tool provides practical guidance on successful contract management post financial close, using case studies to provide real-life examples.' A prominent teal button labeled 'Download Whole Document' is centered below the subtitle. The bottom section consists of three teal-colored boxes, each with a white icon and a label: 'PPP Contract Management Report' (document icon), 'Case Studies' (document with list icon), and 'Data' (bar chart icon).

## InfraCompass and Outlook update to include Compact with Africa countries

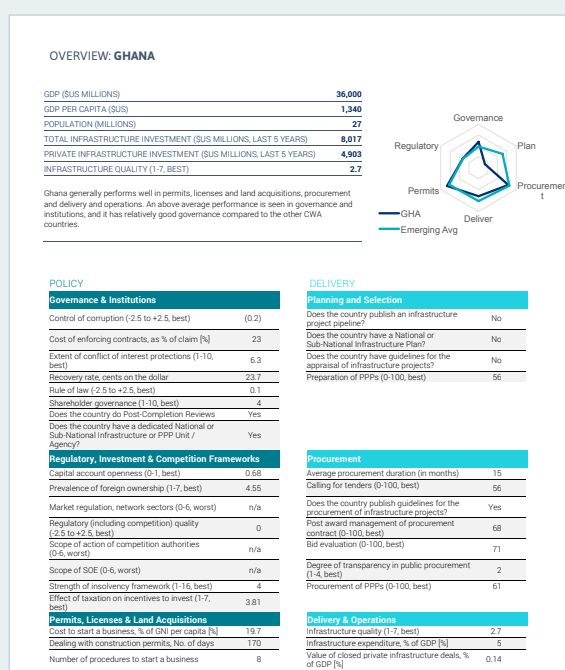
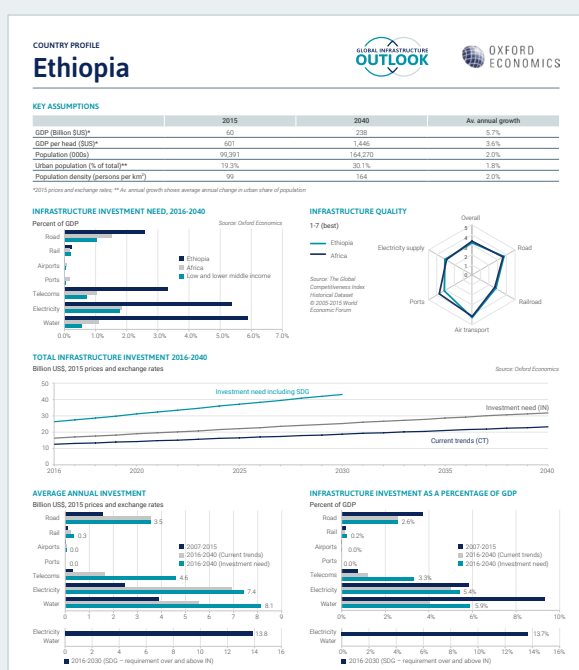
In support of the G20's Compact with Africa (CWA) initiative, the GI Hub has updated both *InfraCompass* and *Infrastructure Outlook* to cover CWA countries.

The new versions of these two flagship reports, which relate to the IWG's 'Project Preparation Capabilities

and Facilities' workstream, are now available on the GI Hub website.

Shown below are extracts from the new *InfraCompass* page on Ghana, and the new *Outlook* page on Ethiopia.

Visit [outlook.gihub.org](http://outlook.gihub.org)



## The African Infrastructure Fellowship Program

At the World Bank/IMF Spring Meetings in April, the GI Hub, the World Economic Forum (WEF) and Meridiam Investments announced a partnership to deliver a major capacity building initiative, the African Infrastructure Fellowship Program (AIFP).

Supported by the Government of France and several MDBs, the AIFP initiative is focussed on delivering a combined internship and training program that will help facilitate better infrastructure procurement across Africa.

Aligned with the IWG's 'Project Preparation Capabilities and Facilities' workstream, it's envisioned that the AIFP will help establish a new community of infrastructure practitioners across Africa.

It's anticipated that the program will be offered to candidates from both anglophone and francophone countries in Africa. In addition to their temporary internships with major private sector infrastructure firms, participants will undertake formal education and training through specially designed short courses to be offered by leading universities. They will also be given the opportunity to complete the MDBs' PPP Certification Course. Following completion of the program, the graduates will be supported by the GI Hub on an ongoing basis.

## Ongoing work on the Infrastructure Data Initiative

The GI Hub is continuing to work with MDBs, the OECD and the Long Term Infrastructure Investors Association (LTIIA) to further progress the *Infrastructure Data Initiative* (IDI) under the IWG's 'Addressing Data Gaps' workstream.

As will be reported to the IWG during the June meetings, the current plan will involve the creation of two workstreams, coordinated under a common Steering Committee, with the GI Hub, the OECD and the LTIIA focussing on institutional investors.

## Award of the consulting contract on the Leading Practices Tool on National Project Preparation Processes

Following a competitive procurement process, the GI Hub has awarded (to CRISIL Limited of India) the consulting contract to develop the forthcoming *National Project Preparation Processes* reference tool. In accordance with the IWG's 'Project Preparation Capabilities and Facilities' workstream, this tool will summarise the project preparation experiences of national and subnational institutions in both developed and emerging markets.

The tool will closely examine the relationships between countries' institutional arrangements for project preparation, funding programs, project identification, feasibility studies and project structuring.

The GI Hub intends to use the tool as a platform for future country engagements with interested national governments. Following a workshop to discuss the draft tool, it will be finalised by the end of 2018.

## Issuance of the RFP for the Leading Practices Tool on National Infrastructure Banks

The GI Hub has now issued a request for proposals to develop a *Guidance Note on Infrastructure Banks and Similar Financing Facilities*, in support of the IWG's 'Infrastructure Financing' workstream.

The objective is to identify 'lessons learnt' from the establishment and operations of national and subnational infrastructure banks such as the new Canada Infrastructure Bank, and similar facilities such as Brazil's National Bank for Economic and Social Development (BNDES).

There is growing interest in these models and the GI Hub believes that a product analysing the different approaches that have been taken could assist the market in understanding the challenges and preferred ways forward. The *Guidance Note* will be available by the end of 2018.





## Workshops in Uganda and Argentina on the forthcoming reference tool on Inclusive Infrastructure and Social Equity

**Inclusive infrastructure projects, which can help to address issues such as income disparity and gender inequities, are increasingly a focus area for many countries.**

Infrastructure is potentially a major driver of inclusive growth, enabling connectivity and access to markets and services by previously excluded groups. However, these outcomes are not automatic, and the *Inclusive Infrastructure*

and *Social Equity Tool* will set out worldwide leading practices, consistent with the IWG's 'Quality Infrastructure Investment' workstream.

The GI Hub has engaged Atkins Acuity of Singapore to develop this practical reference tool. Workshops on the proposed tool took place in Uganda and Argentina in May, with a view to finalising the tool in the third quarter of 2018.

## Update to the PPP Risk Allocation Tool to include social infrastructure sectors

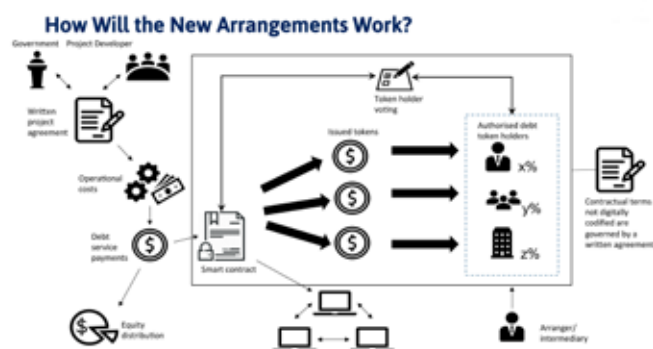
Later this year, the GI Hub will be updating the *PPP Risk Allocation Tool* to include social infrastructure sectors such as schools, hospitals and prisons.

This tool supports the IWG's 'Infrastructure Financing' workstream.



## Blockchain White Paper

**The application of blockchain technology could play a significant role in helping to achieve the G20's goal of developing infrastructure as an asset class.**



The IWG's 'Infrastructure Financing' workstream looks at innovative solutions in how infrastructure can be financed. The GI Hub, in conjunction with the OECD, is examining the use of blockchain technology to facilitate debt investments in infrastructure projects, particularly by smaller institutional investors that are not currently active in the infrastructure space.

The GI Hub plans to produce a detailed *Blockchain White Paper* on how such arrangements might work in practice with a view to coordinating with a willing country and developer on a pilot project. If successful, the GI Hub would publish the arrangements used, including the source code for the smart contracts, so that the legal and technical details would be publicly available.



## Selected recent GI Hub events and presentations

- 20-22 March 2018, Berlin: Infrastructure Investor Global Summit
- 26 March 2018, Paris: OECD Forum on Governance of Infrastructure
- 9 April 2018, São Paulo: Concessions and PPPs Conference
- 16 April 2018, London: Commonwealth Business Forum
- 19-20 April 2018, Tokyo: Infra Investor Summit
- 25-26 April 2018, Buenos Aires: CAF Infrastructure for the Development of Latin American Conference
- 25 April 2018, Rome: GI Hub PPP Contract Management Workshop
- 26 April 2018, Rome: GI Hub PPP Risk Allocation Tool Workshop



- 17-18 May 2018, New York: GRI Infra Latin America Conference
- 23-24 May 2018, Kampala: GI Hub Inclusive Infrastructure Workshop
- 28-29 May 2018, Shanghai: NDB Annual Meeting
- 30-31 May 2018, Buenos Aires: GI Hub Inclusive Infrastructure Workshop

## Selected upcoming GI Hub events and presentations

- 1 June 2018, Montevideo: IADB Contract Management Training Program
- 4-5 June 2018, Sydney: AFR National Infrastructure Summit
- 5 June 2018, Prague: TXF Global 2018 Project Finance Conference
- 6-7 June 2018, London: EDHECinfra Days
- 21-22 June 2018, Tokyo: APIC-JAPAN World Pension Funds & Social Security Systems Summit
- 27-28 June 2018, Hong Kong: HKSAR and HKTDC Belt & Road Summit
- Sept/Oct 2018, Nigeria: GI Hub PPP Risk Allocation Workshop

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