**Overview of World Bank Group Infrastructure Deliverables for the G20 Investment and Infrastructure Working Group**

Turkish G20 Presidency

27 August 2015



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Introduction

Under the Turkish Presidency, the G20 Infrastructure and Investment Working Group (IIWG) has commissioned a significant body of work from the World Bank Group (WBG), particularly in regard to infrastructure project prioritization and in regard to supporting the implementation of Public-Private Partnership (PPP) projects.

The deliverables described in this note directly relate to the IIWG’s ongoing efforts to address the challenges that countries – especially low and middle income countries – face with infrastructure development. Each deliverable addresses commonly-encountered problems, such as the prioritization of projects, the need to streamline the project preparation process, and the need for greater transparency and public awareness of PPP initiatives. Together, these deliverables are designed to help countries establish a stream of financeable and sustainable infrastructure projects of high quality.

The deliverables build upon initiatives undertaken by the G20 under previous presidencies, including initiatives such as the Leading Practices on Promoting and Prioritising Quality Investment developed under the Australian Presidency. It is anticipated that work in these areas will continue under the forthcoming Chinese Presidency, on the basis of continued cooperation between the WBG, other Multilateral Development Banks (MDBs), international organizations such as the Organization for Economic Cooperation and Development (OECD), and the new Global Infrastructure Hub (GIH).

All five of the deliverables were presented to the IIWG at its meeting in Berlin on 20-21 August 2015, and they were each endorsed by the IIWG members for submission to the September 2015 Meeting of G20 Finance Minister and Central Bank Governors.

Infrastructure Project Prioritization

In regard to prioritization, the WBG has shared with the IIWG the WBG’s ongoing development of the **Infrastructure Prioritization Toolkit**. The Toolkit is designed as an additional resource for governments, particularly those with emerging markets and developing economies, to assist with the planning and prioritization of infrastructure projects, i.e. the selection of projects on a systematic basis, reflecting full economic, financial, environmental and social costs and benefits. During the course of the Turkish Presidency, the Toolkit has been piloted in Vietnam and Panama, and it is now about to be utilized by the Government of Peru.

During the course of 2015, the WBG delivered to the IIWG a series of presentations and reports on the progress of this initiative, notably during the IIWG’s Second Meeting, at which the Government of Singapore and the WBG co-hosted a well-attended and lively workshop discussion of the Toolkit on 26 May 2015. At the IIWG meeting in Berlin, the WBG presented the Working Paper entitled “Prioritization of Infrastructure Projects: A Decision Support Framework Prioritization”. The Working Paper (which has been very slightly revised following the meeting in Berlin) sets out a detailed description of the still-evolving Toolkit, which continues to be subject to WBG internal review.

Recommended PPP Contractual Provisions

Another initiative which the WBG has shared with the IIWG involves the preparation of the **Report on Recommended PPP Contractual Provisions, 2015 Edition**, containing recommended contractual language for selected provisions typically found in PPP agreements, including provisions dealing with the issues of force majeure, termination rights, dispute resolution, etc. The language developed for these various provisions is not meant to be prescriptive – specifically, the provisions are not mandatory clauses for use in all PPP transactions. Instead, the objective of this work is to set out contractual language that has been found to be appropriate in many PPP transactions, and to describe the rationale for the provisions.

The WBG recognizes that it is not possible to have universally-accepted language for every provision in a PPP agreement, given the variety of PPP transactions globally, the different legal, regulatory, financial and institutional frameworks which exist in various countries, and the need to have ‘tailor-made’ provisions to deal with the individual characteristics of complex PPP projects. However, the WBG believes that there is value in fostering greater understanding of certain important contractual provisions found in virtually every PPP agreement, with a view to helping to reduce the time and expense frequently associated with PPP contract development. The WBG also hopes that, by encouraging consensus-building around these provisions, infrastructure will become more attractive as an asset class for a variety of investors, including institutional investors such as pension funds.

Valuable contributions to this work have been made by a number of international law firms and expert commentators, and drafts of the Report have been shared with IIWG members, as well as being presented at the PPP Days event sponsored by a number of MDBs in London on 16-17 June 2015. A substantial portion of the work was funded by the multi-donor Public-Private Infrastructure Advisory Facility (PPIAF).

As indicated by its title, this is the “2015 Edition” of the Report, indicating that this is a ‘first step’ in the process, and that future editions will be published as consensus develops around the provisions described in the document and other provisions commonly found in PPP agreements. To help develop that consensus, the Government of Singapore has proposed to hold a major stakeholder workshop later this year to discuss the Report, and the GIH has also expressed an interest in assisting with this process.

Guide to PPP Disclosure

The third initiative which the WBG has shared with the IIWG is the **Framework for Disclosure in PPP Projects**. The basic objective of the Framework is to provide a systematic structure for disclosing information, for government decision-makers interested in developing policies for PPP disclosure in their countries.

While policymakers constitute the primary target audience of the Framework, the document has also been designed to address other stakeholders, including legislators, regulators, PPP practitioners and specialists in the public and private sectors, researchers, civil society organizations and the general public, who can also contribute to improved transparency, whether as information creators, disseminators or users. In addition, the Framework is expected to be useful to teams within the various MDBs that are providing technical guidance on PPP initiatives in client countries, to include and integrate disclosure into PPP programs and projects.

The basic objective of the Framework is to help foster more transparent, efficient, effective and accountable governance of PPP programs and projects. This is particularly relevant for jurisdictions that have not fully formalized or implemented their approaches and policies relating to the disclosure of PPP transactions. The idea is to help such jurisdictions think through relevant issues in order to disclose not necessarily more information but more relevant and useful information, and adopt frameworks which will help in institutionalizing disclosure.

Once again, valuable contributions to this work have been made by a number of international experts, including studies of ‘good practices’ in various countries funded, in part, by PPIAF.

Deliverables Jointly Produced by the WBG and Other International Organizations

In addition to the three deliverables described above, the WBG has contributed to two other major deliverables for the IIWG under the Turkish Presidency.

The WBG, with inputs from the OECD, has produced the **PPP Project Checklist**. The Checklist provides guidance on international best practice for the preparation and implementation of PPP projects. It is, accordingly, designed to be used on a ‘downstream’, project-specific, basis, and it complements the ‘upstream’ checklist which the OECD G20 Task Force developed, with the assistance of the WBG, in 2014, in regard to assessing enabling frameworks for long-term investment financing.

Lastly, a number of MDBs, coordinated by the Inter-American Development Bank, have produced a Paper entitled **Partnering to Build a Better World: MDBs’ Common Approaches to Supporting Infrastructure Development**. The Paper highlights the shared principles and common approaches used by the MDBs to support efforts by their borrowing member countries to address their unique and evolving development challenges and, in particular, to meeting their needs for quality, inclusive, resilient and sustainable infrastructure, The Paper presents a brief description of how MDBs work with their borrowing member countries to identify, select, prepare and implement infrastructure projects and to engage with the private sector in order to finance them. It then goes on to describe how MDB project preparation facilities function, while providing some concrete examples of MDB collaboration. And, finally, the Paper outlines several actions that MDBs can take to further enhance their coordination and complementarity at the country level.

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