

G20

INVESTMENT & INFRASTRUCTURE WORKING GROUP



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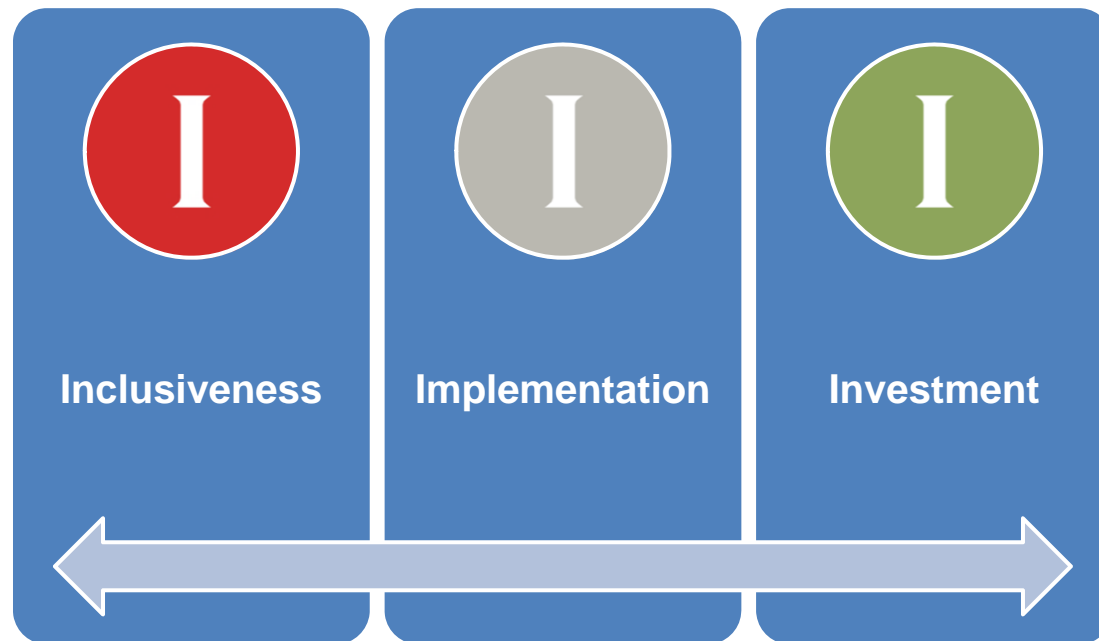
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Collective Action for Inclusive and Robust Growth

2

During Turkish Presidency, G-20 will focus its efforts on ensuring inclusive and robust growth through collective action. This can be formulated as the **three I's** of the Turkish Presidency:



COLLECTIVE ACTION FOR INCLUSIVE AND ROBUST GROWTH

INCLUSIVE AND ROBUST GROWTH

ENHANCING RESILIENCE

FINANCIAL REGULATION

- Finalization of regulations
- Timely, full and consistent implementation
- Role of financial regulations for a sound liability structure

INT. FINANCIAL ARCHITECTURE

- Full implementation of the IMF 2010 quota and governance reform
- Enhancing effectiveness of the IMF surveillance

INTERNATIONAL TAX

- Implementation and monitoring of BEPS Action Plan
- Tax transparency
- Increasing developing countries' participation

ANTI-CORRUPTION

- Monitoring the Anti Corruption Action plan
- Enhancing the role of the private sector

STRENGTHENING RECOVERY AND LIFTING POTENTIAL

MACRO POLICY COOPERATION

- Ensuring global policy cooperation
- Monitoring implementation of growth strategies through an effective accountability mechanism

INVESTMENT

- Country specific investment strategies
- Facilitating long term financial intermediation
- Improving project planning and PPP models
- Integrating alternative tools

EMPLOYMENT

- Employment and growth in interaction
- Skills and quality employment
- Monitoring country employment strategies

TRADE

- Strengthening the multilateral trade system
- Fighting against protectionism

BUTTRESSING SUSTAINABILITY

DEVELOPMENT

- Infrastructure investments in LIDCS
- Domestic resource mobilisation (DRM)
- Financial inclusion and remittances
- Food security

ENERGY

- Access to energy for all
- Renewable energy investments
- Energy efficiency
- Market transparency
- Phasing out inefficient fossil fuel subsidies

CLIMATE CHANGE FINANCE

- Improve collaboration, dialogue and cooperation between funds
- Most vulnerable / least income countries and their financing needs

SMALL AND MEDIUM SIZED ENTERPRISES

LOW-INCOME DEVELOPING COUNTRIES

G20 Investment Narrative

4

Country Specific Investment Strategies

Facilitators

Supporting Improvements in Investment Climate

Facilitating Financial Intermediation

Mobilizing MDB Resources and Optimizing Their Role

Enabling Appropriate Legal and Institutional Settings

Addressing Infrastructure/SME Data Gaps

Improving Project Planning and Prioritization Processes

Safeguards

Country Specific Investment Strategies

5

Investment as a powerful driver of growth and one of the three key pillars of the G20 agenda

2 in 5 Ambition: 2014 comprehensive growth strategies include investment, employment, competition and trade pillars

- major investment initiatives

- actions to strengthen public investment

- policies to improve domestic investment and financing climate

A set of voluntary leading practices to promote and prioritize quality investment, particularly in infrastructure

Increase the involvement of investors in long term infrastructure



Country Specific Investment Strategies

6

The G20 has identified an investment gap, where institutional investors participation in infrastructure and SME financing is limited due to a lack of:

- Appropriate financing vehicles
- Bankable projects that offer acceptable risk adjusted returns

The current economic outlook makes it necessary to develop investment strategies aiming growth and job creation.

These strategies have two key objectives:

- Increase private sector investment
- Improve the efficiency of public sector capital expenditure

G20 IIRWG reviewed the first draft of countries' investment strategies, which considers:

- The Overall Investment Strategy, including main challenges, policy priorities and policy context of their investment strategies
- Specific Investment Actions



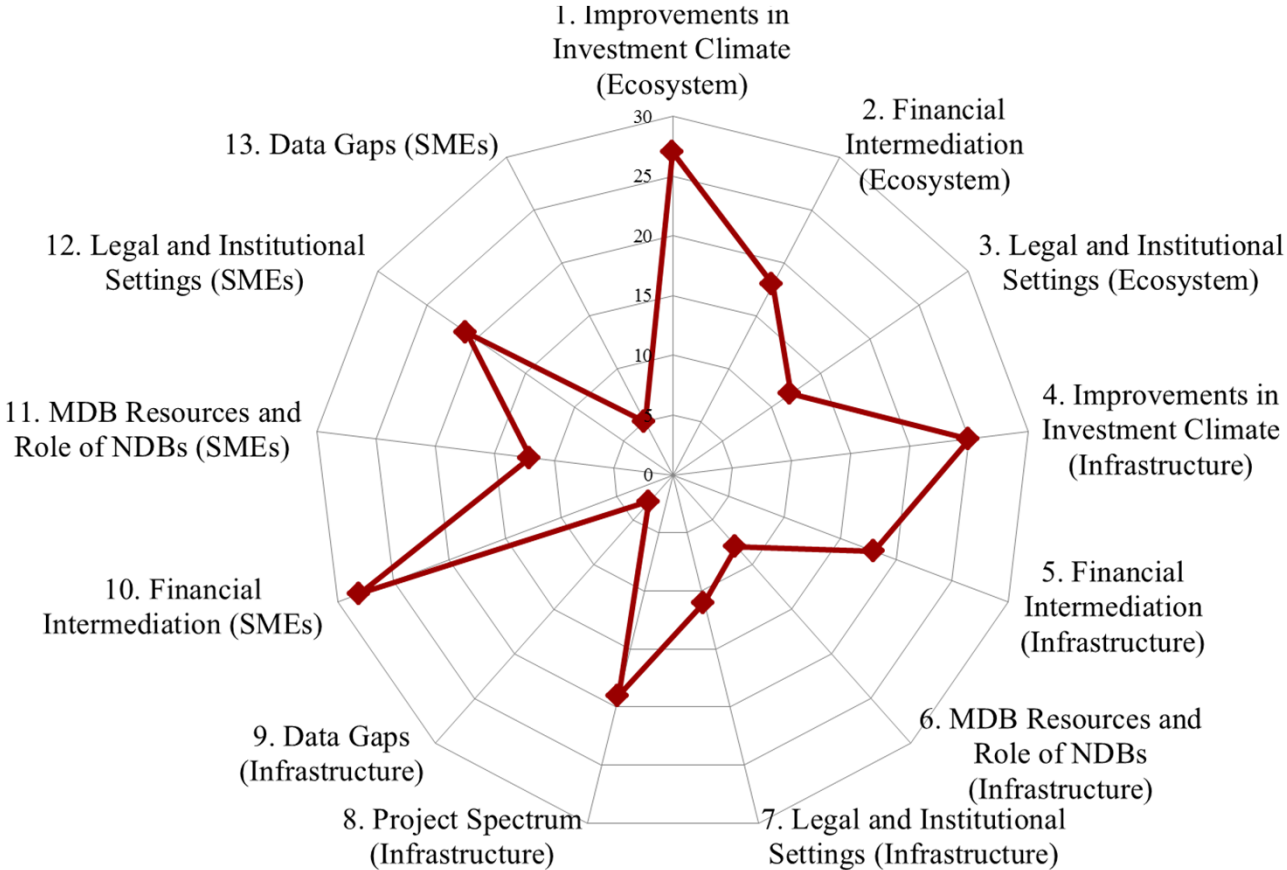
Country Specific Investment Strategies

7

	Facilitators	Safeguards
Investment Ecosystem	<p>1 Supporting Improvements in Investment Climate and Promoting Private Investment Competition strategy and regulatory reforms Strengthening public investment efficiency Promoting R&D investment and business startup</p> <p>2 Facilitating Financial Intermediation Promoting domestic financial savings Private sector financing tools Respective role of different actors</p>	<p>3 Enabling Appropriate Legal and Institutional Settings Rule of Law and public governance Preconditions for long-term investment Governance and incentives of financial intermediaries Adequate regulatory framework Openness and information sharing Responsible business conduct</p>
Infrastructure	<p>4 Supporting Improvements in Investment Climate Ensuring Quality of Infrastructure Regulatory framework for infrastructure Inflation and foreign exchange risk management alternatives</p> <p>5 Facilitating Financial Intermediation Promoting long term financing environment Developing financing vehicles (flexible and efficient) Private equity / project bonds</p> <p>6 Mobilizing MDB Resources and Role of NDBs Country led MDB programs Technical assistance and experience sharing Role of National Development Banks</p>	<p>7 Enabling Appropriate Legal and Institutional Settings Develop an adequate PPP framework Stable and consistent regulation Sustainable and clean energy</p> <p>8 Project Spectrum: Project Planning, Prioritization and Process Development Project identification and prioritization Project preparation / Execution Procurement and contract management Socio-economic project assessment</p> <p>9 Addressing Data Gaps Project availability Sharing project information</p>
SMEs	<p>10 Facilitating Financial Intermediation Movable collateral laws and registries Insolvency regimes Asset based instruments Securitization Banking sector competition</p> <p>11 Mobilizing MDB Resources and Role of NDBs Role of National Development Banks Technical assistance and experience sharing</p>	<p>12 Enabling Appropriate Legal and Institutional Settings Product development Non-bank SME financing settings Availability of early stage capital (seed, angel, etc.) Incentives to formality</p> <p>13 Addressing Data Gaps Information sharing (standardized data set) Payment system information SME data gap dissemination</p>

Country Specific Investment Strategies

13 Sections
 19 Countries
 136 Facilitators
 71 Safeguards



G20 Investment Narrative

9

Country Specific Investment Strategies

Facilitators

Supporting Improvements in Investment Climate

Facilitating Financial Intermediation

Mobilizing MDB Resources and Optimizing Their Role

Enabling Appropriate Legal and Institutional Settings

Addressing Infrastructure/SME Data Gaps

Improving Project Planning and Prioritization Processes

Safeguards

Supporting Improvements in Investment Climate

10

Focus on how to improve the investment climate and defining main challenges

Quality of Investment

Public Investment Efficiency

Public Investment Management Practices

G20/OECD Task Force for Long Term Institutional Investors

High-Level Principles on Long-Term Investment Financing

Checklist on Long-Term Investment Financing Strategies

Effective Approaches



Facilitating Financial Intermediation

11

G20/OECD Task Force on Institutional Investors and Long-Term Investment studies: non-traditional bank lending instruments

Local currency bond market initiatives

Capital market deepening tools

Asset-based financing models

Standardized Pooling Vehicle for PPPs and its applicability to Islamic Finance

Prudent securitization principles

Equity market development and financing instruments for “SMEs”

Zero Draft Joint Action Plan on SME Financing

Corporate governance principles

Mobilizing MDB Resources and Optimizing Their Role

12

Use MDBs technical expertise to optimize MDB's involvement

Close collaboration between MDBs, RDBs, NDBs, and infrastructure agencies

MDB balance sheet optimization studies

Global Infrastructure Initiative

Global Infrastructure Hub

Update on progress of new vehicles to promote long-term investment

Global Infrastructure Facility (GIF)

Project Preparation Facilities

Credit Enhancement Tools



Enabling Appropriate Legal and Institutional Settings

13

Key supporting functions to encourage increased private sector infrastructure investment

Detailed discussions on the mutually agreed “G20 Leading Practices on Promoting and Prioritizing Quality Investment”

Process of developing ‘Governance Framework for Infrastructure’ to help countries identify the best ways to meet the needs in an affordable and cost-efficient way

Country led matrix exercise on the settings

LICs infrastructure needs in line G20 Development Working Group



Addressing Infrastructure and SME Data Gaps

14

Global Infrastructure Hub (GIH) and its establishment progress

Development of quantitative indicators of long-term investment finance in order to improve the availability of high-quality data to attract institutional investors

Issue of closing SME data gaps, and explore options to develop potential G20 standards for investor relevant data collections

Improving Project Planning and PPP Models

15

Recommendations on practices for ‘bankable’ projects

Focus on the ways to strengthen the methodologies to identify the infrastructure projects for PPP models

Institutional Investor friendly PPP frameworks

Voluntary guidance tools on PPP project management

A study on joint OECD/WBG project checklist on PPP

Prioritization of Projects: A Decision Support Framework

Recommended PPP Contractual Provisions

Framework for Disclosure in Public-Private Partnership Projects

Thank You



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