

The G20 Global Infrastructure Initiative

1. Recognising the importance of investment in boosting demand and lifting productivity and growth, the **Global Infrastructure Initiative** shall be a multi-year programme to support public and private investment in quality infrastructure.

2. The Initiative will be a means to fulfil our commitment to create a climate that facilitates higher investment, particularly in quality infrastructure and small and medium enterprises. Under the Initiative, we will improve our domestic investment and financing environments, notably through implementation of key measures set out in members' comprehensive growth strategies and outlined in the Brisbane Action Plan.

3. We have agreed on a set of voluntary leading practices to promote and prioritise quality investment and will continue to facilitate long-term financing from institutional investors, including through voluntary implementation of the G20/OECD High-Level Principles of Long-Term Investment Financing by Institutional Investors.

4. We will continue our efforts through the Initiative to improve the transparency and functioning of securitisation markets to promote financing, including for small and medium enterprises. These actions will assist in our goal to attract increased private sector financing for infrastructure investment and for small and medium enterprises. We will also undertake work to assess the development of infrastructure as an asset class. We will also work with multilateral development banks to optimise use of their balance sheets to provide additional lending.

5. We have also agreed to actions to lower barriers to investment, increase the availability of investment-ready projects, help match potential investors with projects and improve policy delivery, including through:

- developing a knowledge-sharing network to aggregate and share information on infrastructure projects and financing between governments, international organisations, development banks, national infrastructure institutions and the private sector;
- addressing key data gaps that matter to investors;
- developing effective approaches to implement the voluntary G20 Leading Practices on Promoting and Prioritising Quality Investment, including model documentation covering project identification, preparation and procurement;
- building the capacity of officials to improve institutional arrangements for infrastructure by sharing best practice approaches; and
- enhancing investment opportunities by developing a consolidated database of infrastructure projects, connected to national and relevant multilateral development bank databases, to help match potential investors with projects.

6. The actions undertaken as part of the Global Infrastructure Initiative will be complemented by the multilateral, regional and national development banks, through their own infrastructure initiatives, their ongoing efforts to optimise their balance sheets, and by working collaboratively together and

with the private sector. Together, these efforts should help facilitate investment in quality infrastructure in advanced, emerging markets, developing and low-income economies.

Global Infrastructure Hub

7. The Global Infrastructure Hub will provide dedicated resources to help implement the G20's multi-year infrastructure agenda under the Initiative. It will play an important role in delivering the objectives set out in paragraph 5 above.

8. The Hub will help to achieve practical outcomes by working collaboratively with governments, the private sector, national, regional and multilateral development banks, international organisations and other stakeholders. It will help draw together the collective expertise of these organisations to yield ongoing improvements to the functioning of infrastructure markets.

9. The Hub will be located in Sydney, with the work and meetings to be carried out where the stakeholders and experts are located, as well as through a virtual network.

10. All countries, G20 and non-G20, as well as relevant international organisations, will be free to engage with the Hub and use the information it disseminates on a voluntary and non-binding basis. Consequently, the Hub will neither be a G20 institution, nor a standard-setting body, and will not engage in fee-earning advisory work.

Timeframe and continuity of work

11. The Hub will have a four-year mandate to deliver on the objectives set out in paragraph 5 above. There will be a review after three years to assess its effectiveness. The review should also establish an exit strategy to determine the most appropriate arrangements for completing tasks that cannot be achieved within the four-year mandate, including through existing international organisations.

Relationship to the G20

12. The Hub will be a vehicle to deliver products to the G20 in line with the Hub's mandate. G20 Finance Ministers and Central Bank Governors may endorse the products and output of the Hub. Finance Ministers and Central Bank Governors may from time-to-time amend the strategic direction of the Global Infrastructure Initiative and review the implications for the Hub.

13. The Hub will report to the G20 including via the relevant G20 working groups. The Hub will be open and transparent in its operations.

Collaboration with international organisations and development banks

14. The Hub may enter into Memoranda of Understanding (MOUs) on an equal basis with relevant international organisations and regional and national development banks that express a willingness to work with and contribute to the knowledge network, and build on their expertise, networks and resources to achieve goals within its remit. The MOUs would define the interactions between the Hub and these organisations, focusing on the areas of collaboration.

15. The Hub will not duplicate the work of existing institutions and will make best use of their capabilities. The Hub will coordinate its work with the work performed by these institutions in a collaborative fashion.

Organisational arrangements

16. A new organisation will facilitate the actions needed to meet a longstanding G20 priority. The Hub will be a new entity with a clearly-defined mandate and a simple legal and organisational structure as appropriate to deliver on its time-limited mandate. The Hub will be a not-for-profit company limited by guarantee and established under Australian law.

17. A Board will be responsible for formal governance, reporting and other legal obligations and for ensuring that the operational aspects are aligned in overall terms with the Hub's mandate.

18. The Board will comprise 7 directors, chosen for their experience and skills in managing entities of this nature and agreed in consultation with G20 countries. Given the role of the Hub in delivering on G20 objectives, the Board will comprise representatives of G20 countries as well as independent directors. Australia will be Chair of the Board for the four-year term of the Hub's mandate. Also represented will be the past, current and future G20 Presidency (except Australia in the first year), plus at least one other country agreed by consensus of the G20. The G20 directors must include at least 2 representatives from an advanced G20 economy and at least 2 representatives from a developing or emerging G20 economy, taking into account regional balance.

19. Complementary arrangements, including through consultations on the work programme, will be made to ensure international organisations are fully involved. This will ensure the Hub and the knowledge network make best use of their expertise and resources, while avoiding duplication.

20. One of the first tasks of the Board will be to put in place appropriate procedures for managing real or perceived conflicts of interest, especially regarding financial and staffing arrangements.

Chief Executive Officer

21. A Chief Executive Officer (CEO) will be responsible for the work of the Hub and provide executive management and leadership to the Hub. The CEO will also provide coordination and communication across countries, private sector and non-government stakeholders, relevant international organisations and development banks, to ensure that people and resources are used to their best effect to implement the Hub's mandate. An international search for a CEO will commence promptly.

Relationship with non-G20 countries, the private sector and other non-government stakeholders

22. The Hub will operate as an open platform. Participation in the activities of the Hub will be open to non-G20 countries and consistent with the Hub's mandate. The G20 will be regularly updated on the participants engaged in the knowledge-sharing network.

23. In pursuit of its mandate, the Hub will maintain an ongoing and close working relationship with the private sector and other non-government stakeholders, drawing on their expertise and assistance as necessary.

24. Consultation mechanisms involving private sector and non-government stakeholders will be used to provide advice to the Board and the CEO.

Resourcing

25. The Hub will be a small knowledge-based organisation, in keeping with the importance of leveraging the expertise of existing organisations. It is anticipated it will require resourcing of US\$10-\$15 million per annum once established. The Hub may receive funding on a voluntary basis from G20 members, non-member countries, international organisations, non-government stakeholders and the private sector. Financing contributions will not impact on the governance arrangements described in this note. These contributions may be in the form of financial or in-kind support. Funding modalities will be settled in consultation with G20 members, the CEO and the Board.

26. Contributions from private sector organisations and other stakeholders can only be received once the Board has instituted appropriate policies to avoid real or perceived conflicts of interest.

Implementation

27. It is intended that the Hub will operationalise as soon as possible to ensure it is positioned to provide an initial set of deliverables against the Initiative by the next summit.