

Empowering Public-Private Collaboration in Infrastructure National Infrastructure Acceleration (NIA) approach

Prepared in collaboration with S&P Global

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Preface



Maha Eltobgy,
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Over the past decade, through its dedicated infrastructure and investment work streams, the World Economic Forum has deployed significant resources to develop public-private cooperation and facilitate the adoption of global best practices in areas related to infrastructure development and financing.

Our experience shows that a high level of mistrust still exists between the stakeholders, which often manifests itself when national infrastructure programmes are being planned, financed or executed. In this context, the National Infrastructure Acceleration (NIA) initiative offers a platform where the body of knowledge and experience acquired globally translates into concrete measures that contribute to boosting strategic infrastructure development and investment at a country level.

In close cooperation with S&P Global, and under the Chairmanship of its President and Chief Executive Officer, Douglas L. Peterson, the NIA initiative has developed a unique approach to bringing the public and private sectors together in a sustained dialogue on infrastructure investment. Co-sponsored by governments in each country, NIA helps policy-makers streamline their infrastructure project pipelines and identify ongoing bottlenecks to unlock greater financing with private-sector input.

After having developed and tested the model in several key economies, including Argentina, Brazil, India, Indonesia and Viet Nam, the initiative is able to present a standardized NIA Implementation Roadmap. The description of a series of activities that have proven to be effective in implementing NIA at a country level will help governments and businesses across the world replicate the approach and leverage its significant potential.

The initiative and the Roadmap were developed in close cooperation with S&P Global. The model and recommendations were built through interviews with national working group members from the private sector, reviewed by select policy-makers and perfected by the tremendous work and intellectual capital developed on this topic by groups such as the World Economic Forum System Initiatives on Shaping the Future of Long-Term Investing, Infrastructure and Development and on Shaping the Future of Energy, and by Regional Business Councils. We wish to thank Douglas L. Peterson and S&P Global for providing executive leadership and support throughout the process, as well as the interview participants and Members of the national working groups for their invaluable contributions.

Foreword



Douglas L. Peterson,
President and
Chief Executive
Officer, S&P
Global, USA

As I interact with public- and private-sector leaders around the world, the case for infrastructure investment is clear and widely understood: it is essential to competitiveness, improved public health, a vibrant private sector creating jobs, sustainable growth, connectivity to the global economy, a global energy transition and to keep pace with extraordinarily rapid technological advancement. The opportunity for billions of dollars of private capital to drive that investment in the face of globally constrained public budgets is understood almost as well.

What is lacking is a common playbook between the public and private sectors for how to unleash the tremendous potential of private financing and partnerships to provide needed, modern infrastructure to every corner of the world.

The methodical approach developed by the World Economic Forum and S&P Global through the National Infrastructure Acceleration (NIA) initiative creates a platform where a proven yet tailored pathway to accelerate the development of a country's infrastructure can be embraced and implemented.

This model, based on the systematic use of multistakeholder working groups with public-sector leadership, is built to establish concrete measures and public-private action plans – ultimately reforming the way countries engage with businesses and attract private financing for infrastructure projects.

The approach was constructed and tested in Argentina, Indonesia, India, Brazil and Viet Nam and is poised to be replicated even more broadly.

S&P Global has been providing data and insights to the markets on infrastructure projects for nearly 160 years. I congratulate the World Economic Forum and the governments and many individuals that committed substantial time and expertise to making such a significant impact with this initiative.

Executive summary

Infrastructure is a key economic and social driver of sustained growth and acts as a true enabler of a country's competitiveness. Yet new infrastructure development remains insufficient and ineffective, and many investors continue to be discouraged by a general lack of information, the absence of bankable deals and risky policy environments. Enhanced public-private collaboration and understanding are therefore required more than ever, as stretched government budgets and increasing infrastructure needs conspire to widen the infrastructure financing gap.

There is no silver bullet for addressing the many facets of this global challenge; however, in a world where there is no shortage of capital, pursuing the right collaborations and frameworks may offer a potential solution. In this context, the National Infrastructure Acceleration (NIA) model proposes an innovative approach to a sustained country dialogue to address infrastructure development and investment.

NIA facilitates interaction between the private sector and governments, thereby contributing to improving countries' investment climates, deepening local capital markets and ultimately accelerating the development of infrastructure pipelines.

To achieve this, the NIA initiative convenes national multistakeholder working groups, recognized and endorsed by the national governments concerned. These working groups represent a standing, multistakeholder platform designed to facilitate interaction between its members, the goal of which is to identify actionable solutions to advance infrastructure development and financing. They also provide a space to address policy questions and initiate collaborative projects among members.

This report describes a standardized NIA Implementation Roadmap created by the World Economic Forum in close cooperation with S&P Global. By defining a series of activities that have proven to be effective in implementing NIA successfully at a country level, the Forum aspires to expand its reach and further the adoption of the model in additional countries, municipalities and regions around the world.

This publication is intended to serve as a blueprint for policy-makers, private entities and multilateral development banks (MDBs) that want to introduce a sustainable model for public-private collaboration in their respective countries or jurisdictions.

Context

1. Infrastructure investment gap

Infrastructure is considered a core driver of economic prosperity. A majority of studies report infrastructure's significant and positive effect on output, productivity and long-term growth rates. In the United States, according to S&P Global, an additional 1% of real GDP spent on infrastructure could boost the economy by a factor of 1.2. Advocating for increased infrastructure delivery is not an abstract calling. In 2013, the World Economic Forum

reported that the infrastructure in Colombia was among the worst in Latin America.¹ Since then, the government has realized a series of institutional reforms to help increase the volume and quality of its overall infrastructure. Today, Colombia's Infrastructure Index has improved, together with a significant upgrade in the quality of its roads, ports, electricity supply and other key structures (Figure 1).²

Figure 1: Colombia infrastructure rankings, 2017-2018 and 2013 (out of 137 and 148, respectively)

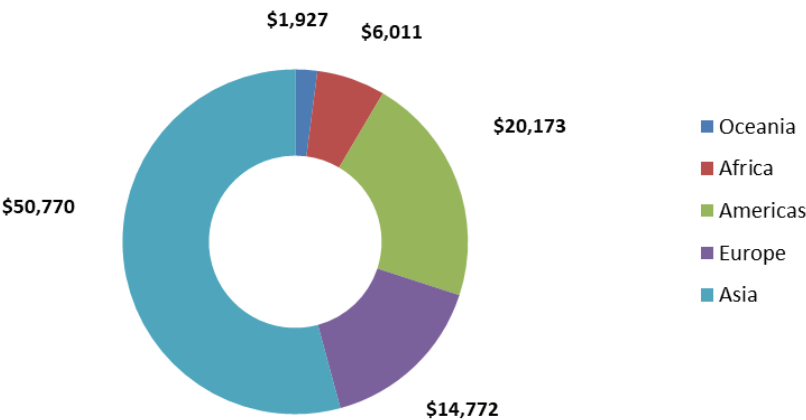
	Colombia (2017-2018)	Colombia (2013)
Quality of overall infrastructure	109	117
Quality of roads	110	130
Quality of railroad infrastructure	96	113
Quality of port infrastructure	77	110
Quality of air transport infrastructure	81	96
Available airline seat km/week, millions	37	39
Quality of electricity supply	79	63
Mobile telephone subscriptions/100 pop.	68	87
Fixed telephone lines/100 pop.	74	84

Source: World Economic Forum, *The Global Competitiveness Report 2013-2014* and *The Global Competitiveness Report 2017-2018*

While Colombia and other countries around the world were able to boost their project delivery, infrastructure supply globally still does not keep pace with demand due to various impediments. They include, notably, public-sector budget constraints following the global financial crisis, as well as the reluctance of private financiers to commit capital to long-term and risky projects. In addition, infrastructure programmes are hampered by several issues in the project origination and preparation phases, including suboptimal

project identification and prioritization, low-quality master-planning, slow permitting and procurement processes, and inadequate risk allocation and delivery models. As a result, private-sector participation in infrastructure projects globally has been insufficient, creating a large financing gap. The World Bank Group estimates that developing and developed markets together will need to invest around \$94 trillion to close the global financing gap by 2040 (Figure 2).³

Figure 2: Regional infrastructure investment needs, 2016-2040 (\$ billion)

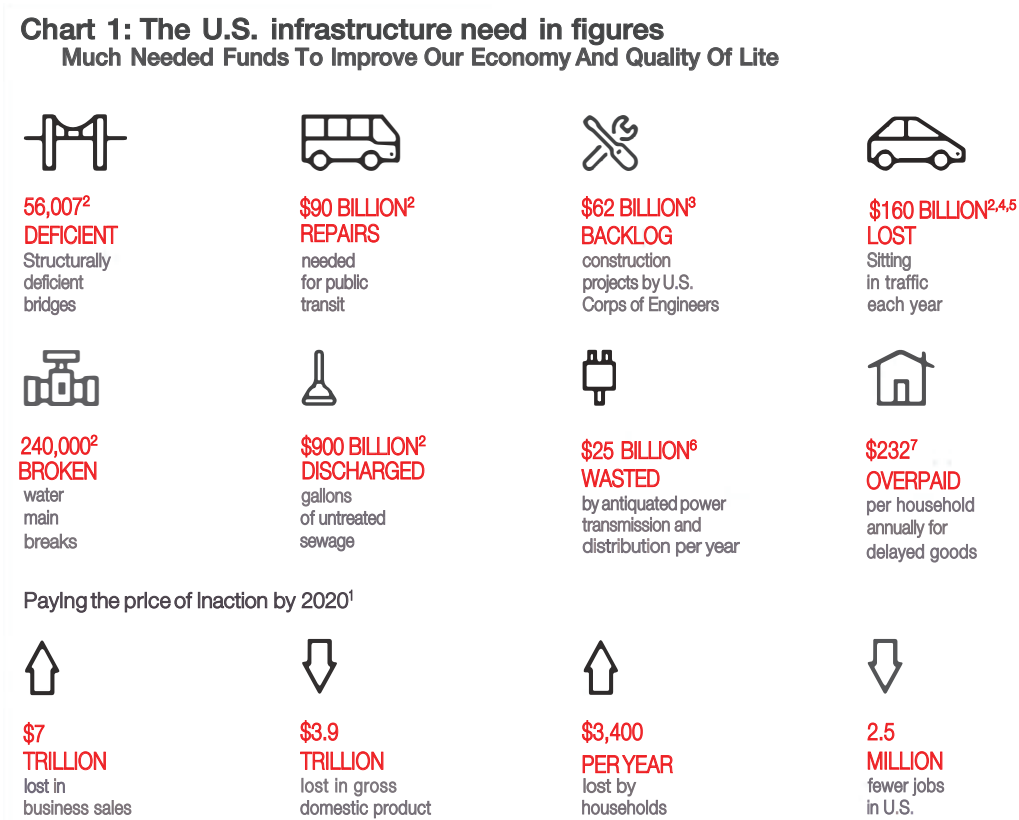


Source: The World Bank Group, “Forecasting infrastructure investment needs for 50 countries, 7 sectors through 2040”, 10 August 2017

Challenges surrounding infrastructure investment affect both developed and developing countries. According to the American Society of Civil Engineers, if measures aren’t taken to fund and repair the ageing infrastructure in the

United States, business could miss out on \$7 trillion in sales by 2020, and its GDP would decline by \$3.9 trillion. This translates into an annual loss of \$3,400 per household and 2.5 million fewer US jobs (Figure 3).

Figure 3: US infrastructure needs in figures



Source: S&P Global Ratings, “Developing U.S. Infrastructure In An Era Of Emerging Challenges: Observations From Key Sectors”, June 2017

2. Public-private collaboration to unlock the investment potential

To secure the benefits of well-planned and functional infrastructure, governments need to increase the amount they invest in infrastructure. As many of them are under tight fiscal constraints, additional public investment is often difficult (if not impossible). In this context, greater cooperation and coordination between governments and the private sector appear essential. Combined with other policy actions, increased public-private collaboration usually provides a number of benefits, as illustrated in the sections below.

Optimize public-sector spending

Some forms of innovative financing models, such as the Asset Recycling model,⁴ allow governments to unlock the capital from existing infrastructure by leasing assets to investors keen to invest in a tried-and-true asset that generates stable and predictable returns over the long term. Governments then can reinvest the capital proceeds into new infrastructure to meet the demand of future generations. This approach avoids the need to continually raise taxes or increase borrowing and debt levels and has the potential to attract a larger number of international investors.

Enhance efficiency, innovation and technology transfer

Public-private collaboration, through knowledge transfer and capacity building, can upskill public-sector officials and improve public procurements, ultimately upgrading the quality of project pipelines. Introducing private-sector technology and innovation into public processes can generate better public services through improved operational efficiency. Joint ventures with large international firms can help develop local market capabilities, improve quality standards and efficiency, as well as offer subcontracting opportunities to local firms. In the long term, this helps improve a country's competitiveness and boosts its businesses and industry.

Facilitate dialogue and overcome mistrust

From the private-sector perspective, under the right conditions, infrastructure has the potential to generate relatively stable risk-adjusted returns. Unfortunately, the lack of shared understanding, misalignment of incentives and persistent mistrust can raise an invisible wall, hampering the delivery of many infrastructure projects. By encouraging information sharing and providing a space to address policy questions through a multistakeholder lens, public-private initiatives help align social benefits and business opportunities, ultimately accelerating the flow of private investment into infrastructure projects.

3. Objective of the report

This report introduces an innovative approach to public-private collaboration. Structured to facilitate interaction between governments, the private sector and MDBs, the approach helps to design solutions that will enable greater private-sector participation in national infrastructure projects and therefore enhance the development and financing of infrastructure.

The report presents a standardized National Infrastructure Acceleration (NIA) Implementation Roadmap and describes a series of activities that are necessary to successfully initiate and execute the model at a country level. The Roadmap does not pretend to be the only approach for structuring a standardized public-private collaboration model. Nevertheless, it provides detailed guidance on how to execute the steps needed to implement the NIA acceleration approach, specifies how to select key stakeholders and create national working groups, describes methods to ensure a host government's executive and management engagement throughout the process and develops indicators to help track progress against Roadmap milestones.

Leveraging the skills and expertise of the World Economic Forum multistakeholder community, the report also draws on the insights gained from the Forum's extensive previous work in areas related to asset recycling, mitigating political risk and developing local capital markets, among others.⁵

The report serves as a blueprint for policy-makers to introduce a sustainable approach for private collaboration across their jurisdictions. Other stakeholders will also benefit from the findings, as the NIA approach can be initiated and driven by any type of stakeholder, including private companies, MDBs and non-governmental organizations.⁶

The National Infrastructure Acceleration (NIA) approach

1. NIA origins – Indonesia’s need for a sustained country dialogue

For the past decade, the Forum has been shaping best practices and actionable frameworks in different infrastructure-related areas. In December 2015, government and business leaders gathered in Jakarta in the context of the World Economic Forum initiative on Accelerating Capital Markets Development in Emerging Economies.⁷ At the end of the session, participants agreed that sustained public-private dialogue was still missing in Indonesia and that enhanced collaboration was essential to unlock the capital necessary to bridge the country’s enduring infrastructure gap.

Following on this mandate, the Business Working Group (BWG) was designed. It is a platform for global and local business leaders to formulate actionable recommendations, with the goal of increasing private-sector involvement in infrastructure development in Indonesia. For more than a year, a group including government agencies and private-sector organizations worked on defining and implementing an action plan to fast-track the delivery of Indonesia’s infrastructure projects (Box 1). Consequently, the Indonesia BWG became the first group to develop and implement the NIA approach, followed by Brazil, Argentina, India and Viet Nam.

Box 1: Indonesia Business Working Group

From April 2016 to July 2017, the World Economic Forum Business Working Group (BWG) served as a platform to foster an enabling environment for private-sector participation in the financing of major infrastructure projects in Indonesia. With the goal of identifying solutions rather than describing challenges, BWG members aimed to enhance the understanding and achieve consensus on a set of issues that required attention in the short to medium term, and gain explicit public- and private-sector commitment for their resolution. After having passed the stage of understanding the country’s public-private partnership (PPP) landscape, the working group entered its second phase, focusing exclusively on pilot projects for acceleration. This in-depth project assessment illustrated the specific issues that were slowing project delivery in Indonesia, demonstrated the validity of the BWG recommendations and designed a model for replication. It also served as an informative capacity-building exercise by providing much-needed project-specific experience to all parties involved. The Indonesia BWG successfully concluded its 15-month mandate with an assessment of the two pilot projects.

“

The BWG was a breakthrough opportunity to bring the private sector into the dialogue and overcome some of the negative perceptions, and also to align public and private expectations.

”

Rainier Haryanto, Program Director, KPPIP, Committee for Acceleration of Priority Infrastructure Delivery, Indonesia

2. The approach

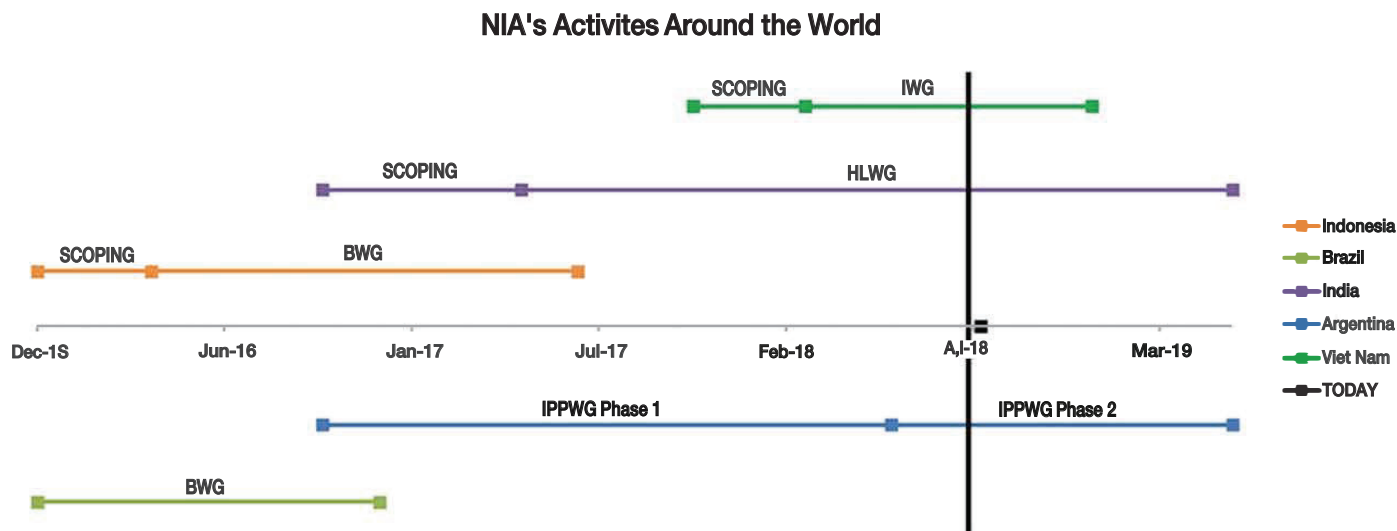
National Infrastructure Acceleration (NIA) is a multistakeholder, country-focused approach incorporating inputs from the private sector in concrete initiatives that help accelerate infrastructure financing and development.

To achieve its aim, the initiative convenes national working groups (WGs), recognized, endorsed and led by the governments concerned. The WGs are designed to enhance collaboration between public and private entities by encouraging information sharing and providing a space to address policy and regulatory issues. WGs are results-oriented and tasked to identify actionable solutions to facilitate infrastructure development and financing.

This collaborative approach seeks to achieve tangible progress in a relatively short time frame (12 months), ultimately leading to accelerating the project financing and delivery process in each country.

NIA has been applied and tested over a period of almost three years in a diverse group of countries, including Argentina, Brazil, India, Indonesia and Viet Nam. Representing different stages of development, at both the political and economic levels, these countries offered excellent conditions to design and assess the approach, which evolved and improved over time. NIA has been tested and refined to a point where it may now be standardized and replicated.

Figure 4: NIA’s activities around the world



Notes: IWG: Viet Nam Infrastructure Working Group; HLWG: India High-Level Working Group; BWG: Business Working Group; IPPWG: Argentina Infrastructure Public-Private Working Group
Source: World Economic Forum

Figure 5: NIA implementation steps



Source: World Economic Forum

3. NIA Implementation Roadmap

The Roadmap provides a comprehensive list of steps needed to implement the NIA acceleration approach in any given country (Figure 5).⁸ To facilitate the understanding and adoption of the methodology, each step is illustrated by case studies gathered from the various working groups.

STEP 1: Assess country readiness

The NIA approach was designed to accommodate a wide spectrum of political environments at various stages of economic and social development. However, chances for success in using the NIA approach are enhanced when certain preconditions are already in place. These are:

A diversified base of private-sector actors

Advocating for strong and sustained public-private collaboration, it is well understood that NIA relies on the active participation of private businesses that span the infrastructure value chain. In this context, countries with a large, diversified and freely-operating base of private-sector actors are best positioned to leverage the potential of the NIA approach to its fullest.

A political context and appetite to develop a culture of public-private dialogue

The political context and the will of senior government officials to engage in a non-traditional model of public-private cooperation play a key role in successfully implementing NIA. The approach has the potential to create a space for long-lasting partnerships. However, this requires interest from both parties in building a constructive dialogue. In addition to showing support, governments also need to demonstrate readiness to receive and incorporate feedback from third parties. Their engagement must go far beyond traditional political speeches and public announcements.

At the same time, the private sector has to agree to enter into a non-commercial dialogue with policy-makers. From the business side, this requires acknowledging the different regulatory, bureaucratic and political constraints and focusing only on areas where public-private action can result in constructive recommendations and meaningful outcomes. Understanding how former partnerships between the private and public sectors worked in the past may be an additional guiding element in the assessment process. However, the NIA model gives some “benefit of doubt” to interested countries that do not have the best track record of public-private cooperation. Argentina and its mixed history of dealing with the private sector is a good illustration (Box 2). Finally, election cycles generally impact government priorities and may affect public officials’ visibility and motivation in engaging in long-term commitments. Therefore, any jurisdiction going through an election period is not considered suitable for NIA implementation.

Box 2: Illustrative steps to assess the appetite for public-private collaboration – the Argentina case study

Since President Mauricio Macri’s election, Argentina’s government has positioned infrastructure development as a key catalyst for boosting Argentina’s economy – with the private sector playing an important role in infrastructure development. However, despite the initial enthusiasm, more than simple statements were needed to assess the country’s preparedness to engage in a collaborative dialogue. Other avenues had to be used to evaluate state and business readiness to contribute. The initial signs that Argentina could be a fertile environment for public-private cooperation came through informal discussions with the private sector, resulting in answers to a series of questions. Chief among them were: “What are the biggest issues that companies and public officials are facing?” and “Do they seem resolvable through enhanced cooperation?” This exercise revealed that, while the country faced significant challenges after decades of political instability and misguided economic policy, the government, according to the private sector, was moving in the right direction. Other clues for Argentina’s readiness to conduct public-private dialogue were evident from the general interest in building the Infrastructure Public-Private Working Group (IPPWG). Private companies started to volunteer even before any formal structures were put in place. The final piece, although among the most important, came through the responsiveness and availability of the co-leading public officials, who confirmed their strong engagement. In the case of Argentina, the government embraced the opportunity to lead the efforts and the private sector responded favourably to the appeal.

“

We see this initiative as a way to reconnect Argentina with the global markets.

”

Franco Moccia, Minister of Urban Development and Transport of the City of Buenos Aires, Argentina

STEP 2: Identify key stakeholders

The NIA approach requires participation from a variety of stakeholders including policy-makers, executives of international and local companies, heads of national and/or multilateral development banks, and experts from academia and/or civil society. Certain participants are especially important to driving the execution process. The best practices in identifying key stakeholders are:

Government in the lead

The approach has the potential to streamline and accelerate the government’s existing and/or planned infrastructure efforts, thereby helping achieve its infrastructure mandate. To do so, policy-makers – ultimate owners of the country’s infrastructure planning, execution and related investments – have a role to play in guiding, prioritizing and implementing the recommendations and outcomes resulting from the working groups. The approach therefore cannot succeed unless public leadership is provided throughout the process. The public sector not only provides strategic direction but, through the different levels of engagement (see Step 4 – Build the structure), participates in all related activities, co-designs the objectives and ensures that the initiative complies with social needs. The government thus acts as the leading partner of the initiative, committed to delivering on pre-agreed goals.

For these reasons, the nomination of devoted, hands-on and result-driven public officials is key to building a well-functioning NIA structure.

Multistakeholder effort

Regardless of which party initiates and runs the NIA approach, and once the Government is on board,⁹ the other parties must include a diversified mix of stakeholders. To balance the various views, business interests and social priorities, the composition of any country working group must reflect its infrastructure and financing ecosystem.

Private-sector companies will play a major role, as they usually bring efficiency, experience and other resources to the dialogue. Global companies applying international standards are necessary to ensure knowledge and best-practice sharing. National players have valuable insights to share, as they typically understand the local business culture and have developed strong community ties.

A third category of actors includes those who are neither considered private nor public. They are represented by the MDBs, international organizations or other purpose-driven institutions that benefit from a strong reputation of neutrality. Generally, these organizations are well positioned to symbolize a “neutral party” among the other stakeholders, and therefore play a crucial role in facilitating the discussions and reaching public-private consensus. In that respect, they are well positioned to act as the “coordinating organization” that will initiate, host or coordinate NIA efforts at a country level.¹⁰

Finally, academia, civil society and select experts complete the stakeholder landscape.

STEP 3: Understand the needs

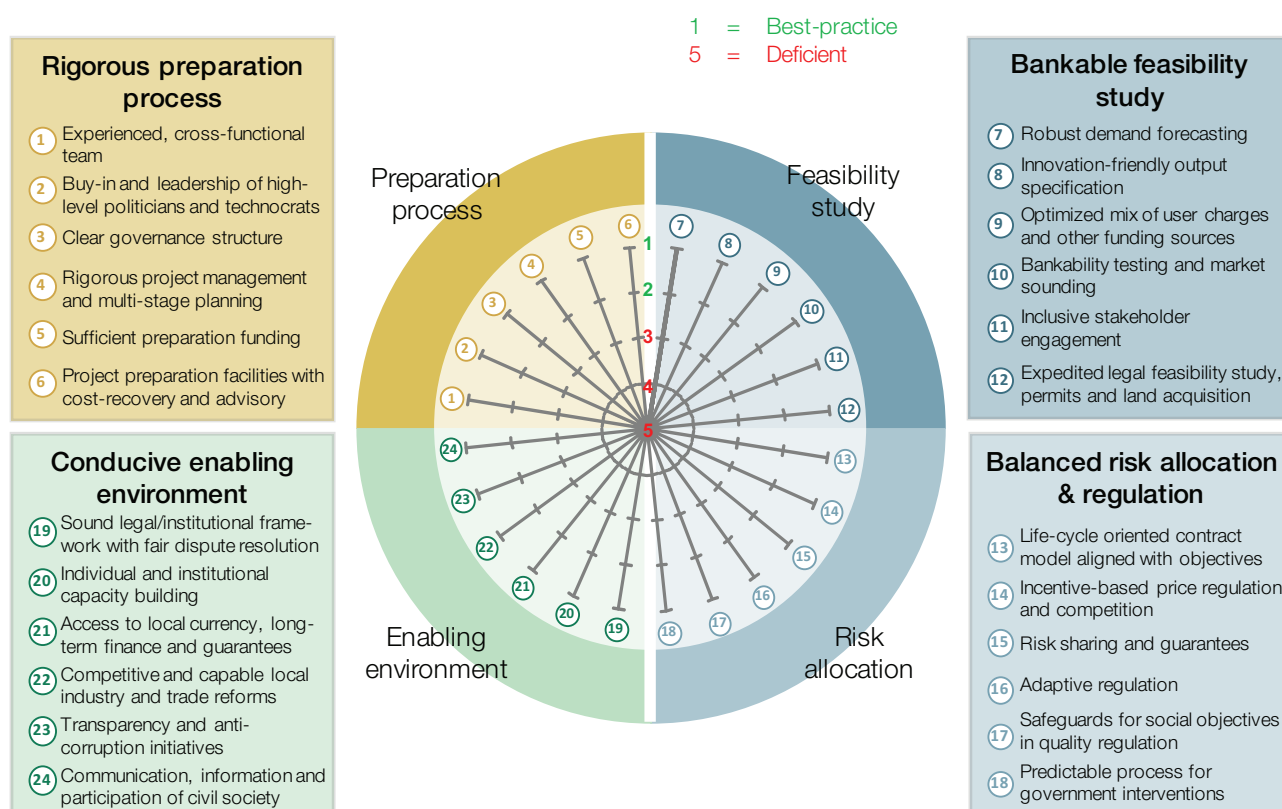
After having mapped the principal stakeholders, all parties need to understand and recognize the country's infrastructure needs and priorities. While some parties may think they already have a good grasp of the infrastructure landscape, *common* understanding and acknowledgement is often missing in practice. Therefore Step 3 represents an important milestone and should not be underestimated.

An introductory workshop can be organized to facilitate this phase. The workshop gathers all relevant stakeholders, before any formal commitments are made. During this exploratory exercise, participants are invited to benchmark the infrastructure landscape and prioritize specific areas of focus.

Benchmark the infrastructure landscape

There are several ways to evaluate and benchmark the infrastructure landscape by using various tools and methodologies. As an introductory exercise to the Viet Nam Infrastructure Working Group (IWG),¹¹ Vietnamese policy-makers, international and local business leaders and other key stakeholders shared their personal experiences and employed an evaluative framework to identify the critical issues in the Vietnamese PPPs. Their assessment was based on 24 success factors to guide the discussions (Figure 6).¹² By using this approach, participants quickly developed a common understanding of the areas where existing practices were least effective and change was required, and acknowledged areas where good practices and well-designed policies were already in place.

Figure 6: Evaluate and benchmark a national infrastructure PPP programme



Source: World Economic Forum, Strategic Infrastructure: Steps to Prepare and Accelerate Public-Private Partnerships, May 2013

Prioritize the focus areas

During the process of identifying the main gaps and needs, a number of cross-cutting issues affecting different phases of a project life cycle are generally identified. The following step therefore consists of prioritizing specific areas to be addressed by the future national working group. Parties should exclusively focus on issues that specifically require both public and private commitment for their resolution. Continuing with the example of Viet Nam, after having assessed the local PPP landscape, members of the IWG agreed on four main areas of focus, which were co-defined in closed cooperation with the Vietnamese Ministry of

Planning and Investment.¹³ These priority areas resulted from a consensus between the private sector that submitted outcome-oriented proposals, and policy-makers, who guided the objectives and deliverables throughout the process.

STEP 4: Build the structure

NIA's operations are similar to a voluntary advisory group and its structure tends to be rather informal. However, organizations joining the initiative are expected to participate actively in all activities to steer the advancement

of the group’s agenda. Their participation does not require compulsory contributions, membership fees or the commitment of financial resources of any type. Nevertheless, members choose to commit their available time and resources and facilitate access to non-proprietary knowledge to support the activities of the group. This can take the form of various voluntary contributions, including advisory, technical and financial and/or project management resources.

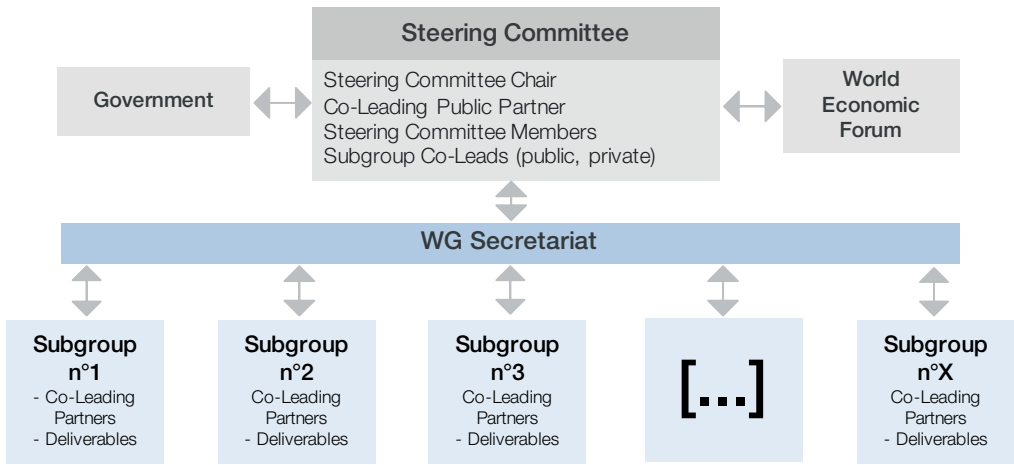
Create a working group

To formalize the NIA structure, stakeholders should form a dedicated working group (WG). Although the WG has no legal status or liability associated with its activities, it helps clarify the various roles and support the execution of the predefined objectives. WG activities are usually designed for a period of one year, with the possibility to extend the term if needed.

Figure 7 provides an example of a typical working group structure, with a Steering Committee that supports the Secretariat, and several subgroups that are tasked with delivering on the predefined focus areas. Box 3 illustrates the structure of the Argentina WG. Specific roles are further explained in the next section.

“
We believe that the World Economic Forum’s experience in building the structure of the working group helps us to move things forward faster.
”
Maurizio Bezzeccheri, Head, South America Region, Enel, Italy

Figure 7: Typical working group structure



Source: World Economic Forum

Box 3: Structure of the Argentina Infrastructure Public-Private Working Group (IPPWG)

The Argentina IPPWG is chaired by Gustavo Lopetegui, Secretary for Public Policy Coordination of Argentina.¹⁴ The Argentina PPP Unit, represented by José Luis Morea, Secretary and Head of the PPP Unit at the Ministry of the Treasury of Argentina, acts as the IPPWG co-leading public partner that serves as the working contact to the IPPWG and facilitates coordination with other policy-makers/government entities. The IPPWG Steering Committee is comprised of over 40 executives and decision-makers, who have agreed to provide time and resources to ensure that the group is meeting the defined objectives. The work of the IPPWG is divided into four subgroups (focus areas), co-led by several Steering Committee members. Progress and achievements are presented during the biannual Steering Committee meetings chaired by Secretary Lopetegui.

“

Today, Argentina wants to prioritize conversations with the private sector, and the platform provided by the World Economic Forum's IPPWG gives us a safe and transparent space to do it, in combination with the external validation embedded in having the Forum on board.

”

José Luis Morea, Secretary and Head of the PPP Unit, Ministry of the Treasury of Argentina

Assign specific roles and define accountability

The NIA model assumes that tangible outcomes will be delivered at the end of each WG cycle.¹⁵ To ensure effective execution and satisfactory results, the clear allocation of roles and distribution of tasks among its members are necessary. This has proven effective not only in facilitating the execution process but, more importantly, in creating a real sense of responsibility and accountability among the different stakeholders.

WG operations usually include the following roles:

- **Steering Committee chair**, represented by a high-level public figure; provides overall political support and strategic guidance to the WG
- **Co-leading public partner**, who serves as the working contact to the group and provides strategic direction; acts as a link to other policy-makers/government entities
- **Steering Committee members**, represented by international and local business leaders and other key stakeholders; co-design the strategic objectives and provide voluntary contributions (logistical, technical, financial and/or project management resources) in support of the WG and its activities
- **Subgroup co-leads**, who are Steering Committee members, co-lead one specific subgroup; define key milestones and distribute tasks to ensure the group is meeting its objectives, leverage the rest of the WG by collecting additional input/resources from other members, and report on progress and achievements during Steering Committee meetings
- **WG Secretariat staff**, one or more professionals hired by/seconded from member organization(s); executes IPPWG daily operations, stakeholder coordination and project management, tracks commitments and records progress towards the objectives, and works closely with the Steering Committee to ensure the group's smooth operation.



Two roles require particular attention, as they usually determine the dynamics and engagement of the rest of the group. The first is the role of co-leading public partner. By accepting this role, public officials become accountable for ensuring that the group's objectives are aligned with the government's priorities. Additionally, they are expected to commit time and effort to generate awareness, give the signal for collective action and onboard additional public institutions. Navigating within this non-traditional public-private environment requires strong personal dedication and a good understanding of the NIA model.

The second role is the subgroup co-lead (both public and private). As the key "drivers" of the initiatives, individuals that sign up to act as co-leads bear a responsibility to guide the rest of the group towards pre-agreed objectives. Disengagement on their part can have an immediate and negative effect on the chances of reaching the expected outcomes.

Working group members must meet a variety of expectations and commitments, which should be communicated during the onboarding process. Onboarding the Indonesia BWG took several weeks and required a number of introductory steps and individual touchpoints (Box 4).

Box 4: Illustrative steps to onboard WG members – Indonesia BWG

1. The process was initiated by the World Economic Forum, which acted as the BWG coordinating organization.
2. The BWG onboarding started with a formal invitation (in this case, a letter), which was sent to the selected¹⁶ Steering Committee chair, in this case Bambang Brodjonegoro, Minister of National Development Planning of Indonesia (BAPPENAS). The letter included a detailed description of the BWG, its objectives, the duration and description of the roles of the public-sector members (Steering Committee chair and co-leading public partner, respectively). The letter was followed by a series of calls and emails with senior public officials from BAPPENAS, further specifying the proposed approach and related expectations.
3. Once Minister Brodjonegoro accepted the chairmanship role, BAPPENAS was officially appointed to be the co-leading public agency. From that point on, BAPPENAS was actively involved in all planning communications and BWG-related decisions (including developing the list of future BWG members.)
4. Once the government was fully onboarded, a formal invitation to join the BWG was circulated by email to the desired members (together with a description of the WG, its objectives, duration and individual roles).
5. As soon as members confirmed their interest in joining the BWG, individual calls (with a minimum of one call per person) and/or in-person meetings were

organized. The purpose of these individual meetings was to clarify the approach, answer questions in an informal setting, and ensure a solid understanding of the estimated commitments in time and resources.

6. After members confirmed their participation in the BWG, the World Economic Forum sent to members an invitation co-signed by BAPPENAS to attend the first Steering Committee meeting, which publicly announced the launch of BWG activities in Indonesia.

In parallel to the steps described above, the coordinating organization (in this case the Forum) also facilitated all other BWG-related communications, connected future members to enhance information sharing and ensured smooth execution by hosting the first Steering Committee meeting.

Set-up a local Secretariat

The NIA approach requires the active participation of senior executives and key decision-makers, while acknowledging their primary obligations and limited availability. To use Steering Committee members' time as judiciously as possible, each WG structure should have a locally-based project coordination office, which is generally called the "Secretariat". The Secretariat maintains relationships with the many organizations whose active participation will be required to create impact. It ensures alignment with the strategic direction of the project as set out by the WG Steering Committee, undertakes the time-consuming logistical work that is required to ensure successful events and teleconferences, and communicates the project's goals, actions and successes to the public.

The Secretariat is hosted by a WG member organization and is staffed with a Secretariat employee (funded by (a) key partner(s)).

WG members are invited to contribute to this effort on a voluntary basis, including by:

- Attributing office space in their organization's premises
- Seconding a staff member to the WG Secretariat for a limited term, and/or
- Providing direct funding to hire the employee to serve on the Secretariat and/or support Secretariat operations.

Draft terms of reference

Circulating terms of reference (ToR) to all parties helps to ensure that everybody understands the proposed structure and the various roles and related responsibilities. In addition to explaining the structure, a typical ToR should also specify other modalities of the working group, such as:

- a) Terms and procedures
- b) Governance structure and roles
- c) Ideal operating rhythm
- d) Steering Committee composition
- e) Working plan and objectives
- f) Establishment of a locally-based secretariat
- g) Upcoming activities and milestones.

STEP 5: Define the action plan



Step 5 translates the focus areas' outcomes, identified during Step 3, into a concrete action plan. This phase allows moving from theory to implementation, by spelling out clear objectives and deliverables. In India, for example, the working group committed to elaborating tangible solutions that help to accelerate the development of its infrastructure plan. One of the proposed solutions is to establish an Infrastructure Expert Council (IEC) for India, mandated to overlook and advise on all aspects of PPPs in the country (Box 5). To bring this proposal to life, working group members are now developing a detailed roadmap to operationalize the IEC. To facilitate the actual establishment of the Council – set as a final deliverable of the working group – the concept has already been presented to the Prime Minister of India.

An action plan will only be effective if it results from broad consensus among the stakeholders. It also requires strong ownership and governance from the co-leading partners (public and private) throughout the design and execution process.



Box 5: The India High-Level Working Group (HLWG) and Infrastructure Expert Council (IEC)

Facilitated by the World Economic Forum and the US-India Strategic Partnership Forum, the HLWG helps to review India's infrastructure needs, identify key issues impeding local and foreign investments, support India in unlocking financing sources, and develop solutions and policy recommendations that can contribute to improving the country's investment climate by accelerating the development of its infrastructure plan. One of the proposed solutions is to establish an Infrastructure Expert Council (IEC) for India, mandated to overlook and advise on all aspects of PPPs in the country.

Set up as an independent entity, the IEC would be responsible for reviewing long-term infrastructure plans, providing perspective and expertise on policies and guidelines related to PPPs, providing guidance and appraisals of the project proposals received from various ministries, and making recommendations and suggesting actions to accelerate infrastructure investments in the country.

The IEC would be comprised of senior level decision-makers representing the Government of India, international investors and pension funds, global and domestic regulators, Indian infrastructure companies and experts. For its initial two-year term, the IEC would be headed by two co-chairs, one each from the public and private sectors, and would report to the prime minister's office.

Initial recommendations from the HLWG on the IEC's mandate and objectives include the following:

- Offer advice on policy interpretation and project feasibility: the IEC should be able to judge/evaluate the feasibility of projects
- Inform on systemic risk(s): the IEC's scope should cover the full spectrum of systemic risks in the Indian infrastructure sector – from policy to dispute resolution
- Serve as a knowledge repository: the IEC should maintain information that can be used to train young bureaucrats on issues related to PPPs
- Prompt quick decision-making: the IEC should be able to influence or enforce decisions regarding disputes arising in PPP projects.

STEP 6: Track progress and measure success

Define working rhythm and activities

Defining the working rhythm and activities is key to ensuring a smooth and effective delivery of the NIA approach. NIA working group activities are ongoing in nature (distributed as tasks among different members) and vary according to the type and amount of work. Efforts are usually formalized by a series of physical gatherings throughout the year:

– Steering Committee meetings

At least twice per a year, members hold a Steering Committee meeting, chaired by its public chair. The group decides on its strategic objectives and deliverables, and subgroup co-leads report on the progress to date, and discuss the achievements and challenges. Additional needs are identified and new members are nominated. Considering these meetings' strategic importance, the participation of all members is mandatory and cannot be delegated.

– Monthly working meetings (subgroup)

Each subgroup organizes one working meeting per month to track progress and ensure that the group is reaching its objectives. Subgroup co-leads define key milestones, distribute tasks and gather additional input/resources from members. The WG Secretariat supports all the activities and related logistical work.

Ensure continuity and engagement

Members of the various working groups are expected to advance the group's purpose but also participate actively in all its calls/meetings. However, as already mentioned, the working group structure has no legal status or liability associated with its activities. If members no longer value their engagement, they can simply stop being active. This can lead to the gradual disengagement of the individuals involved, resulting in an empty structure that could lose its initial potential.

Therefore, after the initial structure is in place, the key challenge is to keep all stakeholders engaged. The active participation of the public counterparts and subgroup leaders is obviously crucial to keep the working dynamics going and generate action and interest from other members. Other factors, however, also appear to have a determinant role in this equation. Keen to better understand the drivers and motivations behind individual engagement, the World Economic Forum ran a series of interviews with members of the various working groups. The most common reasons for participating quoted by the private-sector and other stakeholders interviewed include:

- Opportunities to speak directly with policy-makers
- Cross-sector networking
- Peer-to-peer interaction and first-hand learning opportunities
- Willingness to help/act/move things forward.

“

The BWG gave WanaArtha Life the opportunity to learn from other international members and, as a consequence, helped increase our industry's exposure to infrastructure investments in the ASEAN region.

”

Evelina Pietruschka, Chairperson, WanaArtha Life, Indonesia

Personal motivation, in particular, seems to play a key role in ensuring the sustainability of an individual engagement. Ultimately, each member has a choice to stay engaged throughout the process. Defining the right focus areas, realistic action plans and achievable deliverables that align institutional priorities with personal interests will ensure NIA's success over time.

“

*As an Argentine,
I want my country to succeed.*

”

Gonzalo Ketelhohn, Director, Marketing, Institutional Relations and Government Affairs, Willis Towers Watson, Argentina

Communicate

The working groups are dynamic structures, occasionally operating through turbulent economic, social and political times. Additionally, throughout the working group life cycle, stakeholders often change assignments, retire or are replaced; therefore, its membership base cannot be set in stone. Building strong visibility within diverse political and business circles will help ensure continuity and replacement whenever necessary. Strong communication will also help to bring new members on board and generate even greater traction for enhanced cooperation. In this regard, each working group member should also act as an ambassador of the initiative, outside of the working group's regular circles.

To increase general public awareness and acceptance, the working group should also develop an external communications strategy. Using local press channels, social media and other national and international platforms helps socialize the working group's goals and actions by highlighting its successes, and increases its general visibility.

The way forward

During its scoping phase, NIA demonstrated its ability to attract and convene senior stakeholders across industry sectors and public administrations. It positioned private companies as significant actors in developing public-private initiatives and co-shaping innovative and sustainable regulations, crucial to long-term economic growth and development. It also provided policy-makers with space to present their priorities and talk about the future.

With minor variations necessary to adjust the model to the local context, the NIA approach introduces a new form of public-private collaboration in areas related to infrastructure development and financing. The approach can be initiated by almost any organization active in the national infrastructure and investment landscape. However, prerequisites for successful implementation include robust and continued public-sector engagement and the significant participation of private-sector companies, which are balanced by one or several impartial voices.

Designed to empower public-private collaboration at the highest level, NIA has the potential to enable better and faster infrastructure delivery worldwide. The NIA model was created with the objective to be replicated across additional countries and continents. By following the NIA implementation checklist (Annex 1), policy-makers, private entities and MDBs are well armed to introduce a results-oriented model for infrastructure acceleration in their respective countries or jurisdictions.

Annexes

1. NIA Implementation Checklist

Step 1: Assess country readiness

Determine the appetite to develop a culture of public-private dialogue ☐

Ensure a strong base of private-sector players ☐

Step 2: Identify key stakeholders

Identify government officials ready to lead ☐

Ensure multistakeholder participation ☐

Step 3: Understand the needs

Benchmark the PPP landscape ☐

Select issues that require public and private commitment for their resolution ☐

Step 4: Build the structure

Create a working group (WG) ☐

Bring onboard WG members ☐

Steering Committee chair ☐

Co-leading public partner ☐

Steering Committee members ☐

Subgroup co-leads ☐

WG Secretariat staff ☐

Draft terms of reference (ToR) ☐

Step 5: Define the action plan

Translate focus areas into concrete deliverables ☐

Step 6: Track progress and measure success

Plan activities throughout the year ☐

Develop a communications strategy ☐

2. Related World Economic Forum reports and publications

Strategic Infrastructure: Steps to Prioritize and Deliver Infrastructure Effectively and Efficiently (2012)

This report provides policy-makers with an overview of how to prioritize and deliver infrastructure projects.

http://www3.weforum.org/docs/WEF_IU_StrategicInfrastructure_Report_2012.pdf

Related Knowledge Cards: http://www3.weforum.org/docs/WEF_SCT_KnowledgeCards_2012.pdf

Strategic Infrastructure: Steps to Prepare and Accelerate Public-Private Partnerships (2013)

This report provides a framework for the preparation and acceleration of PPP projects.

http://www3.weforum.org/docs/AF13/WEF_AF13_Strategic_Infrastructure_Initiative.pdf

Strategic Infrastructure in Africa: A business approach to project acceleration (2013)

This report provides a methodology to evaluate infrastructure project eligibility for PPPs.

http://www3.weforum.org/docs/AF13/WEF_AF13_African_Strategic_Infrastructure.pdf

Infrastructure Investment Policy Blueprint (2014)

This report provides policy guidance on how to attract investors in infrastructure investments.

http://www3.weforum.org/docs/WEF_II_InfrastructureInvestmentPolicyBlueprint_Report_2014.pdf

Strategic Infrastructure: Steps to Operate and Maintain Infrastructure Efficiently and Effectively (2014)

This report provides a framework for the successful operations and maintenance of infrastructure assets.

http://www3.weforum.org/docs/WEF_IU_StrategicInfrastructureSteps_Report_2014.pdf

African Strategic Infrastructure Initiative: Managing Transnational Infrastructure Programmes in Africa – Challenges and Best Practices (2014)

This report provides an overview of challenges and opportunities related to transnational infrastructure projects.

http://www3.weforum.org/docs/WEF_AfricanStrategicInfrastructure_Report_2014.pdf

African Strategic Infrastructure Initiative: A Principled Approach to Infrastructure Project Preparation Facilities (2015)

This report provides a framework for addressing infrastructure project preparation challenges.

http://www3.weforum.org/docs/WEF_African_Strategic_Infrastructure_Initiative_2015_IPPF_report.pdf

Strategic Infrastructure: Mitigation of Political & Regulatory Risk in Infrastructure Projects (2015)

This report provides a framework focusing on the political and regulatory risk issues related to infrastructure PPPs.

http://www3.weforum.org/docs/WEF_Risk_Mitigation_Report_2015.pdf

Risk Mitigation Instruments in Infrastructure – Gap Assessment (2016)

The report, based on a comprehensive survey, is designed to help policy-makers, international financial institutions and the private sector understand the current state of affairs of risk mitigation instruments and chart a course of action for the future.

http://www3.weforum.org/docs/WEF_Risk_Mitigation_Instruments_in_Infrastructure.pdf

Recycling Our Infrastructure for Future Generations (2017)

This report takes a close look at an emerging approach to financing new infrastructure, known as “asset recycling”.

<https://www.weforum.org/reports/recycling-our-infrastructure-for-future-generations>

Related article in *Forbes*, “To Renew Our Airports, We Should Recycle Them”, 22 December 2017. <https://www.forbes.com/sites/worldeconomicforum/2017/12/22/to-renew-our-airports-we-should-recycle-them/#7303e7704171>

Endnotes

1. World Economic Forum, *The Global Competitiveness Report 2013-2014*, World Economic Forum, Geneva, 2013.
2. World Economic Forum, *The Global Competitiveness Report 2017-2018*, World Economic Forum, Geneva, 2017.
3. The World Bank Group, “Forecasting infrastructure investment needs for 50 countries, 7 sectors through 2040”, 10 August 2017.
4. World Economic Forum, “Recycling our Infrastructure for Future Generations”, White Paper, World Economic Forum, Geneva, 2017.
5. Annex 2 lists previous Forum infrastructure-related publications.
6. The approach can be initiated and/or executed by high-level policy-makers and/or any other public or private stakeholders. Regardless which party originates the process, the successful delivery of the objectives will require robust and sustained public-sector engagement, strong support from the private sector and the presence of a “neutral party” (international institution, MDB, etc.).
7. “Accelerating Capital Markets Development in Emerging Economies: Country Case Studies”, White Paper, World Economic Forum, Geneva, 2016.
8. Implementation of the NIA approach at the state, city or regional level can also be envisaged, provided the jurisdiction has all of the necessary prerequisites.
9. Successful realization will ALWAYS require robust and sustained public-sector engagement
10. Traditionally, this “coordinating organization” role has been fulfilled by the World Economic Forum. Other stakeholders, such as regional development banks, are ideal candidates to take on this role.
11. The meeting took place in November 2017 in Hanoi.
12. Framework developed by the World Economic Forum and partners; see World Economic Forum, *Strategic Infrastructure: Steps to Prepare and Accelerate Public-Private Partnerships*, May 2013.
13. The work of the IWG in 2018 will be articulated around the following four focus areas: 1) the legal framework; 2) PPP implementation, including a) project preparation, management and multi-stage planning, b) individual and institutional capacity building, c) risk sharing and guarantee mechanisms; 3) the asset recycling model; and 4) project acceleration.
14. Effective since June 2018 and the launch of Phase 2 of the project.
15. WGs generally plan their activities for a period of one year.
16. The profile of an ideal Steering Committee chair varies significantly, depending on the political context and given the individual’s background. The future chair should occupy a minister-level position, have influence within the public policy and infrastructure-related spheres, and be able to interact comfortably with the rest of the working group.

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The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation.

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