Working Party of Senior Budget Officials

PROVISIONAL AGENDA

11th Annual Meeting of the OECD Network of Senior PPP and Infrastructure Officials

27 March 2018
OECD Conference Centre, Paris

The meeting will be chaired by Mr. Salim BENSMAIL, Director, Mission d’appui au financement des infrastructures (Fin Infra), Ministry of Finance, France.

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### PROVISIONAL AGENDA

**11th Annual Meeting of the OECD Network of Senior PPP and Infrastructure Officials**

27<sup>th</sup> March 2018  
OECD Headquarters, Paris

**DRAFT-AGENDA**

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<th>Time</th>
<th>Session</th>
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<td>9:15-9:30</td>
<td><strong>Opening Session</strong></td>
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<td>• Chairman’s introduction</td>
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<td>• Welcome by Jón BLÖNDAL, Head of Budgeting and Public Expenditure Division, OECD</td>
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<td>• Introductory roundtable</td>
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<td>9:30-10:45</td>
<td><strong>SESSION 1: New developments in infrastructure governance</strong></td>
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<td>This session aims to update delegates on developments and new trends in infrastructure. After an introduction on global trends in infrastructure, selected countries will share highlights from recent institutional reforms and developments in the infrastructure and PPP sector.</td>
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<td><strong>Speakers</strong></td>
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<td>• Mr. Marc MILOSEVIC, Vice President of Vinci Railways, France</td>
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<td></td>
<td>• Ms. Isabel RIAL, Senior Economist, Expenditure Policy Division, Fiscal Affairs Department, IMF</td>
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<td>• Mr. Christopher FINCK, Executive Officer, Federal Ministry of Finance, Germany</td>
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<td>• Ms. Lisa MITCHELL, Senior Director, Investment, Finance and Innovation, Infrastructure Canada</td>
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<td>• Mr. Jose Maria PINERO CAMPOS, Department of Infrastructure and Land Transport, Ministry of Public Works, Spain</td>
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<td>10:45-11:15</td>
<td><strong>Coffee</strong></td>
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<td>11:15-12:30</td>
<td><strong>SESSION 2: Prioritisation and selection of public investment projects</strong></td>
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<td>Given the limited resources available for infrastructure investment, prioritisation becomes an essential tool to ensure these resources are invested in the right projects. Having a clear and transparent prioritisation process aligned with the fiscal planning framework is essential to ensure that investment in infrastructure delivers the expected social and economic benefits, while contributing to long term policy objectives. According to the 2016 OECD Survey of Infrastructure Governance, 60% of OECD countries have a short list of projects with political commitment to be financed in the medium term. The most important reasons to include a project in the short list are strong political backing and the link with long term strategic plans. Likewise, the</td>
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The session aims to identify good practices for project prioritisation and selection in OECD countries. The session will discuss the practical difficulties involved when it comes to prioritising specific infrastructure projects in alignment with national infrastructure plans, and give examples of existing methodologies with a particular focus on the criteria used to develop the "long list", "short list" and final funding approval. Special attention will be given to the link between the prioritisation process and fiscal planning.

Issues discussed in this session may include:

- How do countries ensure that project prioritisation is informed by long-term development goals and key policy objectives?
- How is the prioritisation process linked to fiscal planning instruments such as medium term expenditure frameworks?
- To what extent is project prioritisation grounded in evidence?
- What is the role of politicians in project selection, and how do countries ensure this role is explicit and transparent?
- Is project prioritisation based on transparent processes and clear criteria? How do countries account of social values in their decision process? How are these communicated to the public?

**Speakers**

- Mr. Laurence CARTER, Senior Director, Infrastructure, PPPs and Guarantees, World Bank Group
- Mr. James BALLINGALL, Head of International, Infrastructure and Projects Authority, UK
- Mr. Seungwook LEE, Director, PPP Policy Division, Korean Ministry of Strategy and Finance, Korea

**12:30-14:00  Lunch**

**14:00-15:00  SESSION 3: PPPs for regional development**

Subnational governments play a major role in the development of infrastructure projects. In many countries they are the key actors in implementing the infrastructure global agenda and hence need to be involved from the early planning and discussion phase. Even if PPPs play a modest part in meeting global infrastructure needs, looking at PPPs by level of government, is clear that many of them are procured and implemented at the subnational level.

The complexity of PPPs can require technical capacity that may be lacking at the subnational level. Furthermore, expertise is difficult to build up at the subnational level, particularly in social infrastructure. Harmonisation of the decision-making process, coordination across levels of governments and support from higher levels of
government are key to ensure PPPs mobilise private resources and yield value for money. If insufficient resources are provided, central approval and coordination requirements can lead to bottlenecks.

This session will look at the specific challenges of private participation in infrastructure investment at the subnational level, in particular in areas such as financing and funding, intergovernmental regulatory coherence, cross-jurisdictional co-ordination and economies of scale.

Issues discussed in this session may include:

- What is the role of regional and local governments in infrastructure provision through PPPs?
- Do regional authorities have the human, institutional and financial resources to prepare, procure and implement PPP projects? Which governance arrangements can reinforce sub-national capacity?
- Are there overlaps or contradictions between the multiple layers of regulation that affect implementation of PPP projects at the subnational level?
- What are the main drivers to implement PPPs at the subnational level?
- How can sub-national projects reach economies of scale to attract private investors and maintain a credible balance between efficiency, risk-sharing and value-for-money for taxpayers?

**Speakers:**

- Ms. Dorothée ALLAIN-DUPRÉ, Head of Unit, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD
- Ms. Lee MIZELL, Senior Researcher, PPP Center, Geneva School of Economic and Management: the UK case
- Ms. Lisa MITCHELL, Senior Director, Investment, Finance and Innovation, Infrastructure Canada

Discussant: Mr. Michael BURNETT, Director, European PPP Forum, European Institute of Public Administration

**15:00-16:00 SESSION 4: Innovative funding and financing mechanisms for infrastructure projects**

This session aims to discuss good and innovative practices to ensure infrastructure funding and financing. Even with sufficient access to finance, the question of funding remains a vital element for decision makers. If user fees or tariffs do not cover the long-term depreciation of capital assets, for instance, investment decisions could be short-sighted and infrastructure could fail to be appropriately maintained and upgraded. Furthermore, setting user fees is a difficult, highly political task, and allocating subsidies from the public budget can also be a difficult process in times of fiscal stress.

On the funding side, land value capture mechanisms have been used as instruments through which public authorities can capture increases in property values and use them to finance infrastructure projects. Some form of value capture mechanism exists in the large majority of OECD countries. However, little is known about its magnitude, benefits, challenges and limits as a funding mechanism for infrastructure. Innovative
mechanisms have also been developed on the financing side. For example, some countries have implemented asset recycling as an instrument to finance infrastructure investments through proceeds made from the sale or lease of public infrastructure to the private sector.

This session aims to have a deeper look into these funding and financing mechanisms for infrastructure projects, giving special attention to their main advantages and disadvantages, as well as the lessons learned during the past years of implementation. The session will also explore the G20/OECD Taskforce on Long Term Investment work on effective approaches to funding and financing models.

Issues discussed in this session may include:

• What are the main advantages and disadvantages of innovative infrastructure funding and financing options?

• What are the benefits challenges and limits of land value capture as a funding mechanism for infrastructure?

• What alternative financing instruments have proven to be successful? What are their limits and implementation challenges?

• How can joint funding arrangements ensure a fair distribution of the financial burden and benefits?

Speakers:

• Mr. Raffaele DELLA CROCE, Long Term Investment Manager, Directorate of Financial Affairs, OECD

• Mr. Andrew JAGGERS, Executive Director, Department of Infrastructure and Transport, Australia

• Mr. Frédéric BRÉDILLOT, Deputy CEO, Société du Grand Paris, France

Discussant: Mr. Ian Hawkesworth, Senior Specialist, Governance Global Practice, World Bank

16:00-16:30 Coffee

16:30-17:15 SESSION 5: Updates and future programme of work

• The Recommendation of the Council on Principles for Public Governance of Public Private Partnerships: Monitoring Process

The Network of PPP and Infrastructure Officials will be invited to discuss the draft report on the Implementation of the Recommendation of the Council on Principles for Public Governance of Public Private Partnerships and how the recommendations are integrated into the broader framework of infrastructure governance. Delegates will be encouraged to comment on the preliminary findings in the session or by written procedure. The final report will be presented to the Council by the end of 2018.

• Update: the Governance of Mega Infrastructure Projects

This session will present the preliminary findings of the secretariats current work on “mega infrastructure projects” towards a systematic guidance for policymakers
to ensure that these high prestige, high impact and very costly initiatives deliver on their promises.

- *OECD 2018 Survey of Infrastructure Governance*
- *Update on future work*

Followed by an open discussion on future trends and work streams

17:15-17:30  Closing session
MEETING INFORMATION

Registration Form
All Delegates must complete the attached registration form and return it to the Secretariat (helene.leconte-lucas@oecd.org) ahead of the meeting.

Accommodations
Delegates are responsible for their own accommodation. Information on hotels close to the OECD at special rates and our online booking system can be found at: http://www.oecd.org/site/conferencecentre/hotels-close-to-oecd.htm

Meeting Location
The meeting will take place at the Conference Centre at OECD Headquarters – Château de la Muette – which is located at: 2, rue André Pascal in the 16th arrondissement (district) of Paris. The closest metro station is “La Muette” on line 9 or "Bouainvilliers” or “Henri Martin” on line C of the RER. More information on getting to the OECD can be found at: http://www.oecd.org/site/conferencecentre/gettingtotheoecd.htm

Security and Badges
Please be advised that OECD Headquarters is a secure complex. Badges can only be issued to registered Delegates, and a passport or national identity card is required in order to receive a badge. Delegates must go to the main entrance and pass through the security checkpoint in order to pick up badges. Please allow up to 15 minutes to complete these formalities.

Reception
Participants are kindly invited to a cocktail reception hosted by the Long Term Infrastructure Investors Association (LTIIA), on Monday 26 March after the Infrastructure Governance Forum.

Simultaneous Translation
Simultaneous translation between English and French, the OECD’s two official languages, will be available throughout the meeting.

Wi-Fi Internet Access and Business Centre
The OECD Conference Centre features complimentary Wi-Fi Internet Access throughout its facilities. Internet access is available in the Espresso Café. There is also a Business Centre located in the Conference Centre offering complimentary desktop computers with standard Microsoft Office software, Internet connections and printers.

Social Media
Delegates are asked to observe Chatham House rules when using social media related to the event, and to use #OECDsbo when tweeting.