G20/OECD PROGRESS REPORT ON DIVERSIFICATION OF FINANCIAL INSTRUMENTS AND RELATED GUIDANCE

March 2016

At their Shanghai meeting, the G20 Finance Ministers and Central Banks Governors supported, under the pillar 3 of the programme of work of the Investment and Infrastructure Working Group (IIWG), the development of a guidance note on recommended policy steps that could contribute to diversified financing instruments for infrastructure and SMEs with special attention to equity financing by promoting capital markets development, engaging institutional investors, and promoting infrastructure investments as an asset class.

As mentioned in the IIWG chairs' summary of the Sanya meeting, the OECD is expected, building on earlier work and working in close collaboration with the WBG, IMF and other international organisations, to develop a related report.

In support of the IIWG, the G20/OECD Task force on institutional investors and long term financing met on 17/18 March to initiate this important work stream and discussed an outline of the guidance note and supporting documents. As part of the Taskforce meeting an external stakeholders session open to business and trade union representatives took place in the morning of 18 March.

A draft G20/OECD progress report was subsequently circulated to the IIWG members for any additional major comments. It contained a revised outline of the guidance note and support documents as discussed and agreed by the Task Force and further information on the G20/OECD Task Force meeting. A final version of the report, which takes into consideration IIWG comments, is now transmitted to the April meeting of G20 Finance Ministers and Central Banks Governors.

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G20/OECD PROGRESS REPORT ON DIVERSIFICATION OF FINANCIAL INSTRUMENTS AND RELATED GUIDANCE

Background and proposed outline

As highlighted in the recent communiqué from G20 Finance Ministers and Central Banks Governors (26-27 February 2016, Shanghai), there is strong interest in advancing the global investment agenda, with a focus on infrastructure development, both in terms of quantity and quality. This work will involve three main pillars (text from communiqué inserted in italics):

- Strengthening the role of MDBs and calling on them to take joint actions to further support infrastructure investment (Pillar 1): *"We look forward to the Multilateral Development Banks (MDBs) to present concrete actions by July to optimize their balance sheets as agreed in Antalya. Given the unique role of MDBs in promoting infrastructure development and considering the MDB's mandate on promoting infrastructure investment and poverty reduction, as called for in the Addis Ababa Action Agenda, we encourage MDBs to formulate quantitative ambition for high-quality projects and take joint actions to demonstrate their commitment to infrastructure investment to attract new sources of long-term investment financing, including by catalysing private sector funding, enhancing cooperation among existing and new MDBs, promoting multi-partite cooperative co-financing models and supporting works concerning project preparation."*

- Promoting global infrastructure connectivity through enhanced cooperation and synergy among regional/national infrastructure initiatives (Pillar 2): *"Strengthening connectivity is the key to maximize the positive spillovers of national infrastructure and create more investment opportunities. We will launch a global infrastructure connectivity alliance initiative to enhance the cooperation and synergy of infrastructure programs."*

- Exploring diversified financing approaches and fostering private financing for infrastructure investment (Pillar 3): "*We support the development of a guidance note on recommended policy steps that could contribute to diversified financing instruments for infrastructure and SMEs with special attention to equity financing by promoting capital markets development, engaging institutional investors, encouraging implementation of G20/OECD corporate governance and SME financing principles and promoting infrastructure investments as an asset class."*

Under Pillar 2, a dedicated IIWG/WBG/OECD seminar on global infrastructure connectivity will be organised in April, involving G20 members, international organisations and others.

Under Pillar 3, the OECD is expected, building on earlier work and working in close collaboration with the WBG, IMF and other international organisations, to develop a report seeking to identify ways to diversify infrastructure financing approaches, with special attention to equity financing and through capital markets development; engage institutional investors; and develop infrastructure investments into an asset class. Also, under Pillar 3, the WBG will prepare a policy note on local currency infrastructure bonds. Furthermore, the Global Infrastructure Hub (GIH) is expected to prepare a report on knowledge sharing, with an emphasis on fostering infrastructure investments in developing countries. The first draft of the OECD report is expected to be ready by the end of April.

In support to the IIWG, the G20/OECD Task Force on Institutional Investors and Long-term Financing met on 17-18 March to initiate this important work stream and discussed the outline of the guidance and supporting documents.

Based on this discussion, a revised outline for the supporting policy report and the guidance note appears in the attached Annex 1. The structure of the proposed report, as discussed by the Task Force, mainly reflects the already agreed elements for G20 work, namely:

1. Framework conditions for infrastructure financing and capital markets development

2. Diversification of financing instruments and innovations

3. Equity finance

4. Engagement of institutional investors

5. Infrastructure as an asset class

The task force agreed on the main directions of the outline and also highlighted that the all financing tools suiting infrastructure may not be applicable for SMEs, given the different nature of infrastructure and SME financing. In this regard, two separate supporting documents, led by the OECD, will be prepared for infrastructure and SME financing, respectively. There was also support for addressing the developing country angle, with inputs from the WBG and IMF. The report and guidance note will also highlight the connection of pillar 3 with the two other pillars. Other more granular comments will be integrated in the report.

To support the report, earlier work will be drawn on as relevant, given the large amount of work that has been conducted in recent years on the issues of infrastructure finance and SME finance. Nonetheless, focussed work will be undertaken in specific areas, for instance on the question of equity finance for infrastructure and infrastructure as an asset class (including as market development). International organisations such as the WBG and IMF are expected to make relevant contributions to the report, including in particular on developing countries' angle.

It is expected that the conclusions of the report would provide the inputs for the guidance note and that both will be submitted to G20 Finance Ministers and central banks Governors at their next July meeting. The exact nature and content of the guidance note can be elaborated once progress is made with the support report – thus this issue can be discussed in more depth at the next meetings of the G20/OECD task force and the G20 Investment and Infrastructure Working Group in April. However, it is expected that the guidance note would draw on relevant agreed international principles, for instance the *G20/OECD High-level Principles of Long-term Investment Financing by Institutional Investors, the effective approaches to facilitate their implementation, the G20/OECD report on investment strategies* and the recent *G20/OECD High-level Principles on SME Financing*. The IIWG and Task Force members may also soon be invited to provide short inputs on selected issues including equity financing programmes.

As part of the Taskforce meeting an external stakeholders session open to business and trade union representatives took place in the morning of the 18 of March. It provided major inputs which will be reflected in the support and guidance note (a first selected summary is provided in Annex 2)

The meeting of the G20/OECD Task force also enabled addressing other issues relevant for investment infrastructure (a short selected summary of the meeting is provided in annex 3).

This progress report and in particular the draft outline was agreed by the IIWG (under the written process on 5th April) for transmission to the FMCBG meeting.

ANNEX 1: DRAFT OUTLINE OF GUIDANCE NOTE AND RELATED SUPPORTING REPORTS ON INFRASTRUCTURE AND SME

<table>
<tr><td colspan="3">I. Guidance note on recommended policy steps (5 pages maximum)

“To diversify financial instruments for infrastructure and SMEs and attract new sources of long–term financing, with special attention to equity financing, by promoting capital markets developments, engaging institutional investors, and promoting infrastructure investments as an asset class”. (See communiqué from G20 Finance Ministers and Central Banks Governors, 26-27 February 2016, Shanghai).
The guidance is expected to be operational, and take into consideration differing country circumstances. It is also expected to identify linkages with other IIWG work streams.</td></tr>
<tr><td colspan="3">II. First supporting report to the guidance note (20-25 pages), INFRASTRUCTURE</td></tr>
<tr><td>SECTIONS</td><td>DESCRIPTION</td><td>SELECTED BACKGROUND DOCUMENTS</td></tr>
<tr><td>Executive summary (2 pages)</td><td>This section will provides a short executive summary</td><td></td></tr>
<tr><td>Framework and preconditions (2 pages)</td><td>This section will provide an overview of the preconditions allowing and promoting a diversification of financial instruments. This will include the importance of strengthening institutional capacity, which will help improve the efficiency of infrastructure investment and foster an enabling environment for diversifying financing. For developing economies, it will support the Sustainable Development Goals.</td><td>• G20/OECD High-level Principles of Long-term Investment Financing by Institutional Investors and related Effective Approaches
• G20/OECD report on National Investment Strategies
• G20 Diagnostic Framework on Local Currency Bond Markets
• Note on the IMF infrastructure policy support initiative.
• Towards a framework for the Governance of Infrastructure (OECD)
• OECD Policy Framework for Investment</td></tr>
</table>

Diversification of financing instruments (4 pages)	This section will overview and analyse the main financial instruments available for financing infrastructure, their respective characteristics and advantages and related obstacles, with a focus on capital markets instruments and vehicles. The section will address instruments and also modalities which facilitate a dynamic allocation between various investors, including banks and institutional investors	• OECD Mapping of Infrastructure Financing Instruments and Incentives • G20/OECD High-level Principles of Long-term Investment Financing by Institutional Investors and effective approaches • Capital market instruments to mobilize institutional investors to infrastructure and SME financing in emerging market economies (WB/IMF/OECD)
Equity instruments (6 pages)	This section will provide special -but not exclusive- consideration, with further details, on equity instruments available for financing infrastructure, their respective characteristics and advantages and related obstacles, with case studies and discussion of some new innovative directions. It will address the main policies and business models which could be identified to promote such instruments.	• OECD Mapping of Infrastructure Financing Instruments and Incentives • OECD report on Pooling of institutional investors capital • G20/OECD report on National Investment Strategies • Planned report on Equity investment in infrastructure finance • Report for G20 on Corporate Funding Structures and Incentives • G20/OECD High-level Principles of Long-term Investment Financing by Institutional Investors and related Effective Approaches
Institutional investors (4 pages)	This section will identify the current issues related to the role of institutional investors for infrastructure financing, the main obstacles and related policy options	• Report on Investment strategies of insurers and long-term investment • G20/OECD High-level Principles of Long-term Investment Financing by Institutional Investors and effective approaches • OECD Large Pension Fund Survey • OECD report on Mapping Channels to Mobilise Institutional Investment in Sustainable Energy • G20/OECD Principles of Corporate Governance • Capital market instruments to mobilize institutional investors to infrastructure and SME financing in emerging market economies (WB/IMF/OECD)

Asset class (3 pages)	This section will explore the rationale and modalities for promoting infrastructure as an asset class and its role as an equity instrument, as well as a market development	• Infrastructure as an asset class: Closing the data gap • Input from EDHEC /GIH
Conclusions and guidance (3/4 pages)	This section will provide a summary of the guidance note for recommended policy steps and directions for future work. The full text of guidance part will also be circulated as a separate document (see above).	

II. Second supporting report to the guidance note (8-10 pages), SME		
SECTIONS	**DESCRIPTION**	**SELECTED BACKGROUND DOCUMENTS**
Executive summary (1 page)	This section will provides a short executive summary	
Framework and preconditions (2 pages)	This section will provide an overview of the preconditions allowing and promoting a diversification of financial instruments	• G20/OECD High-level Principles on SME Financing • G20/OECD High-level Principles of Long-term Investment Financing by Institutional Investors and related Effective Approaches • G20/OECD report on National Investment Strategies
Diversification of financing instruments (4 pages) and special consideration on equity instruments	This section will overview and analyse the main financial instruments available for financing SMEs, their respective characteristics and advantages and related obstacles, with a focus on capital markets instruments. The section will address instruments and also modalities which facilitate a dynamic allocation between various investors	• New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments • Unlocking SME finance through Market-based Debt: Securitisation, Private Placements and Bonds • Opportunities and Limitations of Public Equity Markets for SMEs • Opportunities and Constraints of Market-Based Financing for SMEs: Synthesis report for G20 Finance Ministers and Central bank Governors • G20/OECD High-level Principles on SME Financing
Conclusions and guidance (1 page)	This section will provide a summary of the guidance note for recommended policy steps and directions for future work related to SMEs. The full text of guidance part will also be circulated as a separate document (see above).	

ANNEX 2 SELECTED EXTRACTS OF THE DIALOGUE WITH THE G20/OECD TASK FORCE ON INSTITUTIONAL INVESTORS AND LONG TERM FINANCING AND THE BUSINESS AND TRADE UNION COMMUNITIES (18TH MARCH 2016).

Session I - Equity Investment in Infrastructure Finance

The Secretariat presented the proposed work on equity finance highlighting its importance (amongst other financial instruments) due to several reasons, including the following ones:

1. Equity can be a stable financing instrument for long-term, high-risk investments, as well as for long-term investments with significant information asymmetries and moral hazard. Equity investors, and in particular institutional investors, are able to take a long-term view on the risk and return characteristics of infrastructure assets and are thus well-suited to bear such risks as they extend the investment time horizon over long periods.

2. Equity capital occupies a first-loss position in the capital structure of an infrastructure asset. Securing an adequate amount of equity is crucial in order to catalyse infrastructure projects. Equity therefore provides support for the issuance of debt, helping to also achieve higher ratings categories when assets are sufficiently well capitalised by loss-absorbing positions. In cases where projects cannot secure enough debt financing due to limited or uncertain revenues, closing "financing gaps" through additional equity commitments may be an option.

3. Equity finance is critical for private sector involvement in the procurement of infrastructure: it helps to align interests between project sponsors, governments, and investors. An alignment of incentives between the public and private sectors is key for the sustainability of private sector investment in infrastructure; equity serves as the instrument through which this relationship can function. For example, developing PPP models that appropriately balance private sector incentives with public sector protections and risk sharing; equity structures must therefore be designed to both attract private sector investment while protecting the public interest.

4. OECD research on pension fund asset allocation indicates strong demand for equity investment in infrastructure. Policymakers should therefore focus attention on fostering a supportive investment environment to channel higher levels of equity investment into infrastructure assets.

After the presentation by the Secretariat on equity investment, a discussion followed on these issues and on general issues related to infrastructure finance.

A participant presented a perspective on pension markets and public infrastructure finance. The UK is currently facing a large funding deficit of public sector pension funds. The United States and other countries are also facing a similar challenge. A potential solution to overcome this deficit over time is to invest larger amounts of pension assets in long-lived illiquid assets, such as infrastructure equity, by pooling investors and creating cost-cutting efficiency through scale. The benefits would be twofold:

investment that provides the UK with badly needed infrastructure and housing, and a source of real returns for meeting future pension obligations.

Governments, insurance companies and construction firms have decreased provision of risk capital for infrastructure projects in light of austerity, new regulation and weaker balance sheets, respectively, stressing the need for alternative sources of finance. Because high demand for brownfield assets is driving up prices and lowering margins, the opportunity for excess returns on investment in greenfield assets is becoming attractive. However, investors remain reluctant to take development risk in new projects, which implies the need for either intervention on the part of governments and regulators to facilitate investment, or the development of new financing channels.

A participating utility made the point that asset disposals have been a key part of its financial strategy. This would create opportunities for investors to buy existing assets. As for greenfield investment, a multi-stakeholder project preparation facility could accelerate institutional investment in infrastructure, by pooling and blending funds for the purpose of project preparation and development. Governance of such a facility regarding conflicts of interest and investor exit options will be a key determinant of success.

One fund manager emphasized that greenfield investment is where the global infrastructure investment gap will be closed. A positive development can be observed over the past 10 years in the way institutional investors approach infrastructure investment. The understanding of construction risk is now more differentiated and investors are more confident with it. A key switch in policy has been that high yield in later stages can now offset the low or absence of yield during earlier construction stage. The proven track record and availability of long-term asset managers has also drawn a larger sample of investors to the infrastructure market. Investors are re-investing with successful managers and are building long-term relationships. In this regard, policy efforts towards a steady pipeline of viable projects are important, as it would increase the opportunities for institutional participation in projects, which in turn would further build a track-record and bring new investors to the market.

The participant also raised the point that expertise with construction risk justifies the fees it demands. Direct investment often results in relatively smaller projects. Emerging markets also offer interesting opportunities, particularly in energy and renewable energy. Emerging markets should not be viewed as more risky by default. Experience shows that projects in developing countries can be better structured than in developed countries, and there is increased willingness by governments to work closely with project sponsors. Encouraging developments on the debt side have also been recognised.

Another speaker argued that most investment is needed in small projects. Innovative financing instruments such as blended finance, crowd funding, and impact investment should receive more attention. Putting these to proper use and channeling other institutional sources funding, such as foundations, to increase investments in small projects in emerging markets would raise growth. To this another participant responded that pooling small projects and structuring them in the right way could also attract broader institutional investment, as it would lower transaction costs.

Efforts to reduce political risk have been welcomed. Expropriation by governments and tariff changes can still occur in developed economies and the risk should not be underestimated. Studying the efficiency of various approaches to overcome this is important, for example the effects of co-investing with a sovereign wealth fund. One participant also noted that a significant number of projects get stuck in legal challenges, and insuring against this would improve investor confidence. Several development finance institutions have created insurance products to mitigate political risk. The issue of developing local currency capital markets was also raised. Another discussant described that default risk in G7 and G20 countries as still significant. Equity buy-and-hold and buy-and-build investments would have the capacity to withstand major disruptions like civil war and yield long-term value when debt claims are defaulting.

Institutional investors should be encouraged to access this via equity investment in infrastructure according to one participant.

A participant stressed the importance of index investing and its popularity amongst investors. Several indices for public equity infrastructure exist and indexed investments have the inherent advantage of instantly accessing a large pool of capital. Most investors would demand their asset managers to exit negative investments, regardless of an initial long-term commitment or not – listed equities, even if they may not provide a relatively attractive investment opportunity, may still have access to capital through indexing. The governance models of asset owners and asset managers need to be aligned, which requires a coordinated effort. Another participant explained that the observed infrastructure gap is not due to financing but to the lack of affordability of projects. The eventual users and tax payers need to be willing to pay for infrastructure developed with the private sector, which is not always understood today.

Session II – Infrastructure as an asset class

The discussion began with the Secretariat presenting preliminary results of the latest Survey of Large Pension Funds and Public Pension Reserve Funds. For the past five years, the OECD through the Long-term Investment Project, has been gathering data on asset allocation and infrastructure investment of some of the largest and most influential pension fund investors in the world. This data gathering compliments the discussion on infrastructure as an asset class, as this group of funds have led the market by experience in terms in defining due diligence and the processes that are necessary in order to build successful infrastructure investment programmes.

The Secretariat stressed that advancing the dialogue on the subject of infrastructure as an asset class will include addressing four primary areas:

1. Principal/agent problems and asymmetric information: Infrastructure projects tend to lack transparency due to opaque and diverse structures. This also applies to PPP models. The information required by investors to assess these risk-structures and the infrastructure market in general is lacking or highly scattered, creating uncertainty. The lack of transparency and adequate data increase risks for those engaging in infrastructure financing. In cases where agents (such as investment managers) act on behalf of investors, aligning investor interests with managers' requires access to data in order to complete the manager selection process, to select appropriate investment products, and to properly monitor managers.

2. Investment mandate ambiguity: Describing with strong empirical evidence the role of infrastructure investments in the asset allocation process, and integrating infrastructure assets into the asset/liability investment framework. Placing infrastructure assets in a "real asset" category conceptually fits the purported properties of infrastructure, however; a closer look at expected performance and a clearer understanding of these expectations is warranted in order to reduce the risk of asset allocation errors and misspecifications. Additionally, regardless of strategic asset allocation objectives, infrastructure may have a role in meeting liability-driven investment objectives. A strong infrastructure investment mandate can also improve asset/owner governance and alignment of interests.

3. Benchmarking and success metrics for infrastructure investment: Observing performance of the infrastructure investment universe, and constructing benchmarks based on historical returns creates inputs into the asset allocation process, and permits the evaluation of long-term objectives and success metrics - benchmarks provide a means to evaluate manager performance. Infrastructure investments may also be useful components of an inflation hedging benchmark and consequently a liability-hedging portfolio (complementing inflation protected bonds, equities, or

other inflation sensitive assets). Sustainability and green investment goals may also be part of the evaluation process. For regulators, benchmarks provide inputs to perform stress tests and Value-at-Risk (VaR) analysis.

4. Legal and regulatory: Accounting standards, pension and insurance regulation/supervision, solvency, and governance can all be improved with better access to information about the unique attributes of infrastructure investments.

Participants presented current work regarding academic and private sector progress in data gathering and providing information sources for investors. A special presentation was provided by EDHEC on its recent project.

Another participant presented views on infrastructure, which can be characterized by predictable income and low risk. It can also be classified according to type of revenue (contracted or not) and type of infrastructure (economic or social). The recognition of different infrastructure types by regulators was described as key to shape investor focus. Main areas of interest include the costs and risks of ESG, the weighting of infrastructure in institutional portfolios, as well as understanding policy and regulation gaps in emerging markets.

One participant pointed to the experience with asset-backed securities as a roadmap to establish infrastructure as an asset class. Furthermore, not only a primary market is needed, but also a secondary market providing liquidity. This is possible and requires a pool of collateral, appropriate fund structures and fund managers. The private sector should work with governments in establishing these elements. One delegate supported that the public sector should share some risk and can also help solve coordination problems, for example through pooling of projects. Another participant agreed that getting first loss equity commitments was a major challenge with ABS and is also one with infrastructure today.

ANNEX 3: SELECTED ISSUES DISCUSSED AT THE G20 TASK FORCE MEETING ON THE 17TH OF MARCH

After an introduction by Chinese G20 Presidency on G20 2016 priorities on investment and infrastructure, the Secretariat presented recent trends in infrastructure investment and financing. Given the considerable need for long term infrastructure investment, it is essential that countries improve the efficiency of the use of resources and partner with the private sector to meet some of these investment needs. Diversifying sources of finance through new and alternative instruments and models, can better align public and private sector interest in infrastructure provision and management, optimizing the capital structure and reducing the cost of capital for the public sector.

Following the G20 priorities, it was presented the outline of a new report: Equity Instruments to Mobilise Institutional Investment in Infrastructure – A Report on Market Development and Innovation. The Secretariat asked participants for comments on the proposed focus on greenfield financing, innovative equity instruments and capital market-based vehicles.

Equity can be a suitable financing instrument for long-term, high-risk investments, as well as for long term investments with significant information asymmetries and moral hazard. The way in which assets are managed can play an important role in long-term financing in terms of aligning the incentives of asset managers, investors and companies on long-term strategies, mitigating concerns around short-termism, speculation and agency relationships.

Regarding the focus on equity investments, some delegates recalled the importance of taking into consideration other issues related to infrastructure financing. For example, securing debt mechanisms could be used to encourage equity commitments. Also, the role of mezzanine (a debt and equity hybrid) finance in infrastructure investment was also raised. The work on optimisation of MDBs balance sheet, currently developed under Pillar I of the IIWG was considered of particular relevance for the development of the Background note.

Institutional investment in infrastructure is not a new trend: though levels of investment have been growing slowly there is an increasing appetite from investors in new sectors and regions. To understand better what investors demand (with particular focus on attributes such as greenfield/brownfield) and what instruments they are using to access infrastructure, it was presented some of the latest data gathered from large pension fund and insurance company investment in infrastructure across G20/OECD countries.

In order to encourage higher levels of investment in infrastructure by institutional investors, improved data and information are necessary. Encouraging a competitive market where pricing and associated risks in infrastructure assets are transparent allows investors to evaluate the risk/return opportunities with enough confidence to make well informed investment decisions. Advancing the dialogue on the subject of infrastructure as an asset class will address some of the major issues investors are facing, from investment mandates to benchmarking, to success metrics for infrastructure investment, including considerations on ESG factors. Asset class represents also a market development issue and may raise different issues for developing countries.

G20 and OECD governments have implemented successful measures to foster private sector creating alternative stock market segments (equity or debt, public and private) for infrastructure projects and developing new vehicles to foster institutional investors' participation in infrastructure financing. A preliminary note was presented by the Secretariat, identifying selected elements from G20/OECD work in recent years that could help to support the elaboration of the background report for the G20 Presidency[1].

Task Force members were also informed about the work on Green Finance and Investment currently developed from the OECD, and also supporting the work of the G20 Green Finance Study Group, including an update on the paper on green investment banks and the draft report on green bonds: mobilising the debt capital markets for a low carbon transition. Planned work on the governance of institutional investments and the integration of environmental social and governance factors was also discussed at the meeting. Further work on connectivity issues and related projects developed by the OECD were also presented. Such work will contribute to pillar 2 of the IIWG programme of work.

At the meeting it was recognised the key role of multilateral and bilateral development partners in mobilising private capital. The Secretariat presented a preliminary overview of the scale, distribution and modality of development co-operation for infrastructure. The interconnection between Pillar Three and the other two pillars was also raised in this respect.

Several delegates stressed the importance of SMEs financing in the context of long term investment and growth. At the meeting it was suggested that a separate (and shorter) report will be prepared on SME finance which would then feed into the guidance note, combining both streams of work and related conclusions. To support this work, Task force members were also informed on follow up work on G20 OECD Principles on Corporate Governance and G20/OECD High Level Principles on SME Financing. Close cooperation among the IOs with regards to the work related to SME financing was also welcome.

Other items on the agenda included an update from the Global Infrastructure Hub, the PPP Risk Allocation Matrices Initiative, addressing the data gaps in long term investment and a survey on governance of PPPs. The Task Force also discussed its programme of work for 2016 and the next biennium 2017/18.

[1] This note presents information from the following G20/OECD outputs:

- *G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors.*
- *G20/OECD Effective Approaches to Implement the G20/OECD High-Level Principles on Long-Term Investment by Institutional Investors*
- G20/OECD Checklist on Long-Term Investment Financing Strategies and Institutional Investors.
- G20/OECD Report on G20 Investment Strategies