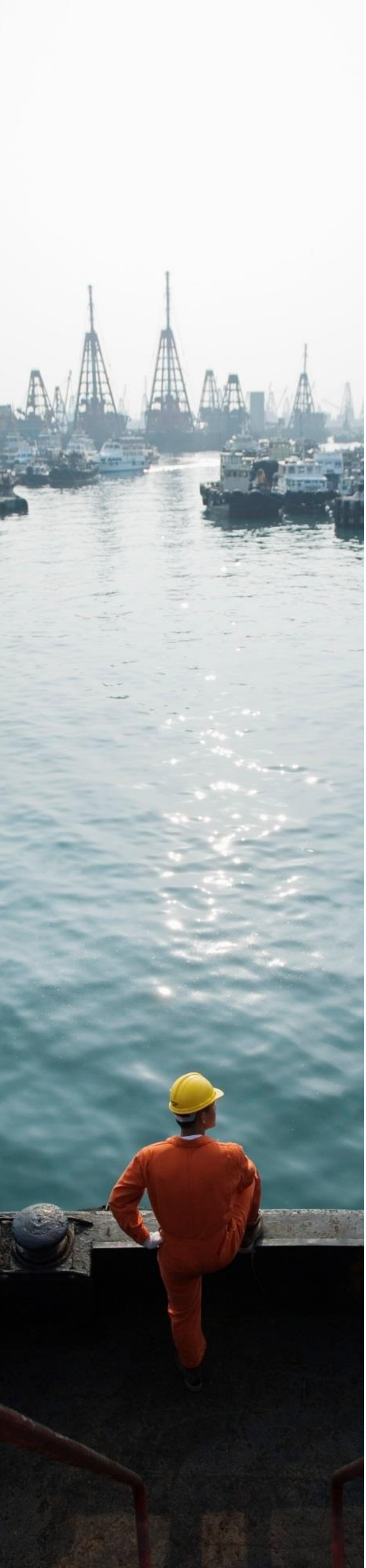

G20/OECD REPORT ON G20 INVESTMENT STRATEGIES

VOLUME I

This report was agreed by G20 Leaders at their Summit meeting in Antalya on 15-16 November 2015.

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As part of the broader effort to boost investment through concrete country investment strategies, and following mandates given by both the G20 Leaders and the Finance Ministers and Central Bank Governors, the G20 Investment and Infrastructure Working Group (IIWG) has conducted in 2015 a voluntary survey to compile information and data on countries' investment strategies, including the main challenges being addressed, existing policy priorities, and the policy context of these strategies. The results of this survey were discussed at the May and August meetings of the IIWG and the G20 Finance and Central Bank Deputies meeting in June. They were presented at the September meeting of the G20 Finance Ministers and Central Bank Governors who were asked to agree on the principle to deliver two major contributions by the time of the Leaders' Summit in November 2015, i.e. a joint G20/OECD Report on "G20 investment strategies" and an Annex to the Leaders Declaration on investment strategies.

The G20 /OECD draft report on investment strategies was subsequently circulated again to the IIWG members, asking for further comments and inputs. Most of the members (as well as the IMF and the World Bank group) provided comments which have been reflected in the current version of the report which is transmitted now to the Leaders.

The Report initiated by the G20 Turkish Presidency and prepared by the OECD, together with IOs (with special contributions from Indonesia and Mexico) contains a compilation and comparative analysis of a huge amount of information on investment strategies in G20 countries, at relevant geographical and sectoral levels. More than 300 measures have been undertaken or planned. They act as facilitators or safeguards of the process involved by the respective investment strategies and relate to three major areas, i.e. the investment ecosystem, infrastructure, and SMEs. This substantial amount of information also provides effective approaches implemented in the G20 countries, existing trends, and also indications of avenues for further progress. This Report (to be issued in two volumes) will provide for the first time a unique knowledge sharing tool on G20 investment strategies for G20 members, other countries and any stakeholders and interested institutions and persons. Volume I includes the executive summary, a comparative analysis and three annexes. Volume II is a compilation of all the responses classified following the main categories of the template used to collect the information.

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EXECUTIVE SUMMARY

The G20 policy context

1. The role of investment and especially long-term investment has been recognised by G20 Leaders for years. At the 2014 summit in Brisbane, Leaders recognised for instance that *"tackling global investment and infrastructure shortfalls is crucial to lifting growth, job creation and productivity. Our growth strategies contain major investment initiatives, including actions to strengthen public investment and improve our domestic investment and financing climate, which is essential to attract new private sector finance for investment".*

2. In February 2015, G20 Finance ministers and Central Bank Governors stated they were committed to boosting investment in G20 countries via concrete and ambitious investment strategies that will also support their collective growth objective.

3. G20 Finance Ministers and Central Bank Governors reiterated at their September 2015 meeting that boosting investment is a top priority for them. To this end, they stated that they have prepared country-specific investment strategies that present concrete actions in order to improve the investment ecosystem, foster efficient infrastructure investment and support financing opportunities for SMEs. They welcomed the progress note by the OECD that provides a preliminary review of the investment strategies and contributes to knowledge sharing. They looked forward to further qualitative and quantitative assessments of their strategies and, based on these assessments, they agreed to finalise them for the 2015 summit in Antalya.

4. The report reproduces the final version of these assessments. It was agreed by G20 leaders on 16 November 2015.

A survey of investment strategies in G20 countries

5. As part of the broader effort to boost investment through concrete country investment strategies, and following mandates given by both the G20 Leaders and the Finance ministers and Central Bank Governors, the G20 Investment and Infrastructure Working Group (IIWG) has conducted in 2015 a voluntary survey to compile information and data on countries' investment strategies. The survey includes the main challenges being addressed, existing policy priorities, and the policy context of chosen strategies. The results of this survey were discussed at the May and August meetings of the IIWG and at the G20 Finance and Central Bank Deputies meeting in June. They were presented at the September meeting of the G20 Finance ministers and Central Bank Governors who agreed to deliver a G20/OECD report on "G20 investment strategies" to the Leaders' summit in November 2015.

6. The G20/OECD draft report on investment strategies was then circulated again to the IIWG members for further comments and inputs. Most of the members, plus the IMF and the World Bank Group, provided comments which have been reflected in the current version of the report.

7. The report initiated by the G20 Turkish presidency and prepared by the OECD, together with other international organisations, and with special contributions from Indonesia and Mexico, contains a compilation and comparative analysis of a huge amount of information on investment strategies in G20 countries, at both geographical and sectoral levels. More than 300 measures have been undertaken or planned. They act as facilitators or safeguards of the process involved by the respective investment strategies and relate to three major areas, the investment ecosystem, infrastructure, and SMEs. The information collected also identifies effective approaches implemented in G20 countries, existing trends,

and indicates avenues for further progress. This two- volume report provides for the first time a unique knowledge sharing tool on G20 investment strategies for G20 members, other countries and any stakeholders and interested institutions and persons. Volume I includes the executive summary, a comparative analysis and three annexes of non-exhaustive illustrations of country strategies. Volume II is a compilation of all the responses classified following the main categories of the template used to collect the information.

Important considerations

8. It is important to note that:

- This exercise considers investment strategies on a whole of government basis, and not only "national" strategies. This allows for consideration of investment decisions and policy measures that are implemented at a sub-national level (state, province, county, or local government level), which is the case for several countries. Regional cross-country strategies may also be included. In saying this, policy measures in country investment strategies are not exhaustive and do not cover all the initiatives undertaken in each country. The annexes provide only illustrations of the various actions described in the original submissions, which can be found in volume II.

- Strategies can also vary depending on other public decision-making angles related for instance to: the sectors (e.g. energy, transport, logistics); the economic and social development of the areas concerned; the nature of the projects (size, complexity); the type of investment financing provided (public or private institutions, direct/indirect, equity/debt, public private partnerships, etc.), and the institutional arrangement.

- Methodologies used to quantify the investment figures vary between countries and include various components and sectors (including private investment).

- Further work is needed both on comparable data collection and analysis of specific issues and trends, including infrastructure investment.

The main findings

9. The G20 initiative on investment strategies will help to improve knowledge sharing in support of the policy actions and support measures set out in the G20 Growth strategies.

10. Investment is an important driver of growth, employment, inequality reduction and productivity and a significant component of the G20 Growth strategies. A major tool, amongst others, for promoting quality investment is to develop appropriate investment strategies at relevant geographical (national and sub-national) and sectoral levels (including for instance energy, transport, logistics, digital programmes and R&D).

11. These **multiform** multi-dimensional strategies favour efficient approaches based on the identification of various needs and gaps, taking specific circumstances into consideration. They help maximise some forms of co-operation, including across levels of government, and the involvement and identification of relevant public and private stakeholders, while contributing to the achievement of carefully considered investment objectives based on quality and efficiency. The strategies highlight concrete actions of G20 members to help overcome the challenges related to the promotion of investment, but no one jurisdiction faces all the same challenges and no single challenge has been

addressed the same way by all jurisdictions. The **diversity** of the approaches is also reflected in the variation across countries in terms of volume of investment, selection of priorities, actions undertaken and type of measures implemented. That said, selected major common trends emerge from the analysis.

12. The investment strategies are **not stand-alone** mechanisms. They need to be developed as part of a **comprehensive approach** which includes other essential elements including the following, which will also help to restore confidence, attract investors and free resources, and which have been highlighted several times in the survey: credible macroeconomic policy frameworks, the country **growth strategies**, **fiscal responsibility/sustainability**, **financial stability** and a sound prudential framework, competitiveness, **structural reforms**, and in particular labour reforms, a supportive business environment, **productivity growth** and the related importance of skills, education, and innovation.

13. Most countries increasingly recognise the need to emphasise the **quality of investment** and the related need to improve its efficiency, including through proper cost/benefit analysis, taking into account the specificity of social infrastructure. There is also a need to distinguish between investment and infrastructure investment which may call for different dedicated policy approaches.

14. Given the scale of the long-term investment requirements and constraints on many government budgets, it is expected that governments need to partner with the **private sector** to meet at least some of these needs. These needs will differ across countries and depend upon the age of the existing stock of infrastructure, state of economic development, rate of urbanization and more fundamental development goals.

15. Most G20 countries are promoting the role of the private sector in long-term investment, including through the development of **public private partnerships** and various incentives including relevant tax incentives. As traditional forms of financing such as from banks and corporate financing currently face some challenges, governments are increasingly turning to **new sources such as institutional investors** and capital markets in general. Most G20 countries are favouring the development of these alternative /complementary sources of financing and promoting the availability of a larger spectrum of related **financial instruments**.

16. **Various obstacles** have to be addressed to facilitate the role of the private sector, in particular in infrastructure investment. In this respect, most G20 countries recognise the need to improve **policy/regulatory predictability, certainty and transparency** throughout the regulatory process and consider that **competition** is a major factor to improve investment. General trends are also observed towards a reduction of red tape and **administrative burdens** with for instance paper-free operations, reductions in lengthy processes, and reform of procurement rules, with several countries noting further that excessive bureaucracy also tends to be conducive to informality.

17. The expected **return and risk** of investment projects is obviously a key consideration in the effort to attract private capital. The survey shows a growing recognition of the need for relevant risk factors to be transparently **communicated** to allow risks to be properly assessed and priced, as well as the importance of historical **data** on existing long-term projects, suitable **project pipelines** and adequate **skills** for evaluating technical aspects of investment projects.

18. Efforts have been undertaken as well by several G20 members to attract **foreign investors**, including through easing foreign direct investment regulation, while the globalisation of the economic activities calls for the facilitation of public and private cross-border investment.

19. The survey shows a general trend towards optimising the role of multilateral Development Banks and national Development Banks in facilitating investment and infrastructure investment. This includes

their role as a catalyser of private investment and provider of technical advice. Strategies to stimulate the role of public investment funds are also present in most G20 countries.

20. The survey also confirms that most members have introduced policies to support the **SME sector**. Specific measures and programmes include the facilitation of access to finance and in particular the promotion of venture capital, especially for SMEs which have collateral issues, securitisation, tax incentives and easing regulatory constraints.

Investment levels and trends

21. A large variety of strategies and levels of investment exist across G20 members, based on diverse needs and circumstances and methodologies used. Nominal investment ratios as a percentage of GDP vary for instance from 17% to 46% in 2014. While projected investment ratios for a majority of countries show an increase, some project a decrease. Keeping these caveats in mind, analysis of the data provided allows a number of broad aggregate trends to be identified for 19 G20 "countries" plus Spain (excluding the EU).

- After a fall in 2009, a rebound in 2010-2011 and a slowdown in 2012-2014, G20 members are projecting an increase in average nominal investment-to-GDP ratios for 2015-2018. The weighted average projected nominal investment-to-GDP ratio increases of around 1% (1.1% in PPP) for the period 2014-2018.

- Investment-to-GDP ratios for the period are higher than pre-crisis ratios. They reach a nominal figure of 26.2% on average in 2018. The projected nominal aggregate investment level increases by 26.9% (32.2% in PPP) for the period 2014-2018. The projected total nominal investment increases by 4.2 trillion USD (7.1 trillion USD in PPP) over the same period.

- While the projected nominal investment growth rates are lower than pre-crisis levels, they are higher than for the 2012-2014 period and are higher than the GDP projected nominal growth rates for the period 2015-2018.

22. Although there are differences across countries, these figures seem to reflect the priority currently given on average by G20 members to further promote investment, despite a challenging environment. This is also apparent in anecdotal evidence on numerous major infrastructure projects considered over the same period.

Table 1. Nominal Investment levels of G20 Membership (USD, billions, 2014 exchange rate)

Table 1. Nominal investment levels in G20 countries and Spain (USD billions, 2014 exchange rate)

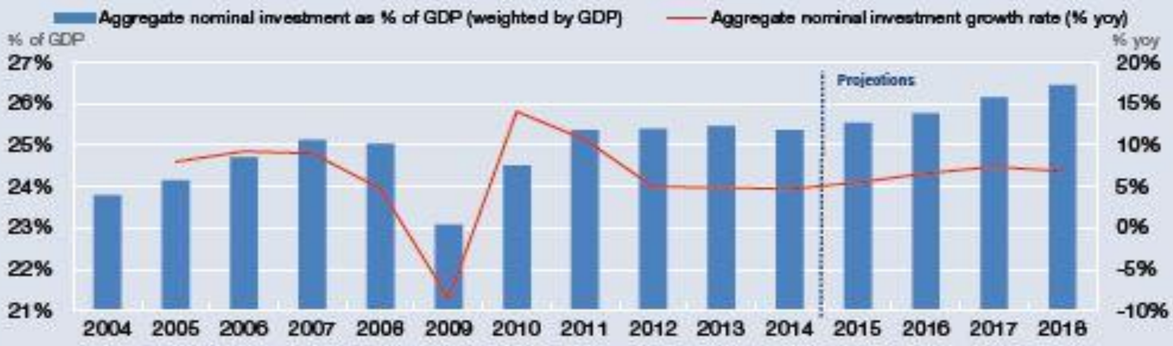
	2014	2015	2016	2017	2018
AGGREGATE NOMINAL INVESTMENT AS % OF GDP (weighted by GDP)	25.3%	25.5%	25.7%	26.0%	26.2%
AGGREGATE NOMINAL INVESTMENT GROWTH RATE (% yoy)	4.5%	5.4%	6.0%	6.9%	6.2%

Note: Calculations are based on values expressed in USD (constant 2014 exchange rates). Data and projections on investment-to-GDP ratios for 2014-2018, the 2014 value of GDP and the forecast of the growth rate of nominal GDP between 2014 and 2018 come from the IIWG members' data submissions, except for Japan (2014-2018), Korea (2014-2018) and Saudi Arabia (2014) for which IMF data and projections are used. Canada submitted IMF World Economic Outlook estimates of investment to GDP ratios for 2014-2018

Source: Country Investment Strategies OECD, IMF World Economic Outlook (October 2015) and OECD staff estimates.

Figure 1. Aggregate nominal investment as a % GDP and nominal investment growth rate (% yoy) in the G20 group, 2004 - 2018

Figure 1. Aggregate nominal investment as a % of GDP and nominal investment growth rate (% yoy) in G20 countries and Spain, 2004-2018



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Source: Country Investment Strategies OECD, IMF World Economic Outlook (October 2015) and OECD staff estimates.

Table 2. Nominal Investment levels of G20 Membership (USD, billions, 2014 PPP)

Table 2. Nominal investment levels in G20 countries and Spain (USD billions, 2014 PPP)

	2014	2015	2016	2017	2018
AGGREGATE NOMINAL INVESTMENT AS % OF GDP (weighted by GDP)	27.4%	27.7%	27.9%	28.3%	28.5%
AGGREGATE NOMINAL INVESTMENT GROWTH RATE (% yoy)	4.9%	6.3%	7.4%	8.0%	7.2%

Note: Calculations are based on values expressed in 2014 PPP terms. Data and projections on investment-to-GDP ratios for 2014-2018, the 2014 value of GDP and the forecast of the growth rate of nominal GDP between 2014 and 2018 come from the IIWG members' data submissions, except for Japan (2014-2018), Korea (2014-2018) and Saudi Arabia (2014) for which IMF data and projections are used. Canada submitted IMF World Economic Outlook estimates of investment to GDP ratios for 2014-2018.

Source: Country Investment Strategies OECD, IMF World Economic Outlook (October 2015) and OECD staff estimates.

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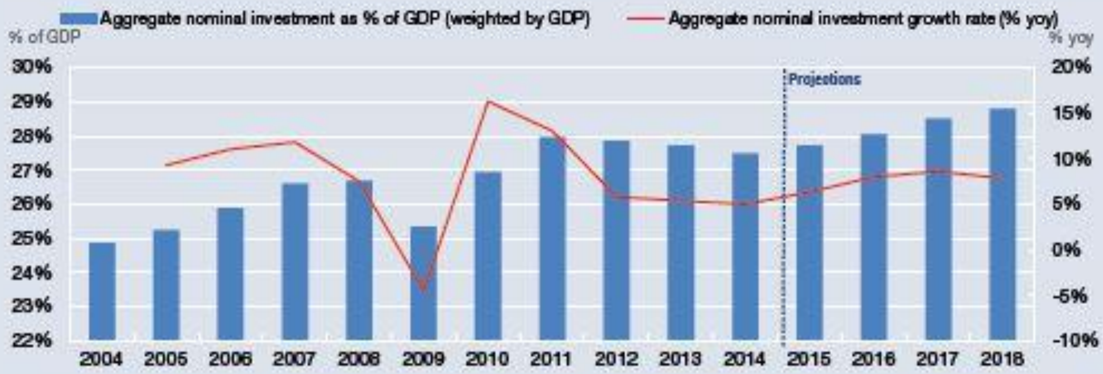

Note: Calculations are based on values expressed in 2014 PPP terms. Investment-to-GDP ratios and nominal GDP values for 2004-2013 come from the IMF World Economic Outlook. Data and projections on investment-to-GDP ratios for 2014-2018, the 2014 value of GDP and the forecast of the growth rate of nominal GDP between 2014 and 2018 come from the IIWG members' data submissions, except for Japan (2014-2018), Korea (2014-2018) and Saudi Arabia (2014) for which IMF data and projections are used. Canada submitted IMF World Economic Outlook estimates of investment to GDP ratios for 2014-2018.

Source: Country Investment Strategies OECD, IMF World Economic Outlook (October 2015) and OECD staff estimates.

Scope for improvement

23. There is significant room for progress in several major areas. This can affect the level and nature of investment plans, their respective allocations and their quality.

24. With respect to investment strategies, the report reveals several avenues for policy actions which G20 members could consider. These include (but are not limited to) the following issues:

- Strengthening the assessment of needs and related relevant cost benefit analysis and an increased focus on quality investment, which while considered as important by most countries, is not necessarily actually implemented by several of them

- Further promotion of the active role of the private sector, including attracting institutional investors and capital markets and developing appropriate financial instruments.

- Addressing insufficiencies in coordination between institutions and plans and the multiplication of duplicative or similar programmes.

- Improving communication about and access to existing programmes, especially for SMEs.

- Ensuring fair practices, transparency and accountability, including through anti-corruption practices and responsible business conduct.

- Facilitating further cross border investment.

- Addressing further the necessity to promote green investment, including investment dealing with disaster risks.

- Improving the project preparation and development process, including project prioritisation, public private partnership modalities, contractual provisions and disclosure and stakeholder (including government staff) expertise.

- Promoting further productivity and innovation, including through R&D programmes.

- Addressing further the SME challenges, including for movable assets, securitisation, financial inclusion/education, informality.

- Addressing the major data gap issues for infrastructure and SMEs at micro and macro levels.

- Evaluating the use of various instruments which have been developed under the aegis of the G20 or other relevant fora.[1]

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1 This includes: the G20 leading practices on promoting and prioritizing quality investment, the G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors, the G20/OECD Checklist on Long-Term Investment Financing Strategies and Institutional Investors, the WBG's Prioritizing Projects to Enhance Development Impact, 2015 new instruments (such as the IMF guidance on "Making Public Investment More Efficient", the revised OECD Policy Framework for Investment, the OECD guidelines "Towards a Framework for the Governance of Infrastructure", the OECD Recommendation on Effective Public Investment across levels of Government, The G20/OECD Principles of Corporate Governance, the MDB's Common Approaches to Supporting Investments in Infrastructure, the WBG Infrastructure Prioritization working paper and Draft Infrastructure Prioritization Platform, the WBG/OECD Checklist for PP Projects, the WBG Report on Recommended PPP Contractual Provisions and Good Practices on PPP Disclosure) and others such as the OECD Codes of Liberalisation & OECD Guidelines for MNEs.

Next steps

25. The investment strategies report bears witness to the very large number of initiatives undertaken in G20 countries to promote investment. In addition to providing a unique source of information and analysis, it identifies related areas where further work and action could be undertaken. Based on the current mandates provided by G20 Leaders, Finance ministers and Central Bank Governors, and the findings from the report itself, future joint G20 work and actions could be developed by the IIWG with the continued support of the OECD and other international organisations. This could include: collecting further comparable data; updating the current survey and expanding its geographical scope; analytical work focusing on specific thematic issues, in particular on infrastructure investment which deserves special consideration; member-led identification and assessment of effective approaches, particularly where further progress is required; better understanding of country approaches and their differences; and consolidation and monitoring of existing instruments.

REPORT ON COUNTRY-SPECIFIC INVESTMENT STRATEGIES

26. G20 Leaders have stressed the importance of tackling investment and infrastructure shortfalls, as reflected in the gaps between estimated infrastructure needs and available financing. As part of the broader effort to better understand and address these shortfalls, the G20 Investment and Infrastructure Working Group (IIWG) has conducted a voluntary exercise to compile information and data on countries' investment strategies, including the main challenges being addressed, existing policy priorities, and policy context of these strategies. This report provides a review of the information received to date from Working Group members.

Introduction

27. An accumulated body of evidence confirms the central importance of efficient investment to growth and sustainable development. Efficient investment helps to expand an economy's productive capacity, drives job creation, supports income growth and reduces inequality. It can be used to add additional productive capacity, to improve the efficiency of existing assets, and improve living conditions of the population. Under the right conditions, investment raises overall output both through factor accumulation and innovation; that is, the introduction of new techniques and processes, which boost productivity and ultimately a country's standard of living. Many types of investments contribute to this effort, ranging from human or intellectual capital to physical assets.

28. By the same token, poor quality or inadequate infrastructure, in particular, economic infrastructure such as electricity, water and sanitation, and communication and transport network systems, imposes costs on producers and can restrict the flow of goods, services, people and market information both within the economy and across borders. The role of public investment is crucial in these types of projects. This generally affects all firms, but infrastructure problems usually affect smaller firms the most, including by inhibiting their integration into global value chains and broader economic development. Infrastructure weaknesses have the effect of segregating markets, which serves to limit competition and the incentives to innovate and to improve productivity.

29. While investment activities have the potential to help achieve a broad range of public policy goals, including financial stability, debt sustainability, job creation, inclusive growth, higher living standards, competitiveness, sustainable economic development and green growth,[2] such investment is by its very nature forward looking and subject to various risks. Long-term investments can be particularly difficult to assess, given the longer time horizons over which agency problems and related weaknesses can develop, the greater uncertainty regarding investment returns, and the tendency towards higher illiquidity.

30. The high up-front costs, lack of liquidity and long asset life of long-term investments, especially infrastructure, require particular skills and significant resources on the part of investors, both to understand the risks and to manage them effectively. The expected return and risk of such projects is obviously a key consideration in the effort to attract private capital. Investors will be reluctant to commit funds to investments if risks are not clearly understood and expected rewards are not adequate, a determination which requires that relevant risk factors are transparently communicated to allow them to be properly assessed and priced. After careful consideration and cost-benefit analysis, government intervention may be called for in circumstances in which the rate of return proves insufficient to compensate private sector investors for the perceived level and character of risk, provided the project in question delivers a net social benefit.

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2 See Principle 1.1 of the "G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors".

31. But investment activities more generally can be impeded by a range of other factors that render investors unable or unwilling to undertake real investments, including by restrictive product market regulations that reduce the ability of firms to undertake new activities or to enter new markets, especially across borders. Some factors exist in the *financial environment* or the broader *macroeconomic environment*, while others pertain to *public governance* or the *entrepreneurial and general business environment*. Achieving macroeconomic and financial stability, political predictability, a sufficient degree of social cohesion and upholding the rule of law are pre-conditions for sustainable development, and many efforts identified in the survey responses address these issues.

32. Some challenges exist at the level of individual investors and investment projects. Many challenges relate to impediments to infrastructure investment, but there are also some that reflect *access-to-finance problems of small and medium-sized enterprises* (SMEs), in particular, in some cases in the area of risk capital, and others that pertain to the banking sector or in markets for corporate finance.

33. Given current infrastructure gaps, the capacity of existing infrastructure is rapidly coming under strain, which calls for significant amounts of investment, reflecting on the one hand ageing infrastructure in developed economies, and economic development and rapid urbanization in developing countries, and more fundamental development goals in lower income economies. Given the constraints on many government budgets, it is likely that governments will need to partner with the private sector to meet some of these needs.

34. In this context, institutional investors are increasingly looked upon as alternative sources of long-term financing, in particular in light of the tightening liquidity and capital constraints being placed on the banking sector. While higher capital and liquidity standards may contribute to increasing bank resilience, banks in many jurisdictions may be faced with new business realities that require them to re-price their business lines and re-allocate capital. In particular, banks in jurisdictions most severely affected by the global financial crisis face the pressures of rebuilding balance sheets and running down impaired assets. All these developments have the potential to adversely affect their lending capacity (especially for long-term illiquid assets such as infrastructure) and reduce financial market liquidity.

35. Large infrastructure demands and institutional investors seeking to enhance their asset-liability management with higher yielding assets seem like a perfect match. Institutional Investors such as life insurance companies and pension funds have long-term liabilities that call for suitable long-term assets, and in the current environment of low long-term rates are seeking avenues for diversifying their portfolios. Surveys indicate that institutional investors' interest in alternative assets has been growing since the mid-2000s in Asia, Europe, and the US, yet available data show that these investors have on average allocated no more than 1% of their portfolios to long-term illiquid assets such as infrastructure.

36. There can, however, be impediments to the participation of institutional investors in financing long-term investment projects. These impediments may vary by size and type of investor. The government can play a supporting role in helping to support the development of the institutional investor sector, which can in turn contribute to growth and development of private capital markets. Importantly in this context, institutional investors need flexible instruments and regulatory frameworks to enable their participation in funding new ventures, albeit consistent with prudent investment management principles. Governments can also support the growth and development of institutional investors by ensuring that investors and creditors have clearly defined rights and can enforce them.

37. These considerations are not unfamiliar to G20 governments, which have recognized various issues to be addressed to facilitate long-term investment in their jurisdiction. The specific challenges identified include a lack of appetite among investors for infrastructure and other long-term investments; short investment horizons; inadequate skills for evaluating technical aspects of investment projects;

inadequate risk management capabilities; impediments inherent in the legal or regulatory environment; a lack of transparency or historical data on existing long-term projects; the lack of suitable pipeline of investment options; and a lack of suitable investment vehicles. As may be seen in the table 3 many challenges are common to a number of countries while others are more limited in their incidence. No one jurisdiction faces all of the challenges and no single challenge has been addressed the same way by all jurisdictions.

38. As a consequence, there does not appear to be a one-size-fits-all approach that suits all countries and all sectors at all times, as reflected in the differences in investment strategies outlined in this report and in the measures planned or adopted to implement them. For example, different countries opt for different degrees of decentralization of the responsibilities for investment planning and execution, across ministries and levels of government, including between the central and subnational levels. That said, there are many common elements among the specific actions taken.

39. Many measures identified in the survey responses address the costs of doing business in the economy, which for investors have to be balanced against the expected returns from an investment and can affect the likelihood of success of infrastructure projects. Some costs may affect all firms more or less the same, but the impact can often be greater for small and medium-sized enterprises and steps are being taken to achieve a more favorable business climate for SMEs in general and start-ups and innovative firms in particular.

40. A strong legal environment and effective enforcement capabilities are especially important for access to external finance. These rights need to be well balanced. When creditor rights are weak and contract enforcement is long and costly, financial intermediaries will be less willing to extend credit to firms. When shareholder rights are weak, investors will be less willing to extend equity finance. Having efficient enforcement mechanisms in place also facilitates the development of asset-based financing arrangements (e.g., factoring, leasing, and securitisation).

41. On the infrastructure front, issues arise concerning urban, rural and regional development, the need to make projects inclusive, promoting investment in sustainable energy and other “green” infrastructure. Capacity-building efforts are needed in some cases to facilitate decisions on what kind of infrastructure to build and maintain in order to meet socio-economic and sustainable development needs, as well as how much to spend. These types of decisions require in some jurisdictions enhanced capability to undertake cost-benefit analyses and related decision-making procedures. Efforts to develop an appropriate framework for public-private investments and a proper functioning procurement process are also discussed. In some cases, there is also a need to ensure adequate co-ordination across agencies and at all levels of government, including at the regional level.

42. Effective competition is also essential for a dynamic business environment in which firms of all sizes are willing to take risks and invest and in this context measures that seek to level the playing field have been identified in the responses. In the effort to create a competitive business environment, some measures focus on ensuring proper business conduct on the part of larger companies in their dealings with smaller enterprises, while others address problems of information asymmetry issues of transparency.

43. Examples of the various challenges that have been cited and the measures adopted to address them are provided in the discussion below. Parties interested in a more complete treatment are kindly recommended to consult the full compilation of survey responses.

44. A wide range of measures have been proposed or adopted to support or promote long-term investment activities. Some actions are indirect; they target the framework conditions under which long-term investment activities are conducted, which include the broader economic and financial context. Others

are more direct; they focus on particular economic agents, sectors or projects and can target different phases of project life, ranging from planning stages to completion.

Table 3. Cross-clusters action/areas referred to in the responses to the survey

Referred to by a majority of G20 members	Referred to by a significant minority of G20 members	Referred to by few G20 members
– Improved role of capital markets and institutional investors – New financial instruments – Improve efficiency of public expenditure and develop cost benefit analysis – Improve competition – Reduce administrative burden and simplify regulation – Public procurement – Tax incentives – Strengthening PPP – New role for MDBs and NDBs – Ease FDI and foreign investors' role – Improve venture capital – transparency – Digital programmes	– Improve R&D – Importance of education – New public funds – Regulating crowdfunding – Pipelines of projects – Green investment – Movable assets – Restore banking role	– Improve bankruptcy system – Anti-corruption – Improve financing inclusion /education – Infrastructure against disasters – Minimum level of investment in infrastructure – Unfair practices (SME) – website

45. Note that the exercise on development of investment strategies is referring to investment strategies[3] and not "national" strategies only. This allows for consideration of the case of several countries in which the investment decisions and implementation are taken, sometimes mainly, at sub-national level (*i.e.* at the level of state, province, county, or local governments). Regional cross-country strategies may also be included.

46. A wide range of strategies have been developed, as shown by the categories outlined in Box 1 & 2. As may be seen, strategies can vary, for instance, depending on the public decision making level: regional, national or subnational; the sectors (energy, transport, logistics); the economic and social development of the areas concerned; the nature of the projects (size, complexity); the type of private investment provided (institutions, direct/indirect, equity/debt, PPP), and the institutional arrangement.

3 While no explicit definition of a strategy was provided for the survey, the following one (adapted from the OECD/INFE High level National Strategies for Financial Education endorsed by G20 leaders in 2012.) may for the time being be used as a working reference. A Strategy for investment is defined as "*a coordinated approach to investment that consists of an adapted framework or programme*, which:

- Recognises the importance of investment - including possibly through legislation - and defines its meaning and scope in relation to identified needs and gaps;
- Involves the cooperation of different stakeholders as well as the identification of a co-ordinating body (at whatever level);
- Establishes a roadmap to achieve specific and predetermined objectives within a set period of time; and,
- Provides guidance to be applied by individual programmes/projects in order to efficiently and appropriately contribute to the strategy."

Box 1. Types of strategic actions

	Facilitators	Safeguards
Investment Ecosystem	**1 Supporting Improvements in Investment Climate and Promoting Private Investment** Preserving macroeconomic, financial and price stability Fiscal burdens, constraints, and soundness Enhancing efficiency of public expenditure/investment (includes cost-benefit analysis) Boosting productivity Promoting "green" investment **2 Facilitating Financial Intermediation** Addressing the need for balance sheet repair / role of banks Mobilizing savings, financial education and inclusion Addressing a lack of suitable investment vehicles Addressing underdeveloped capital markets	**3 Enabling Appropriate Legal and Institutional Settings** Improvements in the general business climate Boosting competition Addressing restrictive legal & regulatory environment (includes FDI) / eliminating excessive "red tape"
Infrastructure	**4 Supporting Improvements in Investment Climate** Promoting regional development (includes agriculture and rural development) Addressing a need for coordination Addressing bottlenecks and logistics problems **5 Facilitating Financial Intermediation** Addressing bottlenecks and logistics problems Addressing a lack of long-term finance Insufficient risk capital instruments and markets (includes venture capital) Strengthening public investment **6 Mobilizing MDB Resources and Role of NDBs**	**7 Enabling Appropriate Legal and Institutional Settings** **8 Project Spectrum: Project Planning, Prioritization and Process Development** Timeline for project approval Sub-national readiness **9 Addressing Data Gaps**
SMEs	**10 Facilitating Financial Intermediation** Promoting access to finance Need for alternatives to bank credit/suitable financial instruments (includes securitization) **11 Mobilizing MDB Resources and Role of NDBs**	**12 Enabling Appropriate Legal and Institutional Settings** Technical assistance / capacity building Competition / unfair business practices Administrative burdens Promoting R&D, innovation and business start-ups Movable collateral laws and registries Insolvency regimes Tax incentives **13 Addressing Data Gaps**

Box 2. Thematic Tables - Summary

	Facilitators	Safeguards
Investment Ecosystem	**1. Supporting Improvements in Investment Climate and Promoting Private Investment** 1.1 Macroeconomic stability 1.1.1 Preserving macroeconomic, financial, price stability 1.1.2 Fiscal burdens, constraints, and soundness 1.1.3 Promoting regional development (includes agriculture and rural development) 1.1.4 Improvements in the general business climate 1.2 Competition strategy and regulatory reforms 1.2.1 Boosting productivity 1.2.2 Promoting inclusive growth 1.2.3 Boosting competition 1.2.4 Competition/unfair business practices 1.3 Removing restrictions on investment (including FDI) - Eliminating excessive “red tape” 1.4 Strengthening public investment efficiency - Cost-benefit analysis 1.5 Promoting R&D and business startup **2. Facilitating Financial Intermediation** 2.1 Promoting domestic financial savings - Financial education & inclusion 2.2 Private sector financing tools (local debt market and capital market) 2.2.1 Addressing a lack of suitable investment vehicles 2.2.2 Promoting access to finance 2.3 Respective role of different actors (banks, inst. investors, corporate finance) 2.3.1 Need for alternatives to bank credit/suitable financial instruments (includes securitization) 2.3.2 Mobilizing MDB resources and role of NDBs	**3. Enabling Appropriate legal and Institutional Setting** 3.1 Rule of Law and public governance 3.2 Preconditions for long-term investment - Improvements in the business climate 3.3 Governance and incentives of financial intermediaries - Need for transparency 3.4 Adequate regulatory framework 3.4.1 Addressing restrictive legal & regulatory environment 3.4.2 Administrative burdens 3.5 Openness and information sharing 3.6 Responsible business conduct - Competition/unfair business practices
Infrastructure	**4. Supporting Improvements in Investment Climate** 4.1 Regulatory framework for infrastructure 4.1.1 Need for coordination 4.1.2 Addressing restrictive legal & regulatory environment 4.2 Strengthening Public Investment 4.2.1 Multiyear Investment Plans 4.2.2 Strengthening public investment **5. Facilitating Financial Intermediation** 5.1 Promoting long term financing environment - Addressing a lack of long-term finance 5.2 Developing financing vehicles Private equity / project bonds 5.2.1 Addressing a lack of suitable investment vehicles 5.2.2 Addressing underdevelopment capital markets (includes venture capital) 5.2.3 Need for alternatives to bank credit/suitable financial instruments (includes securitization) 5.3 Tax incentives **6. Mobilizing MDB Resources and Role of NDBs** 6.1 Country led MDB programs - Mobilizing MDB resources and role of NDBs 6.2 Technical assistance and experience sharing - Capacity building 6.3 Role of National Development Banks - Addressing need for balance sheet repair	**7. Enabling Appropriate Legal and Institutional Settings** 7.1 Develop an adequate PPP framework – Boosting private participation in infrastructure 7.2 Stable and consistent regulation - Addressing legal & regulatory environment 7.3 Sustainable and clean energy - Promoting "green" investment **8. Project Spectrum: Project Planning, Prioritization and Process Development** 8.1 Project identification and prioritization 8.1.1 Addressing bottlenecks and logistics problems / Lack of standardization 8.1.2 Project planning / Developing a suitable pipeline 8.2 Project preparation / Execution / Procurement and contract management 8.2.1 Need for coordination 8.2.2 Timeline for project approval **9. Addressing Data Gaps** 9.1 Project availability 9.2 Sharing project information
SMEs	**10. Facilitating Financial Intermediation** 10.1 Movable collateral laws and registries 10.2 Insolvency regimes 10.3 Asset based instruments - Need for alternatives to bank credit / suitable financial instruments 10.4 Securitization 10.5 Banking sector competition - Addressing a lack of long term financing 10.6 Tax incentives **11. Mobilizing MDB Resources and Role of NDBs** 11.1 Role of National Development Banks - Addressing need for balance sheet repair 11.2 Technical assistance and experience sharing - Capacity building	**12. Enabling Appropriate Legal and Institutional Settings** 12.1 Product development 12.2 Non-bank SME financing settings 12.2.1 Insufficient risk capital instruments and markets (includes venture capital) 12.2.2 Addressing legal & regulatory environment 12.3 Incentives to formality **13. Addressing Data Gaps** 13.1 Information sharing (standardized data set)

Box 3. 2015 Support Documents reflected in Finance Ministers and Central Bank Governors' February, April and September Communiqués

	Facilitators	Safeguards
Investment Ecosystem	**Supporting Improvements in Investment Climate and Promoting Private Investment** 1. Policy Framework for Investment (OECD) **Facilitating Financial Intermediation** 2. Summary of the G20/OECD/Singapore Ministry of Finance High-level Roundtable on Institutional Investors and Long-term Investment (OECD) 3. Summary Report on Effective Approaches to Support Implementation of the G20/OECD High-Level Principles (OECD)	**Enabling Appropriate legal and Appropriate Setting** 4. Regulation of insurance company and pension fund investment (OECD) 5. G20/OECD Principles of Corporate Governance (OECD) 6. Note on Action Plan for MDB Balance Sheet Optimization
Infrastructure	**Supporting Improvements in Investment Climate** 7. Improving Public Investment Efficiency in the G20 (IMF) 8. Overcoming Barriers to International Investment in Clean Energy (OECD) 9. G20/OECD Voluntary Aggregation Exercise Results of the Checklist on Long Term Investment Financing Strategies and Institutional Investors 10. G20/OECD Report on Checklist on Long-Term Investment Financing Strategies and Institutional Investors **Facilitating Financial Intermediation** 11. Mapping of Instruments and Incentives for Infrastructure Financing: A Taxonomy (OECD) 12. SME Debt Financing Beyond Bank Lending: the Role of Securitization, Bonds and Private Placements (OECD) 13. IMF Note on Asset-Based Financing, such as Sukuk, for Infrastructure 14. Capital Market Instruments to Mobilize Institutional Investors to Infrastructure and SME Financing in Emerging Market Economies (WBG/IMF/OECD) 15. Policies to Integrate Islamic Finance into Global Finance (IMF/WBG) **Mobilizing MDB Resources and Role of NDBs** 16. Draft Action Plan on MDB Balance Sheet Optimization (Canada) 17. Partnering to build a better world: MDBs' Common Approaches to Supporting Infrastructure Development (MDBs/ RDBs) 18. Official Development Finance for Infrastructure/Support by Multilateral and Bilateral Development Partners (OECD)	**Enabling Appropriate Legal and Institutional Settings** 19. Towards a Framework for the Governance of Public Infrastructure (OECD) 20. Recommended PPP Contractual Provisions and good practices on PPP disclosure (WBG) 21. Framework for Disclosure In Public-private Partnership Projects (WBG) 22. Matrix on Evaluating Existing Legal and Institutional Settings for Infrastructure Investment (in this report) **Project Spectrum: Project Planning, Prioritization and Process Development** 23.Infrastructure Prioritization Toolkit: Report on Recommended PPP Contractual Provisions (WGB) 24.Checklist For Public-private Partnerships (WBG, OECD) 25.PPP Days 2015 Summary (EBRD) 26.WBG/OECD Project Checklist for PPPs 27.Global Infrastructure Hub Business Plan 2015-16 **Addressing Data Gaps** 28.Addressing Data Gaps In Long-term Investment: An agenda for research (OECD)
SMEs	**Facilitating Financial Intermediation** 29. Joint Action Plan of GPFI SME Finance Sub-group and IIWG (GPFI) 30. Opportunities and Constraints of Market-based Financing for SMEs (OECD) 31. Islamic Finance Opportunities Challenges and Policy Options (IMF) 32. Leveraging Islamic Finance For SMEs (WBG/ISDB) 33. Growth Companies, Access to Capital Markets and Corporate Governance (OECD) 34. New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments (OECD) 35. SME Debt Financing Beyond Bank Lending: the Role of Securitization, Bonds and Private Placements (OECD) 36. OECD Financing SMES and Entrepreneurs 2015: An OECD Scoreboard	**Enabling Appropriate Legal and Institutional Settings** 37. G20/OECD High Level Principles On SME Financing 38. The World SME Forum - Business Plan (World SME Forum)

47. It should be noted that various types of other information exist as well, developed in some cases by the G20 in cooperation with IOs (e.g., the G20/OECD *Effective Approaches* to Implement the G20/OECD High-Level Principles on Long-Term Investment by Institutional Investors), and in other cases by various IOs (e.g. IMF, OECD, UNCTAD, WBG, etc.). There are also several international instruments[4] which provide guidance and choices for countries when developing their investment strategies; they include for instance:

- The G20 leading practices on promoting and prioritizing quality investment.
- G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors.
- The G20/OECD Checklist on Long-Term Investment Financing Strategies and Institutional Investors.
- The WBG's Prioritizing Projects to Enhance Development Impact.
- OECD Policy Framework for Investment

48. At some point it would be useful to consider reconciling and consolidating all these instruments and information. The work referred to above contains a lot of information which is not necessarily captured in the investment strategies' template. For instance [5] the G20/OECD High-Level Principles on Long-Term Investment Financing by Institutional Investors and in particular the Effective Approaches that have been identified to facilitate their implementation, include several practices in G20 countries which are fully relevant for investment strategies and which may not be reflected in the current strategies.

49. Such consolidation can also facilitate the connection between different approaches, allowing one to "connect the dots". As an example, one could consider consolidating the "right siting" paper by Singapore/OECD, which addresses inter alia the transfer of project loans from banks to institutional investors, the Australian Asset Recycling Initiative, which provides state and territory governments with incentives to privatise existing infrastructure assets and reinvest the sale proceeds to fund world class infrastructure assets, and Mexican NDBs intention to analyze their credit portfolios in order to identify those credits that could be refinanced in order to increase available resources for financing new infrastructure projects. All three target the same objective of optimizing the financing of infrastructure, but from somewhat different angles and institutions.

50. While heterogeneous, the information provided is quite rich and shows the efforts made by G20 members in promoting investment and in particular investment in infrastructure, as well as SME financing. More than measures have been introduced or considered recently in these fields.

51. The template developed to collect the information, includes several dimensions: First, measures may be classified either as "Facilitators" or "Safeguards". Second, for each of these two groupings, there are three areas or sectors involved: (i) Investment ecosystem, (ii) Infrastructure, and (iii) SMEs. There are various sub-clusters in each of these categories (see Box 1). The Box 2 provides a summary of the

[4] New instruments were also in the pipeline in 2015, such as the IMF guidance on "Making Public Investment More Efficient", the revised OECD Policy Framework for Investment, the OECD guidelines "Towards a Framework for the Governance of Infrastructure", The G20/OECD Principles of Corporate Governance, the MDB's Common Approaches to Supporting Investments in Infrastructure, the WBG Infrastructure Prioritization working paper and Infrastructure Prioritization Platform, the WBG/OECD Checklist for PP Projects, the WBG Report on Recommended PPP Contractual Provisions and Good Practices on PPP Disclosure.

[5] Taking into account the fact that there isn't one-size-fits-all approach that suits all countries and all sectors at all times".

Addendum I (consolidated by Mexico) grouping the responses by thematic categories. The box 3 provides the list of 2015 support documents reflected in the Finance Ministers and Central Bank Governors' February, April and September communiqués. The next sections provide first an analysis from the Indonesia Ministry of Finance of the responses provided on the survey on evaluating existing legal and institutional settings for infrastructure investment and then the OECD analysis of the survey on investment strategies. Three annexes provide further details on the various approaches and measures undertaken.

I Evaluating Existing Legal and Institutional Settings for Infrastructure Investment

52. The following analysis from the Indonesia Ministry of Finance is based on the responses provided on the survey on evaluating existing legal and institutional settings for infrastructure investment.

i. High level planning/coordination

a) How do public sector agencies (across national public agencies and national-local public agencies) coordinate in their responsibility for planning to take account cross sectoral impacts and long-term national vision?

b) How do public sector agencies develop long-term integrated infrastructure strategies?

c) What are the important capacities of public sector agencies to involve in a high level coordination to take account the decisions and investments of others?

d) What are the most ideal conditions for public sector agencies to achieve effective-coordination among them? How do they reach that condition?

a) Public infrastructures are generally owned by government at various levels: federal, state, or municipal. In some countries, coordination for infrastructure planning and development is the responsibility of multiple government agencies (such as Ministry of Communication and Transportation, Ministry of Defence, Ministry of Health, National Committee of Water, and Ministry of Public Works), while in others it is mandated to a certain ministry (e.g. Ministry of Economic Development). In few countries, a special agency was established to perform the coordination role.

b) Most responding countries have infrastructure development strategies as part of their national, mid- or long-term development plan. Only one country reported that it has a specific infrastructure development plan. A national development plan normally stretches from four to ten years and covers:

- Infrastructure investment targets along with specific programs to achieve the targets; and
- Comprehensive strategy for infrastructure development to increase productivity and economic growth.

c) Public sector agencies that are involved in high-level coordination for infrastructure planning and development ideally should have the following capacities:

- To secure political support to ensure proper implementation of the plan and its continuity;
- To secure an adequate regulatory framework for coordination;
- To define clear objectives that enable the agencies to make prioritization and effective engagement across sectors and levels of government;
- To harmonize priorities of different institutions or different levels of government;
- To accumulate comprehensive knowledge of the condition of existing infrastructures and the need for new ones; and

- To build inventory of significant public infrastructure projects.

d) Conditions that will support public sector agencies to achieve effective coordination, among others are:

- Existence of respect for jurisdiction and responsibilities of other agencies;
- Availability of a high level coordination committee or forum;
- Availability of reliable information sharing mechanism; and
- Streamlined bureaucracy.

ii. Understanding and influencing the regulatory environment and related legal frameworks

1) *Please describe regulations and laws that are considered to have significant positive impact in attracting private sector to infrastructure investment.*
2) *Please describe regulations and laws that are considered to have significant negative impact (prevent) private sector to infrastructure investment.*
3) *Do current laws and regulations provide balance mechanism in meeting legitimate regulatory and legal objectives, while also leaving sufficient room for private investors to engage in their business activities? Please describe.*
4) *Please describe the ideal capacities or mechanism for regulator to build policy recommendation/regulation that accommodate business perspective?*

a) All responding countries claimed to have laws and regulations that have a positive impact on private sector participation in infrastructure investment. Laws and regulations commonly considered to have such impact are ones on public-private partnerships, structural reforms (e.g. tax reform, financial reform, energy reform, telecom reform), and the establishment of a high-level coordination committee to ensure effective coordination across sectors in infrastructure planning and development.

b) Several countries admitted to the existence of laws or regulations that have a negative impact on the participation of the private sector in infrastructure investment. Such laws and regulations include laws on legal procedures to stop legal cases when litigation occurs, laws and regulations on environmental protection, laws and regulations on pension investment, and regulations on land procurement. Some countries have identified these laws and regulations and have made necessary revisions.

c) Some countries identified laws and regulations that had a negative impact on private sector participation in infrastructure investment. They made subsequent revisions to the laws and regulations in question and claimed to have provided a better balance between legitimate regulatory objectives and provision of sufficient room for private sector engagement in infrastructure development. Some other countries are still devoting their best effort to achieve such a balance.

d) Responding countries suggested that regulators should include the following practices in the mechanism to build policy recommendation/regulations that accommodate a business perspective:

- Transparent process, involving early public consultation with stakeholders*;*
- Transparent methodology for project assessment (cost-benefit analysis)*;*
- Publication of infrastructure investment strategy;
- A stable long term plan for infrastructure development;
- Certainty of rules about public procurement, permits, tariff definition, etc. and
- A specialized federal agency that would have all the responsibilities for developing legislation/regulatory acts and moving forward with practical implementation at project level.

iii. Project development

1) *Please describe business process of project development of infrastructure project pipelines in your country.*
2) *Does the creation of a pipeline of investment ready projects require such competencies including project design, appraisal, and procurement options/risk management? Please describe.*
3) *Does current process of project development succeed to attract private sector to invest in infrastructure? Please describe.*
4) *What is the capacity for public sector to prepare well-resourced infrastructure project development?*
5) *How the existing mechanism can ensure open, transparent, and competitive tender of the projects alongside well-documented tender process?*
6) *Do the existing mechanisms provide greater involvement by the private sector in the project life cycle? Please describe.*

a) Responding countries did not clearly explain business process to develop infrastructure project pipeline.

b) Some countries suggested that the following competencies shall be acquired to create a pipeline of investment ready projects:

- Project design;
- Feasibility studies;
- Public procurement and tender system, and a follow-up system;
- Risk management;
- Cost-Benefit Analysis guidelines;
- Convenience of PPP Scheme guidelines;
- Economic analysis method (cost-benefit analysis); and
- Risk transfer analysis, legal and financial analysis.

c) Most countries claimed that current process of project development succeeded to attract the private sector to invest in infrastructure. One country, however, admitted that it has to improve the capacity to deliver good pre-feasibility studies for PPP projects.

d) Countries had different approaches to obtaining capacity to prepare well-resourced infrastructure project development. Some countries have their public sector relied on private qualified consultants to develop necessary feasibility study for infrastructure projects. Others decided to establish a state-owned enterprise specializing in infrastructure financing.

e) Mechanisms that are commonly implemented by responding countries to ensure open, transparent, and competitive tender include:

- Electronic procurement system;
- A legal framework that provides a strong set of obligations, including publicity, competition, equal treatment, transparency, confidentiality to both public and private parties involved in competitive tenders; and
- A Website that can be accessed to track progress on project implementation.

f) Greater involvement of the private sector in the project life cycle exists when infrastructure projects are developed under a PPP scheme. Implementation of a PPP scheme can provide significant incentives (legal contract constraint, financial gains, etc.) for high involvement by private sector.

iv. Government support for net high public benefit infrastructure projects

1) *Please describe current government support facilities to the net public benefit infrastructure projects (both financial and non-financial support). Are the facilities well-targeted?*
2) *How do you describe the most effective government support facilities to attract private sectors involvement in net benefit public infrastructure projects?*
3) *How the existing mechanism ensure close coordination of government support with activities that facilitate private investment?*

a) Most responding countries stated that financial and non-financial support is provided to attract private sector participation in public-private partnership. Such support comes in the form of:

- Government guarantee fund;
- Treasury investment guarantees;
- Debt assumption commitments;
- Government direct investment;
- Investment subsidy;
- Land transfer;
- Operational subsidy;
- Risk-sharing mechanism;
- Exclusive competition;
- Tax exemption; and
- Credit enhancement.

b) Some responding countries outlined that government support through empowerment of PPPs, transparency and fairness in procurement process of goods and services are considered as the most effective government support facilities. In addition, financial and technical supports through government financial institutions are also mentioned as support for infrastructure development.

c) Few countries responded to the question. Responding countries mentioned about involving private sector in preparative work, rational risk sharing, and comprehensive contract management as important components in existing mechanism that ensure close coordination of government support with activities that facilitate private investment.

v. Prioritization of infrastructure projects

1) *Please describe projects prioritization process in your country. Are there any independent agency in accessing and prioritising project proposals?*
2) *How do you ensure transparency process and decision making in project prioritization stage?*
3) *In what extent do the all stakeholders involve in in project prioritization stage?*
4) *What are the most important capacity for the unit that involve in in project prioritization stage?*
5) *Do the existing mechanisms provide effective coordination among key stakeholders (e.g. project development units and project support mechanisms). Are the mechanisms implemented?*

a) There are different practices for project prioritization process across responding countries. Most countries adopt a centralized process by a certain ministry or a specially established high-level agency. In a federal country, however, project prioritization process could be done by states or provinces.

No countries reported to have an agency that is fully independent from the government. Yet, such an agency is considered effective in delivering high level coordination among related agencies. Some countries implement good practices to promote objectivity of the project prioritization process, such as:

- Documenting output of project prioritization process as well as the prioritization criteria.
- Assigning independent experts to provide opinion on prioritization process.
- Forming a steering committee or a working group to review the implementation of priority projects.

b) Most responding countries publish information regarding the status of proposed projects in each stage *i.e.* project planning, project approval, etc. No responding countries reported to have active public involvement in the prioritization process. One country conducts an obligatory public audit to promote transparency in the process.

c) No responding countries claimed to have the involvement of stakeholders other than the government ministries or agencies in project prioritization process.

d) Responding countries proposed the following conditions should be met in project prioritization stage:

- Independent assessment
- Good methodology of prioritization
- Involvement of all stakeholders
- A well-defined, transparent, and clear objective

e) Many responding countries claimed that the current mechanism has provided effective coordination mechanism among key stakeholders). One country established a forum on every large project to ensure that the coordination mechanism is working-well across related stakeholders). Another country, however, considered it important to promote active involvement of local authorities in the prioritization stages.

II. Investment ecosystem

1. Supporting improvements in investment climate and promoting private investment

Preserving macroeconomic, financial and price stability

53. Macroeconomic stability is a necessary requirement for long-term savings mobilization, sustainable credit expansion, and for overall financial deepening. Thus, a key challenge for policymakers is to maintain a policy mix that avoids or minimizes macroeconomic imbalances and financial sector vulnerabilities that can thwart the growth process and impede investment. As one jurisdiction notes in response to the survey questionnaire, a strong macroeconomic climate is critical to supporting investment because it reduces uncertainty and improves the ability of investors to make forward-looking decisions.

54. At a basic level, sound fiscal, macroeconomic, and monetary policies not only help to support a sustainable level of aggregate economic activity and to contain major internal and external balances, but also provide the economic backdrop needed to enable financial institutions to be profitable without taking on excessive risks, necessary conditions for the development of the financial sector and capital markets.

55. As indicated in the survey responses, numerous measures have been addressed to these and other challenges arising in the macroeconomic environment. Examples of strategies in this area include the following:

- use of a combination of measures to support macroeconomic stability, including proactive fiscal and sound monetary policy, expediting fiscal spending and making full use of accumulated residual funds, and improving local debt management.

- The main pillars of the macroeconomic framework include a flexible exchange rate, an open capital account, an inflation-targeting independent central bank, and fiscal policy that is focused on transparency and medium-term sustainability. These macroeconomic pillars are supported by a robust financial system backed by an effective prudential regulator, which facilitates the efficient allocation of savings to investment opportunities.

- recognition of the importance of a comprehensive solution to the problem of uncertainty is reflected in annual reviews and country-specific recommendations addressing needs for fiscal and structural reforms

- a strategy focusing initially on the need to bring macroeconomic imbalances under control and to reverse the slowdown, while also pushing for structural reforms in many areas that are critical for maintaining medium-term growth. A pro-growth structural reform agenda is also proposed elsewhere along with a commitment to macroeconomic stability.

- efforts to develop sustainable and predictable macroeconomic environment in the medium- to long-term period

- numerous efforts and implemented important reforms in the past several years in order to recover market confidence in a context of economic crisis and macroeconomic imbalances

56. Part of the effort to achieve a stable macroeconomic environment focuses on improving the stability and competitiveness of the financial system. Numerous members consider in this respect that the investment strategies need to be developed as part of a comprehensive approach which includes other

essential elements which will make these strategies successful and contribute to sustainable and inclusive growth; amongst these elements, the following have been highlighted several times:

- the importance of fiscal responsibility/sustainability, which will also restore confidence, attract investors and free resources
- the importance of financial stability and sound prudential framework (which also includes the need for a right balance between the promotion of infrastructure financing and financial stability)
- The importance of promoting competitiveness
- The importance of structural reforms, including for instance labour reforms
- The need for increased productivity and related importance of skills, education, innovation
- The importance of an adequate business environment

57. The preservation of macroeconomic stability is also linked with an objective for maintaining price stability. Responsibility for the price stability objective and for monetary policy in most cases is vested in an independent central bank with a mandate that includes inflation-targeting. In some cases the central bank also has responsibility for managing exchange rate risks or maintaining its stability. Ensuring price stability is also a key requirement to enhance confidence of consumers and investors, and provide a more favorable environment for growth over the long run.

Fiscal burdens, constraints, and soundness

58. The importance of fiscal responsibility/sustainability has been cited by numerous jurisdictions as an important component of macroeconomic stability and as a necessary means of restoring confidence to attract private investors. Long-term fiscal sustainability is a core ingredient of an enabling environment for long-term investment, both public and private. Sound fiscal policies help to ensure sufficient public resources are on hand to boost investment and to provide other forms of support as need be. The need for fiscal discipline is especially important in jurisdictions in which infrastructure investment is mainly financed by the government and hence subject to budgetary restrictions. A challenge for many jurisdictions in the post-crisis environment is how to achieve increased public investment in infrastructure while respecting fiscal targets. Ensuring control over fiscal expenditures forms the core of many efforts in this regard, with responsible fiscal management and long-term fiscal sustainability seen as core components of the enabling environment for public and private investment. Reducing fiscal risks is essential to motivate economic agents to take idiosyncratic risks and it is essential to increase domestic savings.

Enhancing efficiency of public expenditure/investment (including relevant cost-benefit analysis[6])

59. Some measures related to fiscal sustainability aim at increasing efficiency, with a number of respondents commenting on the need to boost the efficiency of public expenditure or investments. Various reforms are proposed in this context to facilitate the selection of projects that deliver the best value for money and ensure the best use of public money. Reform targets include delays in execution, legal and procedural complexity, consistent use of relevant cost-benefit analysis, and subjecting all large-scale projects to technical and price audit. Examples of specific measures include (see also box 2):

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6 As one way to enhance efficiency, which call for other factors as well

- develop the project appraisal guidelines to ensure a nationally consistent approach to the use of cost-benefit analysis

- addressing efficiency of public investment, in part related to a contractual framework that does not provide the right incentives, lack of competition, corruption, and limited use of relevant cost-benefit analysis

- enhance the efficiency of public investment, including the investment of the natural monopolies, through obligatory public technical and price audit of all large-scale projects, even ones partially financed by the state

Box 4. Example of country cost-benefit analysis

Cost-Benefit Analysis Guidelines
The analysis must include, at least:

- ✓ Executive Summary
- ✓ Current situation
  - Supply and demand analysis
- ✓ Situation without the execution of the project.
  - Supply and demand analysis with the current infrastructure.
  - Alternative solutions
- ✓ Situation considering the execution of the project
  - Description of the project, including physical characteristics and main outputs
  - Alignment with the NDP and sector-specific national programmes
  - Total amount of investment, and sources of financing
  - Supply and demand analysis through the project's lifetime
- ✓ Project Evaluation
  - Social Cost-Benefit Assessment. Each project is evaluation in order to gage its net benefits for society. This evaluation considers direct and indirect costs, benefits and externalities, the next indicators must be calculated:
    - **Net Present Value (NPV)**
    - **Internal Social Rate of Return (SRR)**
  - Relevance of the period in which the project will start:
    - **The Immediate Rate of Return (IRR)**[7]
- ✓ Risk Analysis
  - All risks associated with the project must be identified; quantified and concrete measures to mitigate those risks must be defined.
- ✓ Sensitivity Analysis
  - Analyse different stress scenarios and their impact over the main project evaluation indicators.

Convenience of PPP Scheme Guidelines
For PPPs an additional analysis of the convenience of the PPP scheme must be carried out, using the Value for Money methodology. A PPP project yields Value for Money if it results in a net positive benefit to society which is greater than that which could be achieve through a public investment procurement route.

[7] First Year Net Benefits/Cost of Investment determine the optimal time for the project to begin.

Boosting productivity

60. The need for increased productivity and the importance of skills, education and innovation have been cited by many jurisdictions. Productivity growth is necessary to sustain long-term improvements in the standard of living. Uncovering ways to help achieve the necessary efficiency improvements – both within sectors and within firms – for productivity growth is a challenge faced by all jurisdictions, whether developing or more advanced.

61. Some efforts focus on improving the capacity of human resources via improvements in the education system, research, and the labor market, while others seek to maximize productivity improvement through investments in infrastructure, which seek to increase production capacity by stimulating private sector investments. This result requires that funding flows to projects that yield the highest net benefits. The question is how to achieve this shift. Examples of measures follow:

- improvements in the investment climate, which helps to mobilize capital, skills, technology and intermediate inputs, all of which helps firms to expand

- efficient financial markets help to channel resources to more productive uses and, through competitive pressure and the discipline imposed on firms by shareholders and creditors, induces firms to strive to improve their efficiency and allows inefficient ones to exit

- creation of a Programme, which aims to increase the productivity of investments by addressing excessive and disperse regulations, which hamper effective competition and prevent any economies of scale associated with operating in a larger market from being exploited

- improvements in corporate governance requirements to change corporate managers' mind-set and encourage them to make use of their abundant financial resources for productive investment

- Asset recycling, whereby existing infrastructure assets are privatized with the proceeds reinvested in new productivity-enhancing infrastructure

- Helping manufacturers invest in productivity-enhancing machinery and equipment, via an accelerated capital cost allowance, which will defer taxes by allowing the cost of eligible investments to be deducted more quickly.

Promoting "green" investment

62. Efforts to promote private investment also include measures that target so-called "green" investments, which in many cases entail new technologies, new industries, and new business models. Some jurisdictions have a specific focus on facilitating green energy transition as a means of supporting green growth while others seek energy sustainability by building up capacity in renewable energies. Most jurisdictions with plans or active projects in this area have an energy focus, while a few make specific reference to SMEs in this context. Development banks, both national and multilateral, are expected to play a role in supporting the development of initiatives such as green energy. Examples of sustainable investment programs include the following:

- A "Program", which articulates public policies for the promotion of the renewable energies sector. Project financing is provided under a project finance scheme that is sustained by the capacity of the project to generate enough cash flows to repay the investment

- Optimize energy structure and take important moves to deal with climate change, by implementing policies such as investment subsidies, preferential taxation, support of R&D inputs, government purchases, and special price supports

- Reform the decision-making process for public investment projects to enable projects (development, modernization or renewal) that deliver the best value for money to be selected, thereby ensuring the best use of public money to benefit future growth. Facilitating the energy transition to support green growth will require a substantial amount of additional investment that will be supported by a wide range of instruments including carbon taxes, energy saving certificates, support mechanisms for renewable energies and a new energy transition fund.

- Introduction of a renewable energy power generation facility and the use of LED lights in public facilities, as well as measures to contain CO_2 emissions of residents and buildings

- An Infrastructure Development Act, which sets out the mechanism through which developmental targets can be set for each major infrastructure project, covering areas such as youth employment targets, greening the economy, skills development and broad-based economic empowerment

- Establishment of a National Energy Efficiency Fund, which seeks to co-finance energy efficiency investments in the construction, transport, industry, services and agricultural sectors

2. Facilitating financial intermediation

63. All of the broad economy-wide policy measures discussed above need to be supported by other components of the policy framework, including appropriate regulation and supervision of relevant financial sectors and properly functioning corporate governance to limit the potential for excessive risk-taking. Against the backdrop of accumulated evidence showing that most episodes of financial distress of a systemic nature that have had significant negative effects on the real economy have stemmed from an overextension of risk-taking and expansion of balance sheets in good times, financial authorities face the fundamental challenge of trying to design and implement regulations that permit financial institutions and markets to take on and manage risks as intended, but not so much as to allow serious problems to develop.

64. The objective is to develop well-functioning financial systems, which are important for economic growth because they are integral to the provision of funding for capital accumulation and for facilitating the allocation of resources to best uses, in part through the diffusion of new technologies. Financial systems can also support economic growth by helping to finance increases in human capital accumulation.

65. Modern financial systems tend to provide a mix of both bank-based and capital market-based intermediation channels, giving borrowers a choice of "bank" credit or capital market financing, although national financial systems in practice tend to feature a dominance of one or the other channel. Governments generally seek to support long-term investment by ensuring proper functioning of both channels, through adequate regulation and supervision, transparency from all actors along the investment chain, and an appropriate degree of financial consumer and investor protection.

66. More sophisticated financial markets have developed some vehicles to enable private investors to provide financing for infrastructure and other long-term investments, but the enabling environment is not yet firmly established in all jurisdictions. Key factors can include insufficient capital market development, lack of trusted legal frameworks, and the absence of an informed long-term investor base.

Addressing the need for balance sheet repair / role of banks

67. While a lot of attention has been focused on increasing the participation of institutional investors in long-term financing, commercial banks remain for many jurisdictions the dominant providers of credit in general and have traditionally been a predominant source of funding for long-term investment projects. Hence, an important objective for many jurisdictions is to restore the normal functioning of the banking sector, even while they endeavor to further enhance the role of capital markets.

68. In some jurisdictions, especially those affected by the crisis, measures have been adopted to facilitate balance sheet repair or preserve the role of banks in credit extension. They include the provision of loan guarantees to domestic banks to encourage them to increase credit facilities for SMEs, investing in financial institutions and participating in the reorganization of financial institutions, and facilitating issuance of securities products such as covered bonds and allowing institutional investors to perform due diligence on products that match their asset diversification, return and duration needs, in part to help free up banks' balance sheets.

69. Structural reforms have also been introduced with a view towards supporting competitiveness and flexibility, and further repairing of households and companies' balance sheets, which will potentially increase growth through investment.

70. Other efforts focus on establishing conditions to encourage private banks to extend credit and fostering the participation of commercial banks in infrastructure financing. For example, banks in one jurisdiction are allowed to finance long-term projects with an option to refinance them periodically. Under the scheme, banks can, for example, lend for a 25 year project with an option to rollover the loan every five years.

Mobilizing savings, financial education and inclusion

71. As noted above, a lot of attention is being devoted in policy circles to expanding the role of institutional investors and capital markets in financing long-term investment projects. A necessary requirement for long-term investments on the part of institutional investors is a pool of long-term savings. Encouraging individuals to save enough for a long-enough period of time is a particular objective of ensuring adequate savings to finance retirement and many jurisdictions have adopted policies to promote long-term savings accumulation. Some segments of the population may encounter barriers to saving, which can include limited access to financial markets, lack of familiarity with complex financial products, and in some cases, limited knowledge and understanding of basic saving and investment concepts.

72. Given the importance of savings and investment by individuals for their own personal financial well-being and for economic growth, many jurisdictions have developed strategies to influence whether and how individuals save. Measures commonly adopted for these purposes involve a combination of prudential regulation of service providers and consumer protection rules, financial and tax incentives, and financial education and awareness initiatives. The latter measures include efforts to improve basic education levels, enhance labor force skills, and support financial inclusion. Reforming the education system, including research, as well as investing in human capital in an ambitious, stable and consistent way is seen as key to raise the long-term potential of the economy.

73. Some jurisdictions have taken steps to increase voluntary contributions to pension funds, consisting of payroll deductions, direct deposits to workers' bank accounts, direct debit payments of voluntary savings, provision of online payment arrangements, and the ability to make deposits in retail stores. Examples of specific measures follow:

- A robust financial system backed by an effective prudential regulator helps to facilitate the efficient allocation of savings to investment opportunities. Measures adopted are directed at encouraging greater efficiency in financial markets, including by introducing competition between retail exchanges and reforming financial market supervision arrangements, and improving transparency and risk management in derivatives markets.

- Tax tools to encourage savings at the household level include, but are not limited to, tax-preferred savings accounts and retirement savings reforms. In order to boost domestic savings, retirement savings reforms over the past two years have aimed to encourage more people to save for retirement and to preserve their savings throughout their working lives. Changes to the taxation of contributions to retirement funds will provide additional relief to most retirement fund members and encourage them to save for retirement.

- Tax reductions for all, including workers, companies and families, through reforms of its overall fiscal framework, which reinforce discipline, control and transparency, with a number of actions including the introduction of a constitutional fiscal rule and a reform aimed at guaranteeing the long-term sustainability of the pension system

- Working with provinces and territories to enhance and expand the national pension plan to help provide a strong and stable pension program.

74. A number of jurisdictions seek to mobilize savings by targeting education, which includes general education as well as financial education. While only a handful of jurisdictions specifically cited the need for inclusiveness at the broad macro level, evidence is accumulating to suggest the relevance of the issue for many others. Various policies devoted to development of economic and social infrastructure are being undertaken to promote a more inclusive economy. Examples of measures focusing on financial inclusion and literacy include the following:

- Adoption of a national strategy for financial inclusion to expand access to finance and financial services, particularly for those at the bottom of the pyramid.

- Establishment of a system of correspondents for the popular savings institutions

- Expansion of the educational program for business, which has been provided to elementary, middle and high school students

- Adoption of an inclusion-based model for growth with the priority of national policies regarding development of economic and social infrastructure aimed at seeking an inclusive growth, in the understanding that public investment has to go along side with, and enhance private investment

Addressing a lack of suitable investment vehicles

75. Another key issue in attracting private institutional funds for infrastructure is whether the necessary sources of financing are available at the required tenors and whether suitable credit enhancement instruments and risk mitigation products are available to support financing of long-term projects. Surveys suggest that many investors perceive a lack of appropriate financing vehicles. Although some collective investment schemes have been developed to attract such financing, concerns have been raised by institutional investors over perceived too-high fees, potential mismatches between asset life and fund vehicle, and the use of extensive leverage, which has become for some investors an impediment in the post-crisis environment.

76. The survey responses point to various measures targeted at the lack of suitable investment vehicles. Attention in some cases is focused on improving the basic legal and regulatory environment in order to support the development of financial instruments for the financing of long-term infrastructure projects. A variety of such financing tools have been considered, including bank lending, corporate bonds, asset-backed securities, and venture investment funds. New financial instruments developed for these purposes include secured notes backed by bank loans to SMEs and long-term investment funds designed to bring together investors who want to put money into companies and projects for the long term with enterprises in need of 'patient' long term money. Some measures specifically target institutional investors. Examples follow:

- Development of a transparent, harmonized and accessible infrastructure asset class, with longer-duration instruments: infrastructure debentures have been introduced to promote private long-term financing of investments, by giving tax breaks (Income Tax and IOF) for capital market instruments, and creating sources of long-term funding that are viable alternatives to the national development bank.

- Development of a range of highly efficient and flexible financing tools, including in addition to bank lending, corporate bonds, asset-backed securities, venture investment funds, non-financial corporate debt financing tool, stocks (main board market, SMEs market and start-up board market), insurance bonds plan, industrial investment fund, trust plans and financing leases.

- A regulatory framework for Long-Term Investment Funds has been agreed, which when implemented, should help to bring together investors who want to put money into companies and projects (e.g. infrastructure projects) for the long term with enterprises in need of 'patient' long term money. The funds should have particular appeal to investors such as insurance companies or pension funds, which need steady income streams or long-term capital growth.

- The main banks, with the support of the central bank, have created the Euro Secured Notes Issuer, a vehicle which issues secured notes backed by bank loans to SMEs that meet the eligibility criteria for Eurosystem refinancing operations. These issues will provide a liquidity value to financing granted to SMEs and mid-tier companies and allow capital market participants to benefit from high-quality collateral. The financial instruments issued may be used as collateral between capital market participants and as a new investment asset class for investors.

- Introduction of Infrastructure Debt Funds, which aim at raising low-cost long-term resources for refinancing infrastructure projects.

- Infrastructure Investment Trusts and Real Estate Investment Trusts, which are trust-based structures that maximize returns through efficient tax pass-through and improved governance structures.

- Reform of Capital Market Legislation in the past two years aimed at revising the related regulations to facilitate investments through diversified financial instruments, as well as provide better investor protection.

Addressing underdeveloped capital markets

77. The problem of underdeveloped capital markets is a related factor to the lack of financing vehicles. Though often considered to primarily hamper the development of firms in emerging market economies, such constraints can also affect firms in more advanced economies, in particular, those with bank-dominated financial markets. The challenge of addressing underdeveloped capital markets has been

cited by respondents from both groups of economies. In response, some governments have taken steps to develop the domestic corporate bond market and to improve the long-term resilience of funding markets. Other efforts are addressed at limitations in equity financing, including venture capital, constraints worsened in some cases by the withdrawal of banks, which had been the dominant source of financing for long-term projects.

78. For instance, measures are being introduced to further develop the basic infrastructure for capital markets, including payments and settlements, and electronic trading platforms and systems through which securities denominated in the domestic currency can be traded in the international financial markets, thereby helping to provide depth and liquidity. Still other jurisdictions have concentrated recent efforts on regulatory reforms, by simplifying the processes involved in the public issue and offer of securities, particularly for equities and bonds, in order to encourage companies to raise funds from capital markets. Examples of other measures include:

- Placing less emphasis on the role of the national development bank, including with regard to infrastructure, in order to crowd-in the private sector, in particular, through capital markets. The intention is to harness domestic and foreign savings to finance new infrastructure, especially economic infrastructure, such as ports, airports, clean energy and railroads.

- Encourage and support institutional investors, including the national social security fund, to actively participate in capital market investment and expand the spectrum and scale of capital market investment, including fixed-income securities investment, equity investment and infrastructure investment in the open market.

- Strengthening the system of multi-layer capital markets, developing multi-level stock market, developing the bond market in accordance with regulations, and gradually promoting the development of the OTC market.

- Build the infrastructure for a cross-border bond platform, to offer a more reliable clearing and settlement arrangement for cross-border economic and trade exchanges and financial intermediation activities.

- Efforts to ensure that existing resources are efficiently deployed across the region, targeting clearly identified market gaps and avoiding crowding-out of commercial sources of finance, including by co-investment in bonds, credit enhancement and other instruments designed to develop capital markets-based financial instruments.

- Promotion of infrastructure funds and further promotion of the tax-exempt individual investment accounts, which should help channel abundant household assets to growth areas.

- Implementation of international electronic platforms and systems through which securities denominated in the domestic currency could be traded in the international financial markets, will help provide depth and liquidity.

- Enhancements to corporate governance regulation for listed companies in another jurisdiction will be enhanced to include mandatory implementation of several corporate governance principles and simplification of the processes involved in the public issue and offer of securities, particularly for equities and bonds, in order to encourage companies to raise funds from capital markets.

- Preferential allocation of stocks for public subscription to high yield funds which invest mainly in corporate bonds or unlisted stocks.

3. Enabling appropriate legal and institutional settings

79. Attention is often focused on a country's tax burden as one of the main factors affecting investment. But tax policy is not always the most important factor considered by potential investors when weighing investment decisions. Rather, questions about costs and risks associated with macroeconomic and business conditions, the costs of compliance with laws, regulations and administrative practices, labor-force conditions, and above all, profit opportunities in the specific location are also of critical importance.

80. What matters for investors are all the core market principles, including predictability, transparency, credibility, accountability and fairness. Other factors that can limit long-term investments may include the lack of robust rule of law and attractiveness of the regulatory environment. The quality of regulation is a major component of a successful climate for business and investment. When well-designed and enforced and sufficiently predictable, regulation contributes to investor confidence, while poorly designed or weakly applied regulation can retard business responsiveness to economic signals and drive resources away from productive investments, including by hampering entry into markets.

Improvements in the general business environment

81. In that context, governments often choose to adopt measures that help to create a supportive business environment, including by reducing administrative burdens and simplifying bureaucratic procedures to the extent feasible, increasing the quality of contract enforcement and the functioning of infrastructure partnerships where they exist, and preventing and fighting corruption in order to provide a good climate for private sector investment.

82. Measures identified in the survey responses include actions focused on ensuring responsible commercial activities and appropriate corporate governance, including various initiatives for pro-growth corporate decisions and for promoting constructive engagement with institutional investors. Other pro-growth reforms include reductions in the effective corporate tax rate to promote investment in facilities that would improve productivity, improvement of the tax system to contribute to the development of more favorable environment for cooperation of entrepreneurs and public agencies in the field of submission of tax accounts.

83. Additional measures include various structural reforms, such as labor, education, telecoms, antitrust, tax, and financial and energy reforms. A few jurisdictions have established special economic zones to create an appropriate business environment conducive to economic development in lesser developed regions. Other examples include:

- Push for high-standard corporate activities and further develop an investment environment that can facilitate responsible commercial activities.

- Ensuring that investment activities strictly follow laws and regulations related to land and resources, environmental protection, safety production, and city plan, industrial policies and entry requirements.

- Speed up the transformation of government functions and vigorously push for various reforms focused on streamlining administration and delegating more power to lower level governments.

- Reviewing national and supra-national procedures and legislative frameworks with the aim of identifying possible actions to reduce administrative burdens and unlock investment potential for infrastructure projects.

- Designating three special economic zones for selected states as part of efforts to create an appropriate business environment in these states.

- Adoption of the National Business Initiative, which provides for several reforms aimed at improvement of the business environment framework, including: reduction of the quantity of indicators in all forms of reporting (annual, quarterly, and monthly) and in the time needed to complete the forms.

- The Promotion and Protection on Investment Bill, which will enable a comprehensive and uniform legal framework to govern investments.

- Analyzing and resolving differences in business regulations across regions.

Boosting competition

84. Effective competition is an essential component of a dynamic business environment in which firms are willing to take risks and invest. Empirical evidence suggests, in fact, that industries facing greater competition experience faster productivity growth, because competition allows more efficient firms to enter and gain market share at the expense of less efficient ones. By contrast, without the pressure of market entry, the incentive for firms to innovate and improve their efficiency is lessened.

85. Competition policy plays a central role in making markets contestable and hence in ensuring productive outcomes. And in that context many governments have taken steps to ensure an appropriate working of competitive market forces. But there can be exceptions. For instance, with infrastructure, there are elements of natural monopoly that make it more difficult to establish conditions for effective competition. And while many countries have made progress in dismantling barriers to entry in infrastructure sectors, including to foreign investors, the progress made has not been even and FDI restrictions continue to constrain foreign investment in infrastructure sectors in a number of jurisdictions.

86. Survey responses indicate that efforts to boost competition have covered a range of sectors and market segments. Some efforts have been directed at encouraging greater efficiency in financial markets, including by introducing competition between retail exchanges. Other reform efforts are more comprehensive, addressing broad areas of competition policy, laws and institutions:

- Major reform of the labor market seeks to reduce fragmentation, promoting open-end contracts, promoting active labor policies and reviewing the social safety nets.

- Increase the competitiveness of businesses and the buying power of consumer by lowering prices in the services sector.

- Lowering of entry barriers to facilitate the establishment of new activities or to level the playing field, such as by implementing a unified market access system.

- Program to support exporters to mitigate financial restrictions on exporter companies with a focus on the ones dedicated to manufacture of industrial goods so they can sustain or increase their exports through strengthening sale conditions, quality of products, processes and access to markets.

Addressing restrictive legal & regulatory environment (includes FDI) / eliminating excessive "red tape"

87. In addition to measures introduced to foster competition, governments are also taking steps to reduce administrative burdens and 'red tape'. Excessive 'red tape' adds to business costs and can impede market entry, thereby lowering competitive pressures and reducing the incentive to innovate. Excessive regulatory and administrative burdens create an uncertain business environment that can disrupt business planning and hinder the ability of businesses to respond quickly to new market opportunities. Eventually, this tends to discourage new investment and weakens economic performance.

88. Many governments have ongoing programs to reduce regulatory burdens and streamline regulation, through systematic reviews of the stock of significant regulation with due consideration to costs and benefits, to ensure that regulations remain up to date, cost effective and consistent with the intended policy objective.

89. Many such efforts to address a restrictive legal and regulatory environment and eliminate excessive "red tape" seek to lower barriers to entry including by foreign investors (including FDI):

- Achieve further opening up of service sectors, such as finance, education, culture and health care in an orderly manner, further suspending restrictions on general manufacturing, and allowing establishment of affiliates of medical corporations and expansion of related businesses of medical corporations.

- Cutting bureaucracy and easing regulations, including by introducing a one-in, one-out regulatory regime, which puts a cap on the total cost of regulations.

- Address internal market fragmentation for product and service markets and reduce business licensing requirements and other administrative burdens.

- Allow to contribute to reduce informality that excess administrative burden can favour.

III. Infrastructure

90. While most previous actions apply to infrastructure, the survey allowed to identify the following specific measures.

4. Supporting improvements in investment climate

91. A favorable business and investment climate and the consistent and effective enforcement of the rule of law are essential for long-term investment. Such an environment should feature predictable, stable, transparent, fair and reliable business regulation and supervision and administrative and procurement procedures. In particular, policies also promote an effective framework for fair competition and sound corporate governance, and clear and reliable creditor rights and insolvency regimes.

Addressing a need for coordination

92. There is a broad need for coordination of infrastructure development across different levels of government. National investment strategies typically entail policy responses that cut across the remits of individual government departments or agencies. The degree of centralization will typically vary across countries, but some measure of coordination is usually required to avoid overlapping and sometimes conflicting rules, procedures and regulations, which can undermine investor confidence and limit investment. To ensure appropriate coordination investment strategies need to be linked to other strategies, such as those pertaining to environmental or social concerns. Investment strategies can be based at the national, regional, provincial, state or local level, but with some arrangements for coordination among the different levels.

93. Jurisdictions citing the need to develop proper coordination arrangements across agencies or different levels of government are not restricted to the ranks of federal government systems. For example, mechanisms have been established to coordinate discussions between government and the private sector on obstacles to private sector participation in infrastructure development. Nonetheless, many of the efforts to ensure coordination across levels of government have in fact been adopted by federal states. Some endeavor to ensure that strategic planning is coordinated, while others seek to ensure cross-sectoral coordination and an integrated approach to project implementation:

- efforts to ensure that policies adopted by local governments are aligned with central government policies through appropriate synchronization and harmonization of national and local regulations

- establishment of a council of governments to promote policy reforms of national significance or those which require coordinated action across government; Strategic plans are often agreed through the Council or its subordinate bodies, with each jurisdiction adopting its own tailored approach to implementation, a process which allows jurisdictional planning processes to take into account agreed national policy directions

- establishment of a Project Monitoring Group at the national level tracks all large projects, both public and private, in order to ensure cross-sectoral coordination and an integrated approach to project implementation

- establishment of an Interagency Working Group to deliver recommendations on how to promote awareness and understanding of innovative financing and increase effective public-private collaboration

- introduction of draft legislation to enhance the coordination systems between different levels of administration concerning urban development and infrastructure planning

Promoting regional development (includes agriculture and rural development)

94. Some of the efforts to promote long-term investment projects are intended to address unequal development across regions. Some measures are aimed at promoting development of agricultural and rural areas, while others are directed at improving the performance profile of economic cities or at ensuring sustainable urban development. Various types of infrastructure projects are identified for these purposes, including the usual categories of economic infrastructure (mass urban transport systems, sustainable housing, roads, water, energy, plus water and sewage and waste management). Examples include:

- creation of a fiduciary fund, the objective of which is to expand the supply of credit channeled to strategic and technological projects and to the regional economies by different mechanisms, including loans, capital contributions, lower interest rates and non-refundable contributions

- channeling of 70% of NDB loans to less developed regions, where traditional funding is limited and difficulties faced by business sector are higher than in the more advanced regions

- specific regional programmes that aim to respond to emerging infrastructure opportunities and address areas of disadvantage as the economy transitions away from resources led growth, including establishment of a National Stronger Regions Fund, which is targeting infrastructure projects that support local and regional development

- adoption of preferential policies targeting certain regions, such as tax incentive policies; Agricultural Development Bank reform program, which requires the bank to increase supports to agricultural infrastructure, significant water conservancy projects and road construction in impoverished regions while continuously offering necessary credit to grain, cotton and edible oil purchases and storage

- streamlining organization and thus generating financial leeway, by halving the number of regions (from 22 to 13) and agreement on new region-national government contracts

95. Some regional development efforts focus on the creation of special economic zones, including for example:

- designation of National Strategic Special Zones to implement ambitious regulatory reforms with a view to strengthen the jurisdiction’s competitiveness as a business hub and attract foreign enterprises and promote business start-ups. Specifically, these Special Zones would consider introducing (i) simplified and accelerated incorporation procedure, (ii) more convenient information services in English regarding financial administration, (iii) relaxation of bus-related regulations for improvement of airport access, and (iv) acceptance of the entrepreneurial people in National Strategic Special Zones as well as establishment of new scheme for accepting diverse foreign people

- Establishment of three special economic zones for lesser developed states, with a view towards creating an appropriate business environment in these states for fostering their industrialization. The program includes actions to increase the quality of infrastructure, develop human capital and foster the establishment of enterprises in this region.

- plans to achieve balanced regional development, through regional networks that facilitate connectivity and trade (highways, railroads, transmission lines, gas ducts and aqueducts), and sustainable urban development by promoting a comprehensive infrastructure strategy (mass urban transport systems, sustainable housing, roads, water and sewage and waste management)

- achieving balanced development among the different regions, in part, by institutionalizing an incentive system needed to facilitate and promote such development as well as efforts to improve the performance profile of economic cities

- address shortcomings in economic infrastructure, including electricity constraints, which are driven in part by insufficient generating capacity and "local" distribution (infrastructure at the municipal or end-user level), and the need to close the water infrastructure gap via the construction of dams, water transfer schemes and irrigation schemes

- development of water treatment works and maintenance and upgrading of reticulation and sanitation infrastructure, aimed at ensuring there is sufficient water supply to enable economic growth and development as well as to expand access to water for both households and the mining, manufacturing and agricultural sectors, which are heavily reliant on water for production

- establishment of a new Water Finance Centre, which will work closely with municipal and state governments, utilities, and private sector partners to use federal grants to attract more private capital into projects and promote models of public-private collaboration

- launch of the Rural Opportunity Investment Initiative, which will identify opportunities for investment in promising rural water, energy, and broadband projects, reduce barriers to investment, and connect projects with investors

5. Facilitating financial intermediation

96. Other approaches to promote long-term investment focus on facilitating alternative sources of infrastructure financing, which can include wider implementation of user charging; concessional government loans; phased grants/availability payments; targeted payments; and value capture. A variety of other financing tools can also be developed, such as bank lending, corporate bonds, asset-backed securities, venture investment funds, non-financial corporate debt financing tool, stocks, insurance bonds plan, industrial investment fund, trust plan and financing leases, private equity and project bonds. New innovative instruments for long-term investment in infrastructure include infrastructure debt funds, which seek to raise low-cost long-term resources for refinancing infrastructure projects.

97. Other financial vehicles have been developed to reduce infrastructure financing costs, such as guarantees, loans or subordinated loans, which could foster increased participation of institutional investors in infrastructure financing. Other measures targeting institutional investors would reform capital market regulation to improve the incentives for investment portfolio management to generate better investments and more efficient asset managers, simplify the regulatory framework for infrastructure financing vehicles to yield more flexible instruments, and extend the range of institutional investors that can invest in these vehicles.

98. Tax incentives have also been provided, as for example in the form of a preferential business income tax for projects related to public infrastructure construction, environmental protection, and energy and water conservation.

Addressing bottlenecks and logistics problems

99. Infrastructure bottlenecks have been cited by a number of respondents as affecting productivity, competitiveness and trade performance, imposing a major impediment to higher rates of growth. A common reference is to public transit infrastructure and other transport infrastructure. Examples include the creation of a single, systemized transport planning framework for all transportation modes and implementation of a federal program for development of the transport system, which involves an increase in the overall road construction rate, reduction of the transportation costs in the economy, enhanced accessibility of the transport services for the population, and higher external competitiveness of the national transport system, while ensuring proper safety and sustainability of the transport system:

- establishment of a new Interagency Infrastructure Permitting Improvement Center (IIPIC) housed at the Department of Transportation

100. Elsewhere, some measures to boost productivity focus on addressing bottlenecks and logistics problems as a means of boosting competitiveness, along with strengthening domestic competition and lowering barriers to foreign direct investment:

- development of a more competitive logistics platform by upgrading the inter-connection of highway networks, ports, airports and cities, along with balanced regional development (highways, railroads, transmission lines, gas ducts and aqueducts) and sustainable urban development (mass urban transport systems, sustainable housing, roads, water and sewage and waste management)

- establishment of a fund to finance investment projects and working capital that lead to improvements in the competitiveness and productivity of goods and services in the regional economies

- establishment of a logistics investment program to facilitate improvements in total investments in port infrastructure through concessions, area leases and licensing of new private terminals

- adoption of the National Plan of Integrated Logistics, which will put together a single, systematized transport planning framework for all transportation modes to promote intermodal efficiency and synergies that are possibly lost in the current model, in which three different agencies (the Ministry of Transportation, the Secretariat for Civil Aviation and the Secretariat for Ports) develop separately their own logistic plans

Addressing a lack of long-term finance

101. Many respondents have sought to promote financing of long-term investments by addressing short-term investment horizons. The provision of long-term financing is deemed a core ingredient to boosting growth back to its long-run trend level. Impediments to this development can exist on both the demand and supply sides of the market, as reflected in increased risk aversion on the one side and bank deleveraging on the other. In some cases, macroeconomic uncertainty has contributed to the tendency towards short horizons, but macroeconomic policies have begun to address this problem. Tax incentives have been given in some cases for capital market instruments, as a means of promoting private long-term financing of investments.

102. Some jurisdictions report efforts to take advantage of the long-term horizons of existing sources of long-term financing, namely sovereign wealth funds and assets of the funded pension pillar, while others have sought to de-emphasize reliance on national development banks. Various reforms have been

introduced to encourage long-term financing, including new regulations regarding portfolio custody services, mutual funds, asset-backed and mortgage backed securities, covered bonds and mortgage financing companies. Other measures include:

- efforts to create a long-term focus in governments' infrastructure project prioritization and establish a national view on infrastructure priorities and policies

- ensuring that resource allocation decisions are driven by market incentives, based on the selection of the best investment projects, and by the use of the private equity of state-owned institutions

- efforts to support the collective growth objective, including through policies to improve the investment ecosystem, foster efficient infrastructure investment and support sound long term financing opportunities for businesses

- granting permission for banks to issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long-term projects in infrastructure sub-sectors, and (ii) affordable housing

- policy measures have been taken to encourage long-term investment financing, including through the introduction of new financial instruments, while measures for improving the banking system are designed to promote financial stability including through addressing several structural issues which would improve demand- and supply-side shortcomings in long-term investment and SME financing

- providing financial instruments to support provincial, territorial and municipal infrastructure, such as a National Infrastructure Bank, where jurisdictions are facing challenges in advancing projects due to a lack of capital

Insufficient risk capital instruments and markets (includes venture capital)

103. Insufficient risk capital instruments and markets are a special example of limited long-term finance. This constraint can affect all firms to some extent but is seen most often as affecting the growth prospects of SMEs in general and the provision of funds to start-ups. Limitations in venture capital markets can themselves be a consequence of the inability to attract and sustain long-term investors. Numerous respondents cited the need to address this constraint. Their efforts include more efficient legal and tax rules, including providing equal tax treatment to banking and non-banking sources of debt finance, removing legal and fiscal barriers to issuance of corporate bonds by unlisted companies, and removing administrative obstacles to direct lending by non-banking institutions: insurance companies, credit funds and securitization vehicles.

104. Other measures include the introduction of a new fund to support venture capital and private equity markets, the introduction of new risk instruments, including long-term hedging vehicles, credit enhancement instruments, and structured finance:

- supporting the venture capital market, in this case, through more efficient legal and tax rules, which should help attract more resources for investment in innovative firms, for which access to traditional bank financing is often difficult

- measures to address the venture capital market's inability to consistently attract private investors, which has resulted in limited availability of venture capital financing for young, innovative, and high-growth firms that often lack both a credit history and the collateral needed to secure a loan at a financial institution

- adoption of measures to expand non-banking sources of debt financing and to promote equity investments, including the removal of legal and fiscal barriers to issuance of corporate bonds by unlisted companies (particularly SMEs), granting access to capital markets and enabling the solicitation of national and international institutional investors

- providing an equal tax treatment to banking and non-banking sources of debt finance (deductibility of interest rates and other costs related to the placement of securities) and on the removal of administrative obstacles to direct lending by non-banking institutions, such as insurance companies, credit funds and securitization vehicles

- strengthening financial and capital markets to promote the provision of risk money to growing businesses, including SMEs – a bill was approved which promotes the use of security based crowd-funding, aiming to provide risk money to new technologies and ideas

- efforts in the context of insufficient risk capital instruments seek to address a range of issues, including long-term hedging, credit enhancement instruments, structured finance, standardization and liquidity of capital markets instruments, development of secondary market, attraction of pension funds and insurance companies, reserve requirement exemptions, etc.

Strengthening public investment

105. Public investment is one means of overcoming some impediments to long-term investment activities and public sources of capital have been and will likely continue to be important in financing long-term projects. But the supply of fiscal resources is not unlimited and in some cases clearly not sufficient to address the estimated needs, which is one factor increasing the incentives to make use of private sector finance. Nonetheless, a number of survey respondents have been able to set aside resources to finance projects in priority areas. The areas cited tend to vary across jurisdictions, but economic and transport infrastructure are common, along with technology areas. Various initiatives have been initiated with a view towards mobilizing financing for projects identified in strategic planning. Financing will come from various sources, but sovereign wealth funds are a common source. Examples of measures include the following:

- adoption of an aggressive public investment program to compensate for the lack of private initiatives in the areas of energy, production and distribution, and transport

- providing substantial financial resources in financing projects read for execution in the priority areas of undergrounds, railways, roads, water infrastructure and airports

- provision of financing by the National Wealth Fund aimed at development of transportation facilities, and extension of energy supplies capacities

- targeting new technologies and communications, including through expanding access to a superfast and reliable broadband network

- allocating funds under the new national building plan for provincial, territorial and municipal infrastructure over 10 years to fund the construction, rehabilitation and enhancement of the nation’s infrastructure

106. Though many of the investment programs are based at national level, numerous projects being contemplated or financed are at the sub-national level (this may even be the case for the majority of projects, for instance in some federal states). Examples include:

- allocating financing to economic land transport infrastructure priorities and freeing up funds at the state and local government level

107. Other categories of social infrastructure are also especially targeted in the public investment plans, including public facilities and correctional institutions.

6. Mobilizing MDB resources and role of NDBs

108. Multilateral development banks and national development banks play a crucial role in supporting infrastructure planning, development, and financing. They provide technical assistance and financing for a range of infrastructure projects, including in the areas of transportation, social infrastructure, services, energy and the environmental sector. Various forms of financial support are offered, including in the form of loans or credits, guarantees, etc., as part of their normal business practices or in some cases in accordance with specific regional development and reform priorities, both within national borders or in specific international regions. The activities of multilateral and regional development banks help to plug a sizable financing gap for infrastructure, thereby helping to support economic growth, employment and regional connectivity. National development banks also play a role in helping to diversify the domestic economy, boost its competitive edge and encourage investment activity.

109. Survey responses indicate that national development banks not only encourage investment activity in sectors and areas where development remains weak but also play an active role in stabilizing growth. Given their sound reputations and technical expertise, development banks are able to draw in private capital, operating in many cases with a sizable multiplier effect that boosts the available resources for infrastructure and sustainable development. Plans for development banks also call for their role in fostering the participation of commercial banks in infrastructure financing (mini-perm financing, mezzanine products), fostering infrastructure development by local governments, and helping to channel institutional investors' resources to infrastructure, including through their guarantee programs:

- generating financing for new infrastructure projects by optimizing their balance sheets, that is, by identifying existing credits that could be refinanced in order to increase available resources for new financing

- optimizing existing multilateral and regional development banks' resources through partnering in productive projects, which not only provides affordable financing but also delivers some additional benefits such as capacity improvement, good governance practices, and delivering value for money

- providing technical assistance and contributing to capacity building in various ways, including by helping national governments support knowledge transfer, including by supporting the establishment of a "knowledge hub" to support evidence-based implementation support for service delivery

- use of technical assistance loans or grants to conduct research on a country's significant strategies and reforms, such as the medium and long-term development program, the reform of the fiscal and tax system as well as medical care reforms

- requiring the national development bank to further improve the operation model of development finance; actively play an important role in stabilizing growth, adjusting structure and increasing supports to key industries and areas where development remains weak

7. Enabling appropriate legal and institutional settings

110. Where appropriate, governments may choose to provide opportunities for private sector participation in long-term investment projects such as infrastructure and other relevant projects. From a design perspective, investment opportunities should enable the different parties to earn returns commensurate to the risks they take. Risks should be defined, identified and measured and then borne by the party for whom it costs the least to prevent the risk from being realised or for whom realised risk costs the least. Notable options include public procurement and public-private partnerships (PPPs). PPPs are introduced for various reasons, including to improve the value for money in public service delivery projects, or because PPPs have the potential of bringing private finance to public service delivery. This requires in a clear, predictable and legitimate institutional framework supported by competent and well-resourced authorities. The decision to invest should be based on a whole of government perspective and be separate from how to procure and finance the project. And there should be no institutional, procedural or accounting bias either in favour of or against PPPs. For infrastructure investment, specific challenges in obtaining adequate financing may include the lack of robust rule of law and attractiveness of the regulatory environment. Infrastructure providers will tend to be reluctant to invest in the presence of regulatory uncertainty.

111. Private participation in infrastructure is made easier when governments implement appropriate institutional arrangements for improving regulatory predictability, including by entrusting regulation and price-setting to specialised authorities that are competent, well-resourced and shielded from undue influence by the parties to infrastructure contracts. Predictable frameworks can help ensure the flexibility needed for the success of long-term infrastructure contracts.

112. Many jurisdictions cite efforts in this context to establish a well-developed PPP framework. The efforts include:

- establishment of a dedicated PPP cell in the Department of Economic Affairs to serve as the Secretariat for structuring rollout and capacity building for PPP projects; the unit also oversees state government cells for PPP

- efforts to integrate PPPs into current Administration permitting reform efforts; standardizing the approach to PPP contracts to make arrangements more accessible for both project sponsors and investors; encouraging the consideration of PPPs as an alternative to conventional procurement for port infrastructure; and encouraging the consideration of PPPs as an alternative to conventional procurement for water infrastructure

- introduction of new legislative and executive acts defining competences of state agencies, selection criteria for project and the methodology for assessing their effectiveness and impact, as well as conditions for providing public support for projects structured as PPPs

8. Project spectrum: project planning, prioritization and process development

113. For infrastructure investment, some factors that inhibit private sector participation relate to inadequate planning and limited capacity of governments to prepare and execute projects successfully. For example, surveys on the factors impeding the allocation of private sector financing to infrastructure projects and other long-term investments often cite a lack of clarity on investment opportunities available

in the market, including a lack of transparency in the infrastructure sector, as a major contributing factor. In addition, the absence of a successful track record of related projects can also be an impediment.

114. These considerations are reflected in the steps many governments have taken to ensure openness and transparency in the procurement process and to strengthen infrastructure investment by improving the competitive environment, including through reforms of the administrative and court procedures for antitrust violations and the enforcement of cartel law. A well-designed procurement regime helps to ensure procedural fairness for all bidding investors and to minimize the risk of corruption, bidder collusion and bid-rigging.

115. Decisions on how much, where and what kind of infrastructure to build and maintain in order to meet socio-economic and sustainable development trends require adequate co-ordination across agencies and at all levels of government, including at the regional level, to identify infrastructure needs across sectors and prioritize projects in an integrated manner. This selection process is perhaps best achieved through full cost-benefit analysis taking into account the entire project lifetime, all alternative modes of delivery, the full system of infrastructure provision, and the availability of finance to ensure value for money.

116. Survey results indicate a range of measures devoted at improving project planning and developing pipelines of suitable projects, including for example the following:

- for project proposals in the case of transport infrastructure, use of a strategic planning process that involves identifying goals, problems, and options, which are then assessed using detailed cost-benefit analysis

- development of a framework for procurement and cost benchmarking with a view towards reducing costs and improving the timeframe for delivery of projects

- formation of institutional mechanisms and governance frameworks for infrastructure project identification, procurement and monitoring committees, legal and regulatory frameworks, with all stake-holders, including potential investors, developers, and contractors, involved in robust consultations before bid documents are prepared

117. Survey responses suggest that there are also gains to be had from steps taken to build capacity for government officials, as well as measures intended to improve the predictability of policy and the efficiency of the use of resources. Strengthening the expertise of government officials is of particular importance in the case of public-private partnerships. But requisite skills and capacity are needed in all phases of project development, with the use of dedicated teams for planning, appraisal, approval, and management one way of achieving success.

118. The success of private involvement in infrastructure depends in part on public acceptance and on the capacities at all levels of government to implement agreed projects. Procuring authorities, Public-Private Partnerships Units, the Central Budget Authority, the Supreme Audit Institution and sector regulators need to have clear lines of accountability, with clear mandates and sufficient resources to ensure a prudent procurement process, and in this context, a number of jurisdictions have taken steps to improve the capacity of government officials to improve institutional capacity in procurement. Examples include:

- establishment of the Office of the Chief Procurement Officer, which is charged with, among other duties, managing and maintaining the regulatory environment relevant to government procurement practices and effectively managing government transversal contracts so that cost savings and socio-economic objectives are achieved

- adoption of plans to carry out customized education of government officials by external experts and if necessary will set up new organizations or recruit more talented individuals

- efforts to improve institutional capacity on the public side to increase the quality of the PPP process as a whole and to strengthen the coordination of PPP policies and practices and to set up an effective monitoring and evaluation system

- adoption of an investment plan which helps to identify the sectors and projects in which investment is critical for long-term growth and, notably, where investment requires public policy intervention to materialize

- establishment of a one-stop-shop for all questions regarding technical assistance, which will take the form of an investment advisory "Hub", with three audiences in mind: project promoters, investors and public managing authorities

- facilitating priority infrastructure projects by the Committee for the Acceleration of Priority Infrastructure Provision, whose tasks include setting up strategies and policies in order to accelerate priority infrastructure provision, monitoring and controlling the implementation of these strategies and policies, and facilitating capacity building of apparatuses and institutional matters

- adoption of the Basic Plan for Life Extension of Infrastructure, which aims to maintain and improve the quality of infrastructure by establishing an infrastructure maintenance cycle, reducing and leveling total government expenditure for infrastructure, developing new technologies, and cultivating an infrastructure maintenance industry.

119. But many other efforts focus on developing a pipeline of bankable projects, in part to keep the market active and help attract investors. Some are developed under the PPP framework or under the framework of national or supra-national development plans.

Timeline for project approval

120. A few jurisdictions noted the need to remove impediments to private investment in infrastructure that derive from long lead times. Reducing timelines for obtaining permits and licenses are a common example. Among the efforts are the following:

- one-window operations for potential investors to facilitate and fast-track issuance of licenses, and to provide needed services in the shortest possible time

- proposal for an Interagency Infrastructure Permitting Improvement Centre to serve as clearinghouse for the sharing of best practices in permitting and reviewing across agencies, e.g. switching from consecutive reviews across several agencies to synchronized, simultaneous reviews in order to shorten project timelines

- modification of the regulatory framework on the approval phase to simplify procedures, set time limits and allow for substitute powers to intervene

- plans to introduce a "Competitive Dialogue Procedure" to reduce the duration of time consumed for project implementation by undertaking assessment and negotiation at the same time

- standardization and harmonization of projects in different sectors and employing different structures (e.g. PPP, concessions, etc.) as a means of addressing complex project structuring and preparation, which has been characterized as including a higher-risk construction phase, renegotiation risk, small-size projects, lack of standardization of project structures, lack of administrative/project management capacity, long lead times, and lack of cross-border standardization and harmonization of national technical standards

Sub-national readiness

121. For some countries and especially for countries with a federal structure, investment planning and execution has to accommodate the different capacities that may exist below the federal/national level. These differences pose challenges that call for coordinated decision-making, as discussed above. Examples of measures include the following:

- introduction of reforms and an asset Recycling initiative to facilitate the sale of brownfield assets to generate financing for new greenfield projects, and also reform project selection and governance

- promoting greater participation of states and municipalities in infrastructure development

- addressing challenges related to a lack of state and local government readiness, in terms of insufficient flexibility in many jurisdictions' procurement statutes and limited financial expertise among procurement personnel, along with issues concerning coordination of decision making across state, country, and city government lines

9. Addressing data gaps

122. Insufficient data availability or quality has been cited as one of the key factors contributing to infrastructure financing gaps. The problems that have been identified include a lack of performance data for infrastructure assets, lack of standardized documents and methodologies, and inadequate transparency and accountability. Various measures have been introduced to address these shortcomings in data availability, including the creation of dedicated websites and other efforts to broaden the availability of infrastructure data. They include:

- development of a National Infrastructure Construction Schedule to provide certainty and transparency to infrastructure investors and constructors in relation to public infrastructure projects coming to the market; The web-based resource facilitates private sector engagement by promoting upcoming investment opportunities to both domestic and international investors

- ensuring periodic issuance of a report or a public announcement examining all key dimensions of investment for the benefit of the investor community

- reducing information barriers to accelerate investment in resilient energy infrastructure

- establishment of a new single window system to integrate all the foreign trade procedures so as to assure greater transparency, reduction of time and costs for exporters and importers, process simplification, optimization of infrastructure and logistics as well as greater involvement of SMEs in foreign trade

- adoption of plans to organize seminars regarding transparency and accountability, based in part on international best practices and the analysis of legal frameworks for procurement processes

123. The lack of standardization is another issue jurisdictions have sought to address. For example, among the steps take to improve standardization are measures aimed at standardizing bidding and contractual documents, harmonizing projects in different sectors and employing different structures (e.g. PPP, concessions, etc.), or standardizing concession contracts. Other measures include:

- consultation to develop a framework for simple, transparent and standardized securitization instruments, which would be able to receive a more risk-sensitive prudential treatment and would notably increase the transparency and consistency of key information for investors

- development of standardized legal documents and PPP procurement practices, in particular at sub-national level

- development of standardized documentation, accompanied by capacity building instruments like tool-kits and training programs, information dissemination and communication strategies, which has helped empower authorities to not only develop a pipeline of commercially viable PPP projects but also to implement the projects on the ground

IV. SMEs

124. The theoretical case for public intervention in the SME sector reflects some of the same factors that have been cited elsewhere in finance, namely, the existence of market failures, which arise most often from externalities, information asymmetries, or market power imbalances. The existence of market failures can cause financial markets to function improperly, in which case they may not allocate resources optimally, may not efficiently manage financial risk, and may be subject to other weaknesses, with potentially severe adverse economic consequences.

125. In the case of SMEs, sub-optimal resource allocation is the perceived problem, as opposed to systemic concerns or market misconduct on the part of intermediaries, although the latter problems also arise. Resource allocation is said to be sub-optimal because small firms that could make productive use of funds are unable to obtain adequate finance from the formal financial system. This "gap" between the demand for and the supply of financing constitutes a structural market failure.

126. By contrast, if the financial system is functioning well in the theoretical sense, then small firms with viable business prospects will find a range of financing alternatives suitable to their needs at each stage of their life cycle. However, funding and growth prospects for small firms tend to worsen with increasing structural rigidities and distortions in the market. Various factors in the business operating environment or the broader financial system have the potential to foster development of the SME sector by facilitating investment or to hinder it by creating disincentives to entrepreneurship and investment, especially of risk capital.

127. In some cases, the problems SMEs confront may be symptomatic of larger structural problems that affect small firms in general, such as macroeconomic imbalances or impediments in the tax, legal, or regulatory frameworks. A fair, transparent, clear and predictable regulatory framework for investment is one of the core factors affecting investment decisions and their contribution to development. It is especially important for SMEs that tend more than larger firms to face particular challenges to entering, and adhering to the rules of, the formal economy.

128. In other cases, problems may be confined to particular subsets of the broader SME population. To determine the appropriate policy response authorities may need to identify whether the origins of the problem lie in the characteristics of various market participants (including consumers), in the products and services on offer, or in the structure of the market.

10. Facilitating financial intermediation

Promoting access to finance

129. Many countries seemed to have determined the necessity of government intervention to help the SMEs sector. Much of the attention is focused on SMEs' access to financing, or lack thereof. In this context, countries have adopted policies aimed at fostering entrepreneurship and removing barriers to the development of risk capital markets, the lack of which was believed to be a structural rigidity in many countries.

130. The survey responses suggest that most jurisdictions have introduced policies to support the SME sector. Among measures that focus on promoting access to finance are a range of measures that target credit. Some measures focus on expanding the supply of credit, while others focus on reducing the cost of credit. The specifics vary across jurisdictions, but there are many common elements. The use of guarantee funds or financing agencies is one example. Measures adopted or under consideration include the following:

- Creation of a fiduciary fund with the objective to expand the supply of credit channeled to strategic and technological projects and to the regional economies; its support mechanisms include loans, capital contributions, lower interest rates and non-refundable contributions. Quality training, technical and economic assistance, support to entrepreneurship and strengthening of value chins are also used to promote access to finance for SMEs. A guarantee fund also provides support.

- Expansion of eligibility criteria for SME support by doubling of the revenue limits criteria for SMEs and widening the qualified interval, so that more firms will be eligible for state and municipal support. These measures are of particular benefit to fast-growing SMEs.

131. Other measures that have been introduced or proposed also benefit segments of the SME population. Micro enterprises benefit from some measures, while other measures focus on mid-caps, such as a clear framework for private placement transactions between mid-caps and a small number of institutional investors. Examples include:

- plans to expand direct financing channels for small and micro enterprises, loosening financing access standards for innovative and potential high-growth enterprises, and by developing a refinancing mechanism for listed small and micro enterprises

- creation of a micro credit program for micro enterprises, which is provided by banks to SMEs with viable but not yet bankable prospects. The program mainly targets SMEs involved in productive business sectors, including agriculture, fishery, industry, and forestry.

- program aimed at micro and small and medium enterprises, which focuses on supporting the purchase of new machinery, plant and equipment, through funding accompanied by public support in the form of a contribution on interest

- reduction in interest rates on loans, by which a Centre for the Development of industrial Technology seeks to foster access to finance partly in this way and partly through the creation of private equity funds

- Planned expansion of direct lending to SMEs, focusing on SMEs that lack experience in exporting or on high technology, which will also benefit from a lower loan interest rate

132. Other jurisdictions seek to improve access to finance by creating a favorable environment for SMEs. Examples of measures in this area include:

- the Ministry of Small Business Development will seek to address such issues as the lack of a favorable legal and regulatory environment, lack of access to markets and procurement and lack of access to finance and credit

- efforts are being directed at exploring ways to reduce fragmentation in financial markets, diversifying financing sources, strengthening cross-border capital flows and improving access to finance for businesses, particularly SMEs

- granting of tax exemptions to eligible SMEs, as well as a 50 per cent discount in health and social security fees, and the provision of housing loans and consumer credits for employees

Need for alternatives to bank credit/suitable financial instruments (includes securitization)

133. While improving SMEs' access to finance has been cited by most jurisdictions as a need to be addressed, not all SMEs are actually suitable candidates for credit. The exceptions include start-ups and fast-growing firms employing innovative technologies or business models. They need risk capital of some form or another. Various measures have been proposed to facilitate the provision of start-up capital and other forms of risk capital, including venture capital (see section III.5).

134. Some measures identified in the survey responses focus on start-ups, noting the challenge in making sufficient equity start-up capital available:

- generating a larger number of entrepreneurs through a Youth Credit Program, through which credits are provided to entrepreneurs between 18 and 30 years of age

- development of a specific education program for business,, which is provided to elementary, middle and high school students

- establishment of a technology bank to facilitate the transfer of technology from large firms to SMEs and start-up companies

- introduction of a new system to encourage angel investments, which also support SMEs in their early stages, by increasing professionalism in angel investments, making angel capital an institutionalized and trustworthy source of finance, and providing state support

135. Other jurisdictions focus on expanding non-bank sources of financing. The measures adopted include the following:

- removal of legal and fiscal barriers to issuance of corporate bonds by unlisted companies (particularly SMEs), granting access to capital markets, and enabling the solicitation of national and international institutional investors

- provision of an equal tax treatment to banking and non-banking sources of debt finance (deductibility of interest rates and other costs related to the placement of securities) and the removal of administrative obstacles to direct lending by non-banking institutions such as insurance companies, credit funds and securitization vehicles

- establishment of a Venture Business Creation Council, which consists of large companies willing to cooperate in supporting venture businesses, serving as a platform to develop business start-ups into concrete business, and strengthening financial and capital markets to promote the provision of risk money to growing businesses including SMEs

- introduction of regulations allowing for establishment on the exchange of an Emerging Companies Market, where the shares of SMEs are exclusively traded; The exchange also has created a new trading platform through which SMEs are able to obtain pre-IPO funds from qualified investors and angel investors.

- Provision of equity to business angels and other non-institutional investors for the financing of innovative companies in the form of co-investments, while a separate fund supports SMEs in their expansion plans through participative loans and equity

- Proposal to establish an electronic Trade Receivables Discounting System to facilitate financing of trade receivables of MSMEs from corporate and other buyers, through multiple financiers

11. Mobilizing MDB resources and role of NDBs

136. In addition to supporting the financing of infrastructure and related projects, development banks play a role in supporting the growth and development of SMEs. Some focus on providing support in particular sectors, such as renewable energy and energy efficiency, manufacturing industries, tourism, health and education sectors, while others participate in loan guarantee schemes or provide more general support, including through development of a wholesale lending model to advance funds to targeted SMEs in a standardized manner. A few examples follow:

- targeted support is provided to women entrepreneurs and women-owned businesses, including by providing a national forum to bring together women entrepreneurs and provide them with the tools, networks and connections they need to reach their full growth potential

- government intervention is directed at addressing market failures, such as when private returns are less than social returns or when there are asymmetric information problems, and public schemes have been introduced to address these identified market failures

- establishment of an Entrepreneur National Fund to foster productivity and innovation in micro, small and medium enterprises by providing grants to finance such enterprises, including for training programs, consulting services, quality certifications, product design, technology transfer, and equipment acquisition among others

- requiring major national development banks to strengthen their current programs to foster capital market development in order to foster new IPOs for SMEs

12. Enabling appropriate legal and institutional settings

Technical assistance / capacity building

137. While many programs directed at the SME sector are financial in nature, governments have developed a range of other policy measures that focus on enabling an appropriate legal and institutional setting for SMEs. One such area includes technical assistance and capacity building measures, such as introducing improvements in the business environment, workforce training, and innovation to increase the participation of SMEs in international trade. Other examples include the following:

- Launch of an online self-service product that provides selective sales insurance coverage, primarily for the small end of the SME spectrum, in minutes.

- Use of an integrated management system, which will provide objective data related to support programs. Based on these data, it will be possible to comprehensively analyze the effect of support policies and conduct performance evaluation

- increasing the effectiveness of vocational training curricula, entrepreneurship training, and on-the-job training programs, which are regularly monitored to enable an impact assessment

- measures for networks of SMEs, including network contracts, which are voluntary agreements that allow companies to carry out jointly some activities, such as purchasing, R&D, and internationalization, while maintaining their legal subjectivity and autonomy

- issuance of permits for SMEs to provide legal certainty and a tool of empowerment for SME entrepreneurs in developing their business

- promotion of a Digital Financial Service (DFS) to lower the cost of transactions. The DFS is a payment system service conducted by third-party and web based media. Utilization of the DFS is expected to expand financial access and facilitate secured and affordable transaction payment

- development of the Growth Together Program, through which different government agencies have linked their programs, seeks to foster formality; To be registered in the program enterprises must fulfil their obligations relating to the payment of taxes

- establishment of an SME mentoring program for high-growth businesses, which provides customized assistance for market expansion

Competition / unfair business practices

138. An important aspect of a favorable environment for SMEs is the nature of competition, especially insofar as policy measures are skewed in favor of larger companies. Various steps have been taken to ensure a fair and competitive environment, by seeking to eradicate unfair business conduct and practices between large firms and SMEs. Measures to this end include the following:

- enhancement of the reward system for whistle-blowing on unfair business conduct against sub-contractors, including unfair discounts, usurping technology and unfair cancellation of purchases

- competition reforms aimed at new regulatory frameworks to reduce bureaucratic costs, to facilitate access of SMEs to capital markets and establish a new facility to provide funding for SMEs engaged in exporting

- mitigating financial restrictions on exporter companies with a focus on the ones dedicated to manufacture of industrial goods so they can sustain or increase their exports through strengthening sale conditions, quality of products, processes and access to markets

- simplifying laws to help small businesses understand their rights and obligations; reforming competitive neutrality policy and reviewing regulatory restrictions, including standards, occupational licensing, and planning and zoning rules; strengthening the misuse of market power provision to improve its clarity, force and effectiveness so that it can be used to prevent unilateral conduct that substantially harms competition; and providing for better access to justice when disputes occur

- granting all market players the freedom to enter areas that are not prohibited, while another measure also seeks to lower barriers to entry, thereby facilitating the setting-up of new activities and risk-taking by entrepreneurs setting the stage for new investments

Administrative burdens

139. Various aspects of the business environment can have an impact on investment activity, including the costs of starting a business, costs to comply with administrative requirements, access to finance, quality of institutions (including the judicial system), the public procurement regime, protection of property rights, costs of contract enforcement, availability of skilled labor, labor market flexibility, regulatory environment, insolvency and pre-insolvency regulations, etc.

140. Efforts to improve the business climate for SMEs are targeted at excessive administrative burdens, via reforms aimed at reducing red tape and administrative burdens that hamper the creation of risk-capital vehicles. Examples include:

- enactment of the Law on Market Unity with the aim of addressing internal market fragmentation for product and service markets and reducing business licensing requirements and other administrative burdens in the creation of companies, as well as improving the single-stop shop system that provides services linked to the birth, development and death of enterprises

- measures aimed at cutting red-tape, improving the quality of social dialogue, and streamlining local governments' organization to help companies become more competitive and, thereby, trigger private investment

- reducing the regulatory burden on firms with a small market power and toughening the criteria for anti-monopoly inspections

- efforts to streamline the regulatory regime and reduce compliance costs and facilitate access to equity finance will cover: the turnover tax regime for micro businesses, small business corporation tax relief; venture capital company regime, and the tax treatment of grants

Promoting R&D, innovation and business start-ups

141. A wide range of measures intended to help support the SME sector are focused on promoting R&D, innovation and business start-ups. They include:

- different lines of credit put forward by the Investment and Foreign Trade Bank in order to foster investment by companies, focused on: financing the acquisition of capital goods, and financing investment projects in goods and services; investment projects in renewable energies (as detailed below in infrastructure section) to attend the increasing demand of the productive sector; financing projects with potential of improving the competitiveness of producers through technological modernization and innovation of processes or products;

- establishment of fiscal science and technology funds to promote the flow of resources to public science and technological activities for which the market mechanism is not effective

- strengthen the emerging national network for business innovation, including through clusters, incubators and accelerators, research facilities, financing, and other support for successful small companies wanting to grow and export

142. A number of jurisdictions use tax incentives to promote innovation and R&D:

- promotion of innovation through tax incentives, dedicated measures targeting promising industries and fostering an innovation friendly ecosystem involving synergies between research centers, enterprises, and teaching institutions and the efficient transfer of publicly produced R&D results to private companies

- targeted measures are also being designed and implemented so as to foster investment in specific sectors where market failures exist, notably the R&D and innovation sectors, the ecological transition activities, and the housing market

- use of a tax credit to support R&D, which allows support for the hiring of highly qualified researchers and off-site research that is carried out in collaboration with universities, research centers and with other companies, accompanied by a particularly favorable tax regime, for both SMEs and large national and multinational companies, on the income deriving from the exploitation of patents and trademarks and intellectual property

- support for SMEs by structures to help in forming clusters among groups of SMEs and also with larger enterprises, universities and research centers

- efforts to scale down the top-down approach and scale up the bottom-up approach in R&D investment funded by the government

- introduction of competition in selecting research institutions for R&D projects, whereby institutions who wish to participate in R&D investment will be allowed to undertake studies on the project and then the best institution will be selected as a winner through the interim assessment

- creation of a national research agency to increase the efficiency of public resources on R&D and Innovation

- gradual reduction of the federal small business tax rate from 11 per cent to 9 per cent by 2019, which will allow almost 700,000 small businesses to retain more earnings that can be used to reinvest and create jobs

Movable collateral laws and registries

143. Access to finance for SMEs can be inhibited in some cases by limitations regarding collateral and lack of information as to their credit history. Some jurisdictions have taken steps to address these shortcomings via reforms of movable collateral laws and the introduction of credit registries. Examples include:

- various credit lines intended for SMEs, including the line of investment financing for SMEs and cooperatives, which is targeted at investment projects and the purchase of new movable capital goods, either subject to registration or not, within a framework that favors investments intended for different economic activities in the sector of goods production and service provision

- promulgation of the Measures for Movable Property Mortgage Registration, which stipulates that enterprises, individual businesses and agricultural production operators should register with local county-level industrial and commercial authorities if they want to mortgage their production equipment, raw materials, semi-finished products and products possessed or to be possessed by them

- preparation of an appropriate legal structure is being prepared through which movable assets can be effectively used as collateral, which should significantly improve access to finance

Insolvency regimes

144. As indicated previously, insolvency and pre-insolvency regulations are another factor that can have an impact on investment activity and a few jurisdictions specifically note measures taken to improve their insolvency regimes. Among the measures identified are the following:

- consideration of the development of an entrepreneur friendly legal bankruptcy framework for SMEs to enable and easy exit

- improvements in regulations for commercial bankruptcy as part of structural reforms

- plans to encourage restarting businesses by reducing the repayment burden of the loans of failed businesses

Tax incentives

145. Tax incentives have been discussed above in the context of measures to promote R&D and innovation and other specific activities. In addition to these efforts are specific measures addressed at business income taxation more generally, as a means of improving the general business environment. Examples include:

- altering the VAT and business tax to further increase tax supports to small and micro enterprises

- allowing tax holidays for SMEs, whereby the regions have been given the right to reduce tax rates for SME taxpayers using simplified and patent tax systems to 0 per cent for a two-year period. The tax exemption will apply to new SMEs engaged in manufacturing services and research.

- Introduction of tax relief for small businesses through a section of the Income Tax Act which was specifically created to encourage new business ventures to create jobs

- Provision of more tariff reduction, from 30 per cent to 50 per cent, for SMEs' procurement of automated manufacturing facilities, along with the R&D tax credit for SMEs in early stages of development

13. Addressing data gaps

146. SMEs can be affected by various forms of data gaps, both concerning their own prospects and as regards the business environment in which they are competing. A number of measures have been introduced to address these impediments, including:

- creation of a national SMEs information website

- taking steps to have the information derived from the different national development banks incorporated in credit bureaus

- a committee comprising the credit providers association as project leader, and other industry players in credit provisioning, are currently working on establishing a small enterprise credit information service which is envisaged to collect, maintain and share credit information on SME's

- use of various media such as online, mobile and single window to share information with SMEs

- introduction of a requirement by which credit institutions must notify an SME three months in advance when the latter's credit line is being cancelled or significantly reduced; SMEs are also entitled to receive free of charge "SME-credit information" when their credit line is being cancelled or significantly reduced, which includes the credit history of the SME.

ANNEX I. SELECTED THEMATIC INFORMATION BY CLUSTERS

The annexes provide non-exhaustive illustrations only of the various actions described in the original submissions, which are accessible in Volume II and in any other links provided by the G20 members. Please refer to these sources for further detailed information.

SELECTED THEMATIC INFORMATION BY CLUSTERS		
INVESTMENT ECOSYSTEM: FACILITATORS – 1. Supporting Improvements in Investment Climate and Promoting Private Investment		
Theme	Sub theme	Countries
R&D and innovation	German smart service world and R&D quota as a percentage of GDP. Scale up the bottom up approach in R&D investment funded by the Korean government, co-fund "smart plants", foster Fintech industry. Tax incentives and R&D clusters in France, "new industrial France" and "invest for the future" programs. China R&D programme. Work Plan for Science and Technology and technological Antenna in Argentina. Italy's National Research Program an tax incentives for companies and R&D. Support for climate change research and R&D in natural resources sectors in South Africa. Initiatives to fund R&D. Manufacturing tax incentives.	Germany, Korea, France, Canada, China, Turkey, Spain, Argentina, Italy, South Africa, India
Improve Competition policy	Annual law on competition (Italy) Implementation of the Responsibility and Solidarity Pact and the Competitiveness and Employment Tax Credit (CICE) in France Telecom Reform: To increase competition and facilitate access to information and communication technologies at a lower cost; Anti-trust Reform: To foster competition and investment across the board, promoting more competitive prices and the adoption of new technologies (Mexico). Competition reforms aimed at new regulatory frameworks to reduce bureaucratic costs, to facilitate access of small and medium enterprises (SMEs) to capital markets and establish a new facility to provide funding for SMEs engaged in exporting (Brazil) Competition Policy Review final report made a number of recommendations for reforms in the areas of competition policy, laws and institutions.(Australia) Competition Amendment Act (South Africa)	Italy, Korea, France, Mexico, China, Australia, Russia, Germany, Turkey, Spain, South Africa, India

Promoting role of capital markets and Institutional Investors	The Capital Markets Union (CMU) is a European Commission plan aiming to create deeper and more integrated capital markets in the 28 EU Member States and constitutes a key component of the Investment Plan. strengthening financial and capital markets to promote the provision of risk money to growing businesses including SMEs (Japan); simplified the processes involved in the public issue and offer of securities, particularly for equities and bonds, in order to encourage companies to raise funds from capital markets (Turkey)	Turkey, Mexico, Brazil, EU, USA, Japan, Italy, Australia, Germany, India
Fostering logistics services	National Plan of Integrated Logistics (PNLI) is an innovative instrument that will put together a single, systematized transport planning framework for all transportation modes (Brazil) ensure effective provision of logistics such as transport, shipment and storage services to buttress investment initiatives (Saudi Arabia)establish a Logistics Coordination Council (Turkey) National Strategic Plan for Ports and Logistics, which provides for a comprehensive reform of the port system (Italy)	Korea, Brazil, Saudi Arabia, Turkey, India, Italy
"Made In"	"Made in Italy" A major new national programme - Make in India - has been launched, which is designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure.	India, Italy
Facilitate FDI	improve investment climate and thereby foster domestic investment and inward FDI (Japan) Saudi General Investment Authority (SAGIA) has continued to take measures to improve investment climate and enhance FDI inflows Easing restrictions on FDI, for example, by "Reformulating the Catalogue of Industries for Foreign Investment and establishing pilot free trade zones" (China)	Brazil, Indonesia, China, Turkey, Saudi Arabia, Spain, Italy, India, Japan
Corporate governance	Enhancing corporate governance and provision of risk money (Japan) In order to foster investor trust, corporate governance regulation for listed companies is enhanced to include mandatory implementation of several corporate governance principles (Turkey)	Japan, Turkey, China, India
One stop service for investment projects	Create the Build America Transportation Investment Centre. Establish a one-stop window for foreign entities to start up a business.	Korea, EU, USA, Japan, Saudi Arabia, India (and individual states in India)
Boost investment in specific geographical areas	Boost investment in less developed regions. Regulatory reforms in National Strategic Special Zones. North Sea taxation in the United Kingdom	Mexico, Argentina, Japan, Australia, Turkey, Saudi Arabia, United Kingdom, India
Anti-corruption policies	Strengthen or creation of National Anti-corruption Authorities.	Italy, Mexico, Indonesia, India

Simplification, decrease regulatory burdens and increase efficiency	"One in one out" principles in Germany and Korea, which also will relax regulation that undermine investment and job creation. Councils for business simplifications and improvements of investment environment. German bureaucracy relief act, Streamlining investment license in Indonesia. Reduce regulatory uncertainty in Japan and regulatory burden in Russia. Deregulation policy to reduce red tape and compliance costs for SMEs in Australia Increase reliance on market mechanism regulation in China Simplify tax system (Office of Tax Simplification) and incentivise investment through it (Annual Investment Allowance) in the United kingdom. Also One-In-Two-Out and Red Tape Challenge programmes to reduce regulatory burden. Italy's simplification agenda 2015/2017	Korea, Germany, France, Indonesia, Japan, Turkey, Russia, Australia, China, Saudi Arabia, United Kingdom, Italy, India (www.sebi.gov.in/cms/sebi_data/pdffiles/32029_t.pdf)
Stabilising capital flows	To create a stable capital flows, Indonesia shrives to deepen its financial markets to attract further foreign direct investment and private investment by addressing infrastructure bottlenecks, and to enhance regulatory transparency and certainty	Indonesia, India (several measures were taken to curb gold imports. Additional information in Volume I, Part III)
Public spending review	Rationalisation and public spending review. Consolidation efforts	Korea, Mexico, Turkey, Italy Spain, South Africa, India (www.finmin.nic.in/law/frbmact2003.pdf)
Sustainable fiscal planning framework	Sustainable and growth-supporting fiscal policy planning framework anchored by a declining federal debt-to-GDP ratio and a balanced budget in 2019/2020.	Canada

INVESTMENT ECOSYSTEM: FACILITATORS – 2. Facilitating Financial Intermediation		
Theme	Sub theme	Countries
Encourage domestic savings	Voluntary savings for pension funds in Mexico. Tax-free savings accounts in South Africa (to be implemented over the next three years) Tax incentives for household saving Enhanced Canada Pension Plan	Canada, Mexico, Turkey, South Africa India
Encourage banks to extend credit	Establish conditions to encourage private banks to extend credit: The corporate regime of investment funds was eased, the stock exchange market was modernized, a mechanism to assess banking institutions was established, regulations for commercial bankruptcy were improved… (Mexico) In order to ensure adequate credit flow to infrastructure sector and to the affordable housing needs of the country, the central bank's (RBI) extant prudential guidelines have been reviewed with a view to minimizing certain regulatory pre-emptions (India)	Mexico, India (www.nabard.org)
Promote financial inclusion	A system of correspondents for the popular savings institutions was established in order to increase financial inclusion, even in places without banks (Mexico)	Indonesia, Mexico, Turkey, Russia, India (www.pmjdy.gov.in)
Activate corporate and project bond markets	Capital markets financing will be supported through risk- sharing and credit enhancement instruments including the project bond initiative (EU) Expand the investors base for Mexican securities, including government bonds, corporate debt and project bonds Measures have been approved to promote the use of project bonds, which now have a tax treatment equal to government securities, and to facilitate their flexibility and transferability between investors, through flexibility and reduced costs on the related guarantees (Italy)	EU, Korea, Mexico, Italy, India

INVESTMENT ECOSYSTEM: SAFEGUARDS – 3. Enabling Appropriate legal and Institutional Setting		
Theme	Sub theme	Countries
Adequate Regulatory Framework/ Preconditions for Long-term Investment	Rule of Law and Public Administration. Investment Bill. Prerequisites for Long-term Investments. Governance and Stimulation of Financial Intermediation. Investing in policies that increase productivity, foster entrepreneurship, strengthen domestic competition, and lower barriers to foreign direct investment. Cutting bureaucracy. National strategy for financial inclusion. Implementation of the Financial Reform. Simplify mechanisms to increase voluntary savings for pension funds. Improvement of business environment framework, including improvement of tax administration. Boost investment of Private Equity Funds. Establishing support framework to resolve challenges of private. Increasing tax incentives. Analyze differences in business regulations and their enforcement across regions. Law on Entrepreneurship and Internationalization. Labor Reform. New Capital Markets Law Structural Reform to increase efficiency in fiscal policy Improved fiscal transparency Improved quality and accessibility of national data	Canada, China, South Africa, India, Germany, Indonesia, Mexico, Russia, Korea, Spain, Turkey, Argentina, Brazil, Italy
Responsible Business Conduct	Responsible Commercial Activities	China, India

INFRASTRUCTURE: FACILITATORS – 4. Supporting Improvements in Investment Climate		
Theme	Sub theme	Countries
Increase public investment in infrastructure and Investment plans	Multiyear investment plans (EC investment plan and the European Fund for Strategic Investments (EFSI), National Infrastructure Program, Growth Acceleration programme, 15-year infrastructure plan and national infrastructure construction schedule, and National investment strategy, National Infrastructure Plan, Twelfth Five Year Plan). Near-doubling of public infrastructure investment Multi-year Planning Document, which is the tool to coordinate investment programmes in Italy. Committee for the acceleration of priority infrastructure provision in Indonesia. Transport investment program in Russia Increase public investment in specific sectors (transport infrastructure, railways, roads, airports, logistics, ports, connectivity and energy transition, telecom, green infrastructure, social infrastructure, agriculture and environment innovation). Smart Cities Program in India.	Argentina, Canada, EC, Italy, Mexico, Brazil, Indonesia, Australia, Spain, United Kingdom, South Africa, India Germany, Italy, Brazil, EU, Korea, China, France, Russia, Saudi Arabia, Spain, Turkey, Argentina, India, South Africa.
Big projects	New Airport of Mexico City in Mexico and Galileo International Airport in Rio de Janeiro; Le Grand Paris Express, which consist in 200 km of automatic metro lines. big transport sector investments in Russia	Mexico, Brazil, France, Russia, Turkey, India
Support to capital market financing and new instruments	Financing for infrastructure with Islamic Sukuk in Indonesia. Review of Turkey Sukuk regulation. Capital Markets Union that aims to create a deeper and more integrated capital markets in the EU. Expanding Korea Infrastructure Credit Guarantee as well as the Facility Investments Fund. UK Credit Guarantee Scheme Italy's tax incentives for project bonds. Private Activity Bonds (PABs) and Qualified Public Infrastructure Bonds (QPIBs) in the United States Canada Infrastructure Bank and other financial instruments to support provincial, territorial and municipal infrastructure	Indonesia, Turkey, Canada, EU, Korea, Saudi Arabia, United Kingdom, Italy, United States, India (http://www.sebi.gov.in/cms/sebi_data/attachdocs/1411722495005.pdf) http://www.sebi.gov.in/cms/sebi_data/attachdocs/1411722678653.pdf https://rbi.org.in/Scripts/NotificationUser.aspx?Id=6830&Mode=0 http://www.sebi.gov.in/cms/sebi_data/boardmeeting/1360917875498-a.pdf)

Pipeline of projects	maintain a steady and systematically updated pipeline of projects, in order to keep the market active and help attract investors (Brazil) identifying projects and enhancing transparency about pipelines across the Union in key areas such as transport, energy and social infrastructure, the digital economy and the environment (EU) establishing rules for building an investment pipeline (Russia) the Infrastructure Pipeline presents the most comprehensive overview of planned and potential UK infrastructure investment to date, containing information on over £411 billion of planned public and private sector infrastructure investment	EU, Italy, France, Mexico, Brazil, Australia, South Africa, Russia, UK, India
Digitalisation	Italian Digital Agenda that aims to create favourable conditions for the development of an integrated infrastructure for fixed and mobile communications in Italy. Digital switchover in France. electronic filing of reports and tax returns in Russia Digital Agenda of the EU and cross-border connectivity “SA Connect” broadband policy and strategy in South Africa Digital Agenda in Germany	Italy, France, Russia, European Union, South Africa, Germany, India
Reform of procurement code and review of public investment	complete the process of reorganization of procurement and purchasing units (Italy) addressing the restrictive effects of public procurement regulations (Brazil) The Office of the Chief Procurement Officer oversees the South African public procurement system to ensure that the procurement of goods, services and construction works is conducted in a fair, equitable, transparent, competitive and cost effective in line with the Constitution and all relevant legislation (South Africa)	Italy, Russia, Brazil, Japan, South Africa, India (Public Contract Bill)
Infrastructure investment to improve resilience to disasters	Improving the resilience of infrastructure to disasters is of particular importance for Japan where severe natural disasters constantly occur.	Japan United States

Minimum investment in infrastructure	The Pension System Law of Argentina requires the public pension fund to invest at least 5% in infrastructure projects.	Argentina, India [up to 15 per cent of total investment in highest-rated infrastructure projects by Insurance Companies and the Employees-Provident Fund (largest AUM after the Life Insurance Corporation of India)]
Expanding support to PPP	Stimulates PPP projects in Korea. PPP unit, which is in charge of focusing on the contract assessment. Government guarantee in PPP in Indonesia. Sharing of knowledge and promoting best practices in PPP Actively promote PPPs and facilitate access Mainstream PPP program	Korea, France, Indonesia China, Italy India (rated number one in operational maturity by Economic Intelligence Unit in 2014)

INFRASTRUCTURE: FACILITATORS – 5. Facilitating Financial Intermediation		
Theme	Sub theme	Countries
Tax breaks for capital market instruments	Brazil zero per cent tax rate on capitals gains and interest earned by non-residents on infrastructure bonds. Tax breaks for project financing tools in Italy.	Brazil Italy India
Cost benefit analysis	Compulsory cost-benefit analysis. Evidence based audit, guidelines for cost benefit and benchmark. Obligatory public technical and price audit for selected projects. Cost benefit analysis	France, Australia, Russia EU, Germany, India
New instruments, including to foster role of II in infrastructure	Develop financing vehicles (guarantees, loans or subordinated debt) to reduce financing cost for PPPs. Improve the long-term investment environment and develop high-efficient and flexible financing tool. Apply the European Long Term Investment Funds (ELTIFs) new regulatory framework. PPP Debt Assumption Mechanism. Establish Korean Infrastructure Investment Platform UK insurance growth action plan Infrastructure Debt Funds, Infrastructure Investment Trusts and Real Estate Investment Trusts in India	Mexico, China, EU, Turkey Korea, United Kingdom India
New and expanded public funds and increase role with private sector	European fund for strategic investment (EFSI). Fund for Argentine Economic Development (FONDEAR). New local facility investment fund and expanded infrastructure credit guarantee fund in Korea. Strengthen the National Infrastructure Fund FONADIN. Silk Road Fund Vehicle Excise Duty and Roads Fund Financing for priority sectors and areas at the central and local level Asset Recycling Initiative, Northern Australia Infrastructure Facility India Infrastructure Finance Company Limited	EU, Argentina, Korea, Mexico China United Kingdom Italy Australia India United States Saudi Arabia
Tax incentives	Tax Loss Incentive in Australia	Italy, Brazil, Indonesia, Korea, France, Australia, China, India
Reduce financial costs of PPPs	Develop financing vehicles (guarantees, loans or subordinated debt from development banks) to reduce financing cost for PPPs (Mexico) Qualified Public Infrastructure Bonds in the United States	Mexico, Indonesia, India United States

INFRASTRUCTURE: FACILITATORS – 6. Mobilizing MDB Resources and Role of NDBs		
Theme	Sub theme	Countries
New role for MDB and NDB	Support to market-based finance and leverage institutional investors funds as well as increase technical assistance. Optimize National Development Banks' balance sheets and the execution of National Development Banks' medium term plans (2014-2018) and NDB medium term plans: expand credit and strengthen role private Mexico. Banco Nacional de Desarrollo Económico y Social (BNDES) market-oriented actions. Expand support by NDB. Support to EC investment plan. VEB	EU and China, Mexico, Brazil, Italy, Korea, Spain, Germany, France Russia India (www.iifcl.org)
New structures	Asian Infrastructure Investment Bank–lean, clean and green, New Development Bank (NDB, BRICS).	Russia, China
Optimise NDB balance sheets	During 2015 and 2016 the Ministry of Finance will work with NDBs on analysing different strategies to optimize their Balance Sheets.	Mexico

INFRASTRUCTURE: SAFEGUARDS – 7. Enabling Legal and Institutional Settings (PPP)		
Theme	Sub theme	Countries
PPP model/framework/toolkit/ guidelines	Introduce a new PPP model. Develop new vehicles to foster institutional investors' participation in infrastructure financing. Improve the Institutional Capacity for PPPs. Establishment of a Well-Developed PPP Framework. Build America Investment Initiative (BAII) that aims to support long-term investment by facilitating greater public and private partnership. New generation of PPPs National PPP Policy and Guidelines Private Finance Two (PF2)	Korea, Mexico, Turkey, China, USA, India Germany Australia United Kingdom Italy, India
Increase PPP use	Increase project development through PPP schemes.	Japan, Australia, India, South Africa, United States
Dedicated unit	Within the French Treasury, the PPP Unit, - Mission d'appui au Partenariat Public Privé (MAPPP) is in charge of focusing on the contract assessment in the case of PPP (government-pay model). An institution '3P India' is being set up to provide support to mainstreaming PPPs for a more directed effort to scale up private investments in infrastructure and for developing a broad and diversified portfolio of PPP projects not only at the Central and the State Governments' level but also at the level of Local Self Governments Presidential Infrastructure Coordinating Commission (PICC) in South Africa to coordinate efforts across levels of government.	India, China, France, Russia, United Kingdom, Italy, South Africa
Standardisation PPP contracts		USA, Australia, Italy, China, India
Improving feasibility study and assessment	India –central PPP appraisal Committee.	Korea, China, India, Italy
Enhancing existing infrastructure support	More focused and transparent New Building Canada Plan. Ensure funding is committed to provincial, territorial and municipal projects.	Canada

INFRASTRUCTURE: SAFEGUARDS – 8. Project Spectrum		
Theme	Sub theme	Countries
Reduce administrative burdens		EU, Australia, Brazil, Italy, Germany, India, United States
Standardisation and harmonisation of projects		EU, Australia, India
Fast Track	Reduce the duration of time consumed for project implementation.	Korea, South Africa, India
Self-assessment of project spectrum	Mexico case study.	Mexico, India
Regulatory reforms	Establishing a new Interagency Infrastructure Permitting Improvement Centre (IIPIC) whose efforts would be devoted to the evaluation of the effectiveness of implemented reforms to the infrastructure. Reform pricing in infrastructure Regulatory Framework for Project Financing	USA China Brazil Italy India

INFRASTRUCTURE: SAFEGUARDS – 9. Addressing Data Gaps		
Theme	Sub theme	Countries
Project availability	Availability of Projects. Develop or upgrade local agencies to link investors with the projects of the National Infrastructure Program. Promoting the proposal on PPP projects. Website listing projects	China, Mexico, Korea, India
Sharing project information	South African Reserve Bank (SARB). Sharing project information. Institutional mechanisms to involve all relevant stakeholders	South Africa USA India

SME: FACILITATORS – 10. Facilitating Financial Intermediation		
Theme	**Sub theme**	**Countries**
Tax incentives	Small business tax rate. Innovative SMEs. Tax incentives for investing in capital goods, including through financial leasing R&D tax credit. Tax exemption in contracts signed between financial institutions and SMEs. Incentives to invest in new capacity. Social investment Tax Relief Corporate tax relief for small businesses Tax exemption for venture capital	United Kingdom Italy, Korea, United Kingdom Canada, China, Australia United Kingdom, South Africa Germany India
Reducing administrative barriers		Spain, Brazil, Russia, Australia, France, Saudi Arabia, Italy, South Africa, Germany
Role of public funds	Set up the European Fund for Strategic Investments (EFSI). Suitable financing instruments (National Fund for the Development of micro, small and medium enterprises, Regime on Rate Discounts, Fund for financing the improvement of competitiveness of SMEs, among others). Credit at subsidised rate by the Bank Kreditanstalt für Wiederaufbau (KfW). Central guarantee fund and investment in capital goods ("Sabatini Law") in Italy. Domestic development banks have created a wholesale lending model. National venture capital investment fund as seed fund to support venture capital investments. Will establish a state guiding fund for venture capital investment in emerging industries. Lending RBI India. VEB in Russia ICO in Spain British Business Bank (Angel Co-Fund, Help to Grow Programme, Investment Programme, ENABLE Guarantees programme, Enterprise Finance Guarantee) activities in the united Kingdom. National Gazelles Initiative	EU Argentina Germany Italy China India Russia Saudi Arabia Spain United Kingdom South Africa
Stock markets	Emerging companies market for trade exclusively SMEs shares. Dedicated platform and regulatory measures	Turkey, EUA, China, Spain, Italy, India

SME: FACILITATORS – 10. Facilitating Financial Intermediation		
Theme	Sub theme	Countries
Strengthen venture capital market, especially for start- up etc.	Tax exemption and expansion facility. Special funds. Venture capital action and council Japan. Angel investments. New vehicle "venture capital SME" Riyadh-Taqnia Fund.	Germany, Korea, Japan Turkey, India Spain China Saudi Arabia
Promoting financial inclusion	Youth Credit Programme. Provide easy access to financial institutions. Programs to improve financial literacy of SMEs	Mexico Indonesia India
New agency credit guarantees		Russia
Facilitating bankruptcy resolutions and Restructure corporate debt		Spain, Korea, Italy, Saudi Arabia, India
Diversifying financial sources	Alternative Fixed Income Securities Market. Encouraging SMEs raise funds through direct financing channels such as equities, bonds and asset-backed securities. Broad range of regulatory and financial measures and tax incentives to promote alternative sources finance in Italy	Spain China, India Italy
Facilitation of SME debt financing and equity finance	France (French Charter for Euro PP) and Italy for insurers. Credit enhancement support to SME by national guarantee system in Russia Public Credit Guarantee Scheme and creating new financial instruments for SMEs Review securitisation legislation and promote Alternative Stock Market for SMEs Standardised contract for direct financing of mid-caps and large SMEs by Institutional Investors Several measures on non-banking sources of equity in Italy. Tax relief for micro and small businesses, venture capital company regime.	France, Italy Russia Turkey Spain France Italy South Africa
Role of II including in lending		France
Regulation of crowd funding implemented or considered		France, Italy, Australia, Spain, China, Korea, Japan

SME: FACILITATORS – 10. Facilitating Financial Intermediation		
Theme	Sub theme	Countries
Specific policies	Differential treatment for SMEs such as account on a cash basis among others. Enhance the function and systems of the current one-stop consultation service centres for SMEs and micro enterprises. Support and regulatory measures for networks of SMEs in Italy Ministry of Small Business Development	Australia Japan Italy South Africa India
Dedicated programs	Micro credit program. Several programs (including training, subsidised loans, micro finance, seed capital and assistance to SMEs facing bankruptcy) to foster entrepreneurship and business start-up in Argentina Capacity Jump-UP Program Finance for Growth in Italy National Gazelles Initiative	Indonesia Argentina, Korea Italy South Africa India
Addressing unfair practices between large firms and SMEs	Measures to limit payment times of public sector and large companies.	Korea France
Promoting restart business	Reduce repayment burden of the loans for faithful failors.	Korea Spain Japan
Reduce informality	Growth together program in Mexico and government regulation 46 of Indonesia (small tax but register). New Law 26,940 in Argentina	Mexico, Indonesia, Argentina
Improving Credit information		Germany, Mexico, Spain, China, UK, India
Movable	Movable property mortgage registration and collateral free loans. Secured Transactions Law	China, India Turkey

SME: FACILITATORS – 11. Mobilizing MDB resources and role of NDBs		
Theme	Sub theme	Countries
Role of NDB	Development of SME debt financing by establishing a structure in which banks could sell a portion of their SME loans to a SPV. KfW as an anchor investor in Germany. New guarantee scheme. Instituto de Crédito Oficial (ICO), new guarantee scheme. SME Bank in Russia Expanded role of CDP to finance SMEs in Italy	France Germany Turkey Spain Russia Italy India
Public Funds	Expanding Facility Investment Fund. National entrepreneur fund.	Korea Mexico India

SME: SAFEGUARDS – 12. Enabling Appropriate Legal and Institutional Settings		
Theme	Sub theme	Countries
Product development	Enabling Appropriate Legal and Institutional Settings. Expand SMEs Financing. “Finance for Growth” program. New Sabatini law”. Expansion of support for SMEs. Ministry of small business development. Putting an end to unfair practices between large firms and SMEs. Reducing Administrative Barriers. The Financial System Reform. Online self-service product Strengthen the emerging national network for business innovation, including through clusters, incubators and accelerators, research facilities, and financing Enhanced Industrial Research Assistance Program Venture Capital Action Plan SME mentoring program	Argentina, Canada, Germany, India, Italy, Russia, South Africa, Korea, Spain,
Non-bank SME financing settings	Non-Banking Financing Mechanisms for SMEs. Promoting to start and restart business. Extending export credit agency’s risk appetite to support very small end of SME spectrum Increase availability of quasi-equity Loans and venture capital investments in information and communication technology (ICT) firms through Digital Canada 150. Targeted support to finance women-owned businesses	Canada, China, Italy, Spain, Korea, India

SME: SAFEGUARDS – 13. Addressing Data Gaps		
Theme	Sub theme	Countries
Information sharing (standardized data set)	Generate credit information for SMEs. South African ‘Credit Providers’ Association. Innovating SMEs support framework.	Mexico, South Africa, Korea, Spain, India

SME: SAFEGUARDS – 13. Addressing Data Gaps		
Theme	Sub theme	Countries
	Providing information on support policies to SMEs. Measures to Promote Corporate Financing.	
SME data gap dissemination	SMEs Data	China

ANNEX II SELECTED MEASURES UNDERTAKEN OR CONSIDERED BY G20 MEMBERS

The annexes provide non-exhaustive illustrations only of the various actions described in the original submissions, which are accessible in Volume II and any other links provided by the G20 members. Please refer to these sources for further detailed information.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Investment Ecosystem	
Australia	Financial System's Inquiry (final report released December 2014; Government response released October 2015). The Emissions Reduction Fund (ERF) (created 2014-2020). Competition Policy Review and final report released in March 2015. Tax discussion paper *Re:think* (released in March 2015) (an options paper will be released in due course).
Brazil	Enactment of Federal Law no 147 on to improve the business environment (07.08.2014). New financing instruments—including project bonds in local currency, private equity funds, Actions for fiscal consolidation.
Canada	Sustainable and growth-supporting fiscal policy planning framework anchored by a declining federal debt-to-GDP ratio and a balanced budget in 2019/2020 Manufacturing tax incentives Enhanced federal pension plan Improved fiscal transparency Improved quality and accessibility of national data
China	12th Five-Year Plan for National Economic and Social Development (2011-2015). 13th Five-Year Plan of National Economic and Social Development (2016-2020). Catalogue of Industries for Foreign Investment (2015). Administrative Measures for the Verification and Approval and Record-Filing of Overseas Investment Projects. Negative list on Foreign Investment Access to Pilot Free Trade Zone. Regulation on Record-filing Management for Foreign Investment in Pilot Free Trade Zone (Trial). Amending the Law on Chinese-Foreign Equity Joint Ventures, Law on Chinese-Foreign Contractual Joint Ventures and Law on Foreign Capital Enterprises to formulate a fundamental new law on foreign investment. Administrative Measures on Overseas Investments. Administrative Measures for Infrastructure and Public Service Franchise. Guideline on Measures to Boost Mass Entrepreneurship and Innovation.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Investment Ecosystem	
European Union	European Commission's Investment Plan for Europe (EUR 315 billion). European Structural and Investment Funds (EUR 450 billion over 2014-2020). European Long Term Investment Funds (ELTIFs) (2015). By mid-2015: • The new European Fund for Strategic Investments is operational. • The new investment advisory "Hub" is operational. • An Action Plan on Capital Markets Union will be published.
France	Business Simplification Council (2014). Bill on growth, economic activity and equal economic opportunity. Roll-out of the Competitiveness and Employment Tax Credit (CICE) (introduced 2015). Reduction of social security charges (January 2015). Increasing competition in legal and accounting professions. (January 2014). ACTPE Law: simplification of retail outlet implantation (2014). Creating French Tech Hubs abroad. (214-2015). Scale up of Invest for the Future investment Program beyond 2017 (announced 2015). To be implemented by early 2016 include: • lifting regulatory constraints on vocational learning. • reducing the time-frame for the issue of planning. • simplified access for SMEs to the 20,000 public tenders. • “silence means consent” in administrative procedures.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Investment Ecosystem	
Germany	Increase public investment by nearly €40 billion over a five-year period (from 2014 to 2018). (especially in infrastructure, energy efficiency, education and research). The Bürokratieentlastungsgesetz (Bureaucracy Relief Act) (2015). The Federal Government will introduce the principle of "one in, one out" in Germany by 1 July 2015. Digital Agenda (2014). More investment in education and research: • The federal states (Länder) and municipalities will receive support totalling €6 billion over the next four years (2015-2018) to help them finance child care, schools and universities. An additional €3 billion for research will be made available by the Federal Government. From 2015 onwards, revenues from allocations of broadcast frequencies will be used to give incentives for investment in regions were broadband roll-out is not yet profitable. Smart Service World program (2015-2019). Final report by "Strengthening Investment in Germany" commission presented spring 2015.
India	Note: new government assumed office in May 2014. The Twelfth Plan (Year 2012-2017), State-level Annual Plans. New reform measures: • Diesel prices have been deregulated. • Gas prices have been linked transparently and automatically to international prices. • Auction of coal and minerals. New initiatives. Make in India program. Monetary Policy Framework Agreement (February 2015). Investor-friendly FDI policy. FDI up to 100 per cent through the automatic route has been permitted in construction, operation, and maintenance of identified railway transport infrastructure. Distinction between different types of foreign investments removed and replaced by composite caps.
Indonesia	Announced Economic policy packages to increase investment.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Investment Ecosystem	
Italy	Jobs Act (approved mid-2015). Reform of the tax system – ongoing Reform of the Public Administration (2015) Reform the education system and university system (by 2015). Launch of a digitalization plan (2015). Launch of National research program (2015). Annual law on competition (implemented by 2015). Substantially reduce public shareholdings and fragmentation. (by 2015). Agenda for Simplification of public administration (2015-2017). Reform of Civil Justice (2015) Specific Business courts for foreign investors (2014). Anti-corruption (approved in 2015). Responsible Business Conduct
Japan	Overall objective: To triple the size of PPP/PFI projects over the ten years from 2012 (4.2 trillion yen → 12 trillion yen). Effective corporate tax rate will be reduced (FY2015 onwards). Japanese government designated six National Strategic Special Zones in 2014 and three more in 2015. Expansion of NISA (tax-exempt individual investment accounts) (2015). Junior NISA (for under 20 year olds) (starting 2016) The Government Pension Investment Fund (GPIF) revised its policy asset mix (October 2014). Council for Promotion of Foreign Direct Investment in Japan (April 2014). Corporate Governance Code (June 2015). Stewardship Code for institutional investors (published in February 2014). Public-Private Dialogue to discuss investment for the future (launched in October 2015)

ANNEX II
SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS

Investment Ecosystem

Korea	Significantly scale up the budget allocation for R&D investment in 2015. Increase venture investment from KRW 1.3 trillion in 2013 to KRW 2 trillion in 2017. Increase R&D expenditure from 4.3% of GDP in 2013 to 5% of GDP in 2017. Pursue deregulation on Private Equity Fund by 2017. Increase the M&A support through the Growth Ladder Fund by 2016. Supplement the policy for corporate tax deduction by 2017. In 2015, financial support worth KRW 259.1 trillion will be contributed by public financial institutions to SMEs and future growth industries. Update a manual of cost analysis and then distribute in by 2015. Implement the Framework Act on Administrative Regulation by 2015. Implement the strategy to foster seven promising service industries by 2016 and develop measures to promote globalization of service sector by 2015. Establish improvement plan for corporate bond market by 2015. Increase credit offering ceiling of Investment Bank to 200% net equity. Revise related legislations by 2016.
Mexico	In 2015 different international electronic platforms for securities trade were put in place. A budget cut for 2015 of 8.3 billion dollars (0.7% of the GDP) and 9 billion dollars for 2016 (0.8% of GDP). The budget cut in 2016 would be about twice than the current adjustment without the cut in 2015. The 2016 Federal Budget will be prepared using a zero-based budget approach. Profound structural reforms were achieved in 2013 and 2014. Comprehensive Plan for Economic Development in the region called Istmo de Tehuantepec (2015-2018). During 2015 and 2016, NAFIN will strengthen programs: • Institutional Market Program for Alternative Corporate Debt (MIDAS) (SMEs). • Financial Guarantee Program. Initiative to create the National System against Corruption and the Senate approved constitutional changes on April, 2015. Increase voluntary savings for pension funds (2014-2015). At least 500 billion dollars of public and private investment for infrastructure and SME financing in 2015-2018.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Investment Ecosystem	
Russia	New legislation covering project selection for the public investment and obligatory public audit (November 2013) Use evident sources of ‘long-term money’ – National Wealth Fund (NWF) and assets of the funded pension pillar to provide long-term funds. Basel III standards went into effect from 1 January 2014.
Saudi Arabia	Unified Investment Plan. Tenth Development Plan (2015-19)
South Africa	Tax-free savings accounts will be implemented in the next 3 years. Additional tax incentives to establish energy efficiency industrial processes (from 2015).
Spain	Major tax Reform entered into force in January 2015. Independent Fiscal Responsibility Authority began operations in July 2014. Increasing expenditure for R&D (from 2014 onwards). Spanish Strategy on Science, Technology and Innovation 2013-2020. National Plan on Scientific and Technological Research 2013-2016. During 2015: General Tax Law update. Law on Market Unity (currently implementing). Creating the National Research Agency. R&D&I system Peer review - conclusions published in April 2015. Ambitious revision of the Spanish public sector (currently implementing)
Turkey	Tenth Development Plan (2014-2018). Recently established Regional Development Agencies.
United Kingdom	Productivity plan published in July 2015 Further reductions of the corporate tax rate (announced 2015) Permanently establish the Office of Tax Simplification Review of the business energy efficiency tax (2015) Further cutting red tape

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Infrastructure	
Argentina	"Program for the Stimulus of the Production of Crude Oil", in effect from 01/01/2015 to 12/31/2015, but can be extended for twelve months. PROBIOMASA initiative. AR$14.2 billion (US$1.7 billion, 0.4% of GDP) for telecommunications (2014-2017). New system of increasing differential (export duty) rates (2014).
Australia	Infrastructure Investment Programme (invest A$50 billion to 2019-20 and onwards to build or upgrade both new and existing land transport infrastructure). Tax Loss Incentive for certain Infrastructure investments (introduced in July 2013). Considering the use of alternative funding and financing mechanisms for infrastructure (announced in 2014-15 Budget). Asset Recycling Initiative (2014-2019). Northern Australia Infrastructure Facility (2015). National Stronger Regions Fund, (announced in 2014-2015 Budget). New Stronger Communities programme (announced in 2015-2016 Budget). Extension of the Community Development Grants Fund (announced in 2015-16 Budget). Increasing independence of Infrastructure Australia (September 2014). Develop a 15-year Infrastructure Plan (late 2015). Publication of the first-ever maps of key freight routes (agreed 2014). The National Infrastructure Audit (released in May 2015). Water Infrastructure Options Paper was released on 29 October 2014. Development of formal data collection mechanisms to benchmark the performance of infrastructure procurement processes (commenced recently).
Brazil	For the period 2015-2018, BNDES forecasts investments of BRL 177bn, both public and private, in the development of the transport infrastructure of the country. National Plan of Integrated Logistics (PNLI). Publication of its first round is programmed for first semester of 2015. Auctioning of dredging of 20 ports (announced June 2014). Government plans to subsidise the price of airline tickets in regional flights.(July 2014). Extension of Pronatec Program to 2018.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Infrastructure	
Canada	Near-doubling of infrastructure investments in priority areas over next decade (transit infrastructure, green infrastructure, and social infrastructure). More focused and transparent New Building Canada Plan with clearer project criteria and faster approval processes. Canada Infrastructure Bank and other financial instruments to support provincial, territorial and municipal infrastructure.
China	Guiding Opinions on Innovating in Investment and Financing Mechanism and Encouraging Social Investment in Key Fields Catalogue for Public Infrastructure Projects Eligible for a Favorable Corporate Income Tax Developing an adequate public and private partnership (PPP) framework.
European Union	Investment Plan for Europe. Europe 2020 Project Bond Initiative (2012, pilot phase extended).
France	Creation of energy transition fund of €1.5 The Juncker plan for investment was officially enacted in December 2014. First energy programming to be published by 2018. First project bond in France and the first broadband infrastructure bond in Europe (€ 189 million, July 2014). Establishing a zero-rate pre-financing of FCTVA payments to local authorities (starting 2016).
Germany	Increase public investment by nearly €40 billion over a five-year period (from 2014 to 2018) (especially in infrastructure, energy efficiency, education and research). Finance investment in motorways via new user charges for cars (2015). Railway infrastructure €28 billion modernisation programme over five years (2015-2019). Will launch a new generation of public-private partnership projects.
India	National Highways Authority of India Since July 2014, RBI has permitted banks to issue long-term bonds for infrastructure projects and affordable housing. Independent regulators in various states and sectors. Budget 2014-15 announced establishment of ‘one hundred Smart Cities’ as satellite towns of larger cities and by modernizing existing mid-sized cities Innovative instruments for attracting long-term investment in infrastructure- Infrastructure Debt Funds (IDFs), Infrastructure Investment Trust (InvITs) and Real Estate Investment Trusts (REITs) Delhi Mumbai Industrial Corridor Dedicated Freight Corridors Sustainable Energy- Target of renewable energy capacity of 1,75,000 MW till 2022, comprising 100,000 MW Solar, 60,000 MW Wind, 10,000 MW Biomass and 5000 MW Small Hydro.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Infrastructure	
Indonesia	Establishment of Committee for the Acceleration of Priority Infrastructure Provision (KPPIP) (2014). Establishment of Directorate of Government Support and Infrastructure Financing (2015). Increased capital of Sarana Multi Infrastruktur Persero/PT.SMI (state-owned enterprise in infrastructure financing) (2015). Guidance for infrastructure development in 2015-2019.
Italy	"Unblock Italy" Law (includes 3.9 billion investments, end 2014). Reforming the procurement code by 2015. Multi- Year Planning Document (to be issues by Fall 2015). Digital Agenda (2015-2020).
Japan	April 2015: Listed infrastructure fund market established at Tokyo Stock Exchange.
Korea	Increase infrastructure investment via SOCs (KRW85 trillion in 2014-2017). Improve land acquisition compensation laws (2014). Reviewing the extension of zero rated VAT policy (2015). Private Investment Act will be completed by 2015. Fostering business-owned rental house businesses (push for enacting by 2015). Expanding Korea Infrastructure Credit Guarantee. (revise legislation by 2015). Introducing corporate investment promotion program. (total investment of KRW30 trillion by 2017). Will adopt a new PPP model (revise legislation by 2015). PPP education for government official will be initiated by 2015. PPP Fast track – to be completed by 2015. Converting projects into PPP projects during the preliminary feasibility study – will be completed by 2015. Improving preliminary feasibility study. The revision of related legislations to be completed by 2015. Total amount of USD 46 billion will be invested in infrastructure project through PPP (2015-2018).
Mexico	National Infrastructure Program 2014-2018 (NIP). Reforming State productive Enterprises (continue 2015-2016). Strengthening the National Infrastructure Fund (FONADIN). (2015-2016). Designing Credit Enhancement measures (2015-2016). Major NDB's medium term plans (2014-2018). Reform of capital markets regulation. (Revisions during 2015). Creating local agencies to link investors with the projects of National Infrastructure Program. Could take place by 2016.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Infrastructure	
Russia	Use of public funds to support investment in the large-scale infrastructure projects (recent). Preferential loans for project financing projects (Starting October 2014). Joining Asian Infrastructure Investment Bank (AIIB) (2015). Increasing loan portfolio of NDB (2015-2020). Creation of the Coordination Council for PPP (2014). Joining the New Development Bank (2014).
South Africa	R847 billion investment in infrastructure over next 3 years. "South Africa Connect" Program. Infrastructure Development Bill (June 2014). Establishing a “Knowledge Hub” with the World Bank (current).
Spain	Infrastructure, Transport and Housing Plan (PITVI) 2012-2024. Investments co-funded by European Structural Funds (2014-2020). Law on the Railway Sector (2015). Law on Road Infrastructures (2015). Review concessional periods of ports. Law on Public Administration and Common Administrative Procedure (2015)
Turkey	Transportation Master Plan (2014-2016). Action Plan (2014-2018). Central electronic platform (TEFAS) for trading investment fund units (January 2015). Expanding the range of collective investors in capital markets (2015). City hospitals PPP program. 2014-2018 Strategic Plan for Transport.
United Kingdom	National Infrastructure Plan 2014 Create a new Roads Fund (announced 2015) Expand North Sea investment allowance Propose projects for the EU Investment Plan

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
Infrastructure	
United States	Obama Administration's Build America Investment Initiative (BAII) (2014). Reauthorizing surface transportation funding at $478 billion over six years and permanently establishing TIGER program (proposed in FY2016 Budget). Permanently creating the America Fast Forward Bonds (AFFB) program (proposed in FY2016 Budget). Expanding the eligibility for Private Activity Bonds (PABs) (proposed in FY2016 Budget). Permanently establishing the Qualified Public Infrastructure Bonds program (QPIBs) (proposed in FY2016 Budget). Exempting foreign pension funds from application of the Foreign Investment in Real Property Tax Act (FIRPTA) (proposed in FY2016 Budget). Interagency Infrastructure Permitting Improvement Center (IIPIC) (proposed in FY2016 Budget). Build America Transportation Investment Center (BATIC) (recently set up). Water Finance Centre (setting up 2015). Rural Opportunity Investment Initiative (launching 2015).

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
SMEs	
Argentina	Fund for financing the improvement of competitiveness of SMEs (FONCER). BICE credit line to boost regional diversification of the national productive fabric. Bicentennial Productive Financing Program (Renewed 2015). New Law 26,940
Australia	Lowering regulatory costs of crowd-sourced equity funding (CSEF) (currently under development). Temporary tax incentives for investment by SMEs (2015-17). Lowering of corporate taxes for SMEs (starting 2015). Competition Policy Review Final Report (2015).
Brazil	New Regulatory Frameworks for Small and Medium Enterprises (SMEs).
Canada	Reduction in the small business tax rate New Innovation Agenda • Strengthened national network for business innovation, including through clusters, incubators and accelerators, research facilities, and financing • Enhanced Industrial Research Assistance Program Venture Capital Action Plan Online self-service product Extending Export Development Canada's risk appetite to support very small end of SME spectrum SME mentoring program Increase availability of quasi-equity Loans and venture capital investments in information and communication technology (ICT) firms through Digital Canada 150 Targeted support to finance women-owned businesses
China	Temporary tax exemptions for SMEs (2014-2017). Expanding the issuers of corporate bonds from listed companies to all enterprises (2015). Opinions on Supporting the Sound Development of Small and Micro-sized Enterprises (2014)
European Union	Investment Plan for Europe.

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
SMEs	
France	Revision of investment regulations of institutional investors (announced 2014). New regulatory framework for crowdfunding (October, 2014). Stricter laws on payment times (before 2017). Euro Secured Notes Issuer (ESNI) (2014). Creation of Bpi France (2012). “Tout pour l’Emploi” program (2015) French Charter for Euro PP (2014) Standardised contract for direct financing of mid-caps and large SMEs by Institutional Investors (2015)
Germany	Tax exemption of the Investment Grant for Venture Capital (“INVEST Zuschuss”, introduced 2013) (2014, retroactively effective). Creating a financing facility for expansion capital (summer 2015). NDB as an anchor investor in venture capital market (continuation approved 2015). Possibly reforming regulation of small banks (medium term).
India	Fund providing risk capital to start-up companies (proposed in 2014-2015 Annual Plan). Reviewing the definition of MSMEs to expand coverage. Programme to facilitate forward and backward linkages with multiple value chain of manufacturing and service delivery will also be put in place. Establishing an electronic Trade Receivables Discounting System (TReDS) financing of trade receivables of MSMEs (currently in the process).
Italy	Finance for Growth Access to Finance (Central Guarantee Fund for SMEs and incentives for investment in capital goods). Regulatory and financial measures to expand non-banking sources of debt financing and promote equity financing. Incentives for innovation (R&D; start-ups) Reform of domestic cooperative banks and bank Foundations and measures on non-performing loans (2015). Promoting the use of networks of SMEs through additional incentives (2015). Measures to promote Made in Italy and FDI
Japan	Promoting the use of security based crowd-funding (2014). Venture Business Creation Council (September 2014). Promoting greater part of SMEs in government procurement (2015). Facilitating business restructurings (March 2014).

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
SMEs	
Korea	Launching secondary funds in 2015. Expanding financial support to SME's (initiate legislation by 2015). Tax incentives for angel investments. Introducing GAP model into Young Entrepreneur Fund (by 2015). Strategy to promote business start-ups (by 2018). Capacity Jump-UP Program Establish a Market Information System
Mexico	Youth Credit Program (February 2015). National Entrepreneur Fund, (2015). "Growth Together Program" (Programa Crezcamos Juntos) (2014).
Russia	Agency for Credit Guarantees (joint stock company 92014). Temporary tax exemption for SMEs (2015-2020). Provision of risk sharing through the NDB (through 2020). Expanding the eligibility criteria for SME support (introduction by August 2015). Strengthening competition laws (currently under consideration).
South Africa	Establishment of the Ministry of small business development (2014). National Gazelles initiative (2015)
Spain	Second opportunity mechanisms, the reduction of financial burden and other social measures (2015). Reforming the Bankruptcy Law (in force). Alternative Fixed Income Securities Market (Mercado Alternativo de Renta Fija, MARF) (created 2013). Creating Venture Capital SME (2014). Reducing regulatory burden of business establishment (2015). Modification and simplification of the regime of guarantees for bank credit. Reform of the covered bonds regime (under way). Fond ICO Global (late 2013). Improving the functioning of Mutual Guarantee Funds.
Turkey	Emerging Companies Market at the stock exchange. Expanding the Public Credit Guarantee Scheme for SMEs (2009-2017). Legislative framework for crowdfunding (in preparation). "Action Plan for Commercialization in the Priority Technology Areas".

ANNEX II SELECTED MEASURES RECENTLY UNDERTAKEN OR CONSIDERED BY G20 MEMBERS	
SMEs	
United Kingdom	Extend the Funding for Lending Scheme Tax relief for SMEs Creation of the British Business Bank (2014) and its programmes: Angel Co-Fund, Help to Grow, Investment Ptogramme, ENABLE Guarantees programme, Enterprise Finance Guarantee Social investment Tax Relief (2014) Tax credits for R&D investments by SMEs (2014) Legislation for the sharing of SME credit information (to be finalised in 2015) Employment Allowance (2014) increase in 2015

ANNEX III. THEMATIC TABLES

IMPORTANT NOTES

The annexes provide non-exhaustive illustrations only of the various actions described in the original submissions, which are accessible in Volume II and any other links provided by the G20 members. Please refer to these sources for further detailed information.

Most of the compilation of this document was prepared by the Ministry of Finance from Mexico.

Thematic Tables Summary

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5.2.2 Addressing underdevelopment capital markets (includes venture capital)
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Country	Strategic Action	Description
1. Supporting Improvements in Investment Climate and Promoting Private Investment		
1.1 Macroeconomic Stability		
1.1.1 Preserving macroeconomic, financial, price stability		
Australia	Macroeconomic stability: facilitating private investment	The macroeconomic policy framework in Australia has played an important role in facilitating private investment by fostering macroeconomic stability. The main pillars of this framework are a flexible exchange rate, an open capital account, an inflation-targeting independent central bank, and fiscal policy that is focused on transparency and medium-term sustainability.
Brazil	Macroeconomic Stability: supporting improvements in investment climate	The Brazilian strategy to deal with the challenges of the current environment has a two-pronged approach: firstly, by swiftly restoring the fiscal balance by restraining budget spending and rolling back counter-cyclical measures, including tax breaks and low-cost official credit; secondly, by realigning prices and by providing other avenues to stimulate investment. As the Brazilian private sector is vigorous and our financial system is strong. Brazil expects that, with market price signaling in place, it is likely to be a relatively quick reallocation of resources and the growth recovery. Notwithstanding, it is anticipated a new boost to infrastructure concessions, given the notorious appetite of investors for this type of asset and the broad range of opportunities available in Brazil. In this context, Brazil is preparing the country for a new investment cycle, which will spur growth. Brazil's proposed agenda is based on four basic ingredients: (i) the removal of regulatory obstacles to increasing investment, especially in infrastructure; (ii) an articulated set of policy measures for increasing competeiveness; (iii) concentration of efforts to improve the education levels, the skills of the labor force and the innovation capacity of our enterprises – so as to boost the productivity of the economy and lift the potential growth in the long term; and (iv) improvement of the business environment, via reforms geared at reducing red tape.
	Greater efficiency in tax system	The discontinuity of countercyclical fiscal policies increases the effect of crowding in private investment and allows a reduction of long-term interest rates. In this sense, we are promoting a greater efficiency in our tax system, concomitant with structuring

Country	Strategic Action	Description
		actions in pension systems and unemployment insurance. Besides that, Brazil is promoting a greater efficiency in our tax system concomitant with structuring actions in pension systems and unemployment insurance.
Brazil	Actions for fiscal consolidation	Concerning the unwinding of the countercyclical measures, the government has already taken actions for fiscal consolidation. Such actions include: Reduction of subsidies (e.g. by matching the TJLP rate in BNDES loans to current economic conditions); Reduction of regulated price imbalances (e.g. increase of fuel and electric power prices, which will eliminate subsidies to consumers); Revision of some welfare programs such as unemployment benefits and pension entitlements to correct distortions, which will enhance Brazilian potential growth in the future; Withdrawal of some of tax exemptions (e.g. Reintegra and payroll tax break reduction); Cap increase for existing regulatory taxes (Contribution on Intervention in the Economic Domain – CIDE, Industrialized Products Tax–IPI, PIS/Cofins on imports; Financial Operations Tax – IOF - on personal credit); and Discontinuation of National Treasury loans for the National Development Bank (BNDES) as a policy instrument.
China	Macroeconomic Stability	Implementing proactive fiscal policy and sound monetary policy.
India	Macroeconomic Stability	In the Union Budget for 2015-16, the government reaffirmed its commitment towards medium term fiscal consolidation, while taking into account the need to increase public investment. Accordingly, the fiscal deficit of the Union government is to progressively brought down from 4.1% of GDP in 2014-15 to 3 % of GDP in 2017-18. Further, a Monetary Policy Framework Agreement has been signed between the government and the central bank in February 2015 which will shape the stance of monetary policy in 2015-16 and succeeding years. The central bank will stay focused on ensuring that the economy disinflates gradually and durably, with retail inflation targeted at 6 per cent by January 2016 and at 4 per cent by the end of 2017-18.

Country	Strategic Action	Description
		The Finance Ministry of India presents the Economic Survey in the parliament every year, just before the Union Budget. It is the ministry's view on the annual economic development of the country. A flagship annual document of the Ministry of Finance, Government of India, Economic Survey reviews developments in the Indian economy over the previous 12 months, summarizes the performance on major development programs, and highlights the policy initiatives of the government and the prospects of the economy in the short to medium term. This document is presented to both houses of Parliament during the Budget Session. The Economic Survey 2015-16 is available at http://indiabudget.nic.in/es2014-15/echapvol1-01.pdf
Mexico	Preserve macroeconomic stability and fiscal discipline	The Federal Government will preserve prudent fiscal policies.
South Africa	Public Spending Review over the next three years	A budget deficit of 3.9 per cent of GDP is expected for 2014/15, narrowing to 2.5 in 2017/18. Debt stock to GDP will be reduced to 43.7% in 2017/18. Non-interest expenditure ceiling has been reduced by R25bn over the next years. Personal income tax and fuel levy are set to add R168bn to gross tax revenue in 2015/2016. Real growth in non-interest expenditure will average 2.1% over the next three years.
1.1.2 Fiscal burdens, constraints, and soundness		
Germany	Investment Strategy	Sound fiscal policies play an essential role in fostering investment activity. On the one hand, sound public finances help create the confidence that is needed for private investment. On the other hand, they secure the state’s long-term ability to boost public investment. Germany’s policy of attaining balanced budgets has created good conditions for increasing investment.
Italy	Growth- and employment-friendly fiscal policy	The policy will make use of the flexibility now embedded in the European rules in connection with the reform effort, based on Italy’s ambitious agenda of structural reforms, to strengthen the recovery, particularly through reducing the tax burden and boosting investment, while reducing the debt-to-GDP ratio. A key component of this policy is the profound review of the composition of public expenditure (spending

Country	Strategic Action	Description
		review) and revenues (reform of the tax system), which the Government is already implementing.
Japan	Pro-growth corporate tax reform	The government embarked on corporate tax reform to be more growth-oriented by aiming to reduce the effective corporate tax rate to the internationally-comparable level. The effective corporate tax rate has been cut to 32.11% from 34.62% (-2.51%) from this April and then will be cut to 31.33% (-3.29%) in FY2016. In FY2016, the tax rate will be lowered further to the extent revenue sources are secured through efforts which include broadening the tax base.
Spain	Fiscal Policy	Spain has enhanced its overall fiscal framework by reinforcing discipline, control and transparency, with a number of actions including the introduction of a constitutional fiscal rule and a reform aimed at guaranteeing the long-term sustainability of the pension system.
	Tax reform	Spain is undertaking a comprehensive tax reform that, while enhancing revenue collection capacity, allows for the promotion of growth, investment and employment. The reform entered into force in January 2015 in order to reduce taxes for all: workers, companies and families and also to strengthen economic growth by stimulating savings and investment through a modern tax system.
United Kingdom	Corporation tax cut	In the Summer Budget 2015, the government announced further cuts to the rate of corporation tax, to 19 per cent in 2017 and 18 per cent in 2020. The cuts will save businesses a further £6.6 billion by 2021. Cutting corporation tax increases the return companies receive on investment, so incentivizes the business investment that is vital to productivity growth1. The OBR expects the cuts announced at the Summer Budget 2015, along with the increase in the permanent level of the Annual Investment Allowance, to increase business investment by £1.6 billion a year by 2020-21.
	Annual Investment Allowance (AIA)	The Annual Investment Allowance (AIA) provides an incentive for firms to invest in plant and machinery by allowing them to reduce their taxable profits by 100 per cent of the value of their investment, up to the AIA limit. In 2012, the AIA was set at a level of £25,000. The government announced a temporary increase in the AIA to £250,000 in 2012, and a further temporary increase to £500,000 in 2014. The temporary increases to the AIA have provided valuable support to businesses as

Country	Strategic Action	Description
		investment has recovered since the recession. The government now wants to provide a stable and long-term incentive to invest by increasing the permanent level of the AIA from £25,000 to £200,000. This measure will particularly benefit small and medium-sized businesses investment in plant and machinery, such as computers and manufacturing machinery.
United Kingdom	Addressing complexity in the tax system	In March 2015, the government announced it would transform the tax system by providing digital tax accounts to all individuals and small businesses over the course of this Parliament, leading to the end of the annual tax return. By 2020, small businesses will be able to manage their tax affairs through a simple, secure and personalised digital account which will be linked to their business software. Over the summer, HM Revenue and Customs will begin discussing the policy choices with key stakeholders and delivery partners. The government will publish a plan by the end of the year showing how it will transform tax administration for individuals and small businesses in this Parliament.
1.1.3 Promoting regional development (includes agriculture and rural development)		
Mexico	Boost investment in less developed regions	Define three special economic zones for the states of Chiapas, Oaxaca and Guerrero in order to create an appropriate business environment in these states for fostering their industrialization. This program includes actions to increase the quality of infrastructure, develop human capital and foster the establishment of enterprises in this region. Likewise, the Ministry of Economy will carry out a study to develop a *Comprehensive Plan for Economic Development in the region called Istmo de Tehuantepec* foster economic and social development, and strengthen the logistic potential of this region. The National Infrastructure Fund (FONADIN) will fund this study.
Saudi Arabia	Implementing policies	Implement privatization policies striking a balance between public and private interests. Review investment policies and incentives in line with the Kingdom's development objectives. Institutionalize an incentive system needed to facilitate and promote investment in the least developed regions.

Country	Strategic Action	Description
South Africa	Investment promotion	South Africa is planning Special Economic Zones (SEZs) in all of the nine provinces. R3.6 billion has been set aside for conducting pre-feasibility and feasibility studies for the planned SEZs as well as infrastructure projects in the existing industrial development zones (IDZs) and newly-designated special economic zones through the incentive scheme. The SEZ support forms part of the Department of Trade and Industry (DTI)'s wider support for productive sectors under the Industrial Policy Action Plan, hence putting the economy on a higher, more labour-intensive growth path. The SEZs incentives include: Manufacturing Development Incentives, Infrastructure Development, and Agricultural Policy.
1.1.4 Improvements in the general business climate		
Argentina	Supporting Improvements in investment Climate and Promoting Private Investment.	The creation of the Fund for Argentine Economic Development (FONDEAR). FONDEAR is a fiduciary fund recently created and with an estimated allocation of AR$10 billion (0.3% of GDP), which objective is to expand the supply of credit channeled to strategic and technological projects and to the regional economies by different mechanisms, including loans, capital contributions, lower interest rates and non-refundable contributions.
		Argentina established a Program to Foster competitiveness of dynamic exporters. This program has an objective to mitigate financial restrictions to exporter companies with focus on the ones dedicated to manufacture of industrial goods so they can sustain or increase their exports through strengthening sale conditions, quality of products, processes and access to markets. Financing is available through different mechanisms, including loans for pre financing exports, post financing exports, and loans to companies that can increase their exporting capacity, improve the quality of their exports and develop innovative solutions.
		The Investment and Foreign Trade Bank (BICE) has put forward different lines of credit in order to foster investment by companies. In this sense, it has an array of credit lines that are focused on: financing the acquisition of capital goods, and financing investment projects in goods and services; investment projects in renewable energies (as detailed below in infrastructure section) to attend the increasing demand of the productive sector; financing projects with potential of improving the competitiveness

Country	Strategic Action	Description
		of producers through technological modernization and innovation of processes or products; and a line of credit for tourism.
Canada	Sustainable and growth-supporting fiscal policy planning framework	Canada has laid out a clear planning framework for a sustainable fiscal policy. The key anchors of this framework include (i) a declining federal debt-to-GDP ratio, and (ii) a commitment to a balanced budget in 2019/2020.
	Encourage productivity-enhancing investment by manufacturers	To help manufacturers invest in productivity-enhancing machinery and equipment, Canada has recently legislated an accelerated capital cost allowance (CCA) at a rate of 50 per cent on a declining-balance basis for machinery and equipment assets used in manufacturing and processing acquired after 2015 and before 2026. This measure will defer taxes by allowing the cost of eligible investments to be deducted more quickly. This incentive will help manufacturers meet present and future economic challenges and improve their long-term prospects.
Indonesia	Synchronization and harmonization of national and local regulations	Synchronization and harmonization of national and local regulations are undertaken to ensure that policies adopted by local governments are aligned with central government policies. Rules and regulations at central and regional level that complicate investment would be eliminated.
Italy	Structural reforms	An ambitious agenda of structural reforms, with the ultimate goal of boosting private investment, based on three main lines of action: 1) increasing productivity through investing in human capital, including with respect to the education system, research and the labor market; 2) reducing costs of, and simplifying, doing business, including through the reform of the public administration and the tax system, the simplification agenda and anti-corruption measures; 3) ensuring the rule of law and the efficiency of the legal system, including through the reform of the civil justice. This agenda, which is reinforced by the reform of the institutional architecture in order to make the decision-making process more efficient, is set to give a strong contribution to the health and the growth rate of the Italian economy.
Saudi Arabia	Boosting Investment	Reinforce coordination among investment-related agencies to unify efforts to boost investment.
	Investment in targeted sectors.	Enhance coordination among relevant agencies to develop joint plans to attract multinational companies for investment in targeted sectors.

Country	Strategic Action	Description
Turkey	Enhancing the Business and Investment Environment	Turkey has taken considerable steps to create a more conducive business environment for both domestic and international investors throughout the last decade. For the promotion of strategic investments, further steps are planned to expedite land development including through creating an inventory of primarily state-owned areas and further improvement in land allocation procedures.
1.2 Competition strategy and regulatory reforms		
1.2.1 Boosting productivity		
France	Improve businesses' price competitiveness	The government is making unprecedented efforts in order to improve businesses' price competitiveness. These efforts should help them recover their margins, invest and innovate more, and create jobs.
Italy	Labor Market	The reform of the labor market is a key chapter in the process leading to the achievement of the objectives of efficiency and productivity. In addition, the reform aims at reducing fragmentation, promoting open-end contracts, promoting active labor policies and reviewing the social safety nets. To this end, last year, the Parliament approved the enabling law (Jobs Act), which delegated the Government to issue implementing legislation by mid-2015. The Government has now approved all relevant chapters of this reform, including the open-end contract with gradually increasing protection, the reorganization of employment- and unemployment-related social safety nets, the simplification of labor contracts, measures concerning the work-life balance, the strengthening of active labor market policies, the simplification of procedures and requirements and the comprehensive labor code. In addition, the Government intends to strengthen the implementing program of the European "Youth Guarantee", aimed at coping with the NEET issue and to facilitate firm-level collective negotiation in order to improve the participation of workers and more favorable industrial relations.
Mexico	Implementation of the enacted structural reforms	Profound structural reforms were achieved in 2013 and 2014, mainly: labor, education, telecom, antitrust, tax, financial and energy reform. These reforms have been completely enacted, and the Federal Government is working on the implementation phase. The Federal Government will continue working on the implementation phase in order to improve growth prospects.

Country	Strategic Action	Description
Saudi Arabia	Supporting investors in decision-making	Expedite the completion of the unified investment plan (Investment Opportunities Atlas) to support investors in their decision-making.
	Buttressing investment initiatives	Ensure effective provision of logistics such as transport, shipment and storage services to buttress investment initiatives.
	Raising productivity	Focus on education and training services to upgrade human skill sets to raise productivity
1.2.2 Promoting inclusive growth		
Argentina	Increasing Youth labor insertion	National government created the PROG.ES.AR. Program (Support Program for Argentine Students). It aims to include young people in the social protection system and encourages beneficiaries (young people who do not work or work informally or who have a salary lower than the minimum wage) to complete their studies and/or their professional training, thus increasing their chances of productively joining the labor force. The program aims to create new opportunities for social and labor inclusion for vulnerable youth through integrated actions of professional training, counseling and job placement, as part of the government's efforts to reduce income inequality and promote social inclusion.
Brazil	Measures to address Brazil´s policy gaps and challenges on the medium term	Measures that has been planned specifically to address Brazil's policy gaps and challenges and include: 1) Infrastructure Investment Package. Policy actions in this area aim to reduce the infrastructure gaps and to enhance competitiveness both domestically and abroad. Besides the removal of regulatory obstacles to increasing investment, especially in infrastructure, by means of expansion of the private sector participation; concessions of roads, airports, ports and railways; integration of agriculture via logistics and strengthening of it by building storage capacity; setting up of a regulatory framework more appropriate for "project financing"; renewal of concessions in power distribution; and more efficient sharing of logistics, 2) Further Access to Technical Education and Employment, through measures aimed at providing vocational training at no cost to the students; 3) Put in Place New Regulatory Frameworks SMEs; 4) Support for Trade Facilitation. The government is implementing system to integrate all the foreign trade procedures so as to assure greater transparency, reduction of time and costs for exporters and importers, process

Country	Strategic Action	Description
		simplification, optimization of infrastructure and logistics; 5) Education to Increase the Productivity of the Economy. The government will implement until 2024 the NEP that sets 20 targets to be met over the next ten years (such as eradicating illiteracy; increasing the number of places in childcare facilities, in high schools, in vocational education and in public universities; 100% of children aged from 4 to 5 years attending school; and providing full day school for at least 25% of students); 6) Tax and financial reforms – streamline taxation, including on savings and subnational IVA, and boost the domestic capital markets; and finally but not least and 7) Convergence of macro policies with competition, by which long-term fiscal balance will permit the convergence of inflation to the target; downwards lowering of the long yield curve; extension of loan terms; increased funding for new companies, and smaller geographic concentration of investments.
Italy	Education	It is of the utmost priority to reform the education system, including research, as investing in human capital in an ambitious, stable and consistent way is key to raise the long-term potential of the Italian economy and grow sustainably. Therefore, the Government has launched this year a comprehensive program ("La Buona Scuola"), backed by substantial financial resources earmarked by the 2015 Stability Law, to reform the education system by 2015. The program includes more flexibility for schools managers on educational programs, open-end contracts, training and merit bonuses for teachers, an integrated system for the evaluation of programs and managers, a closer relationship with businesses and significant investment in school infrastructure. The program will be complemented this year with the launch of a digitalization plan, to be completed in three year by 2018, as part of the wider Digital Agenda of the Government. The program is also complemented by the reform of the university system, to be completed by 2015, which is based on a closer link between flexibility, evaluation and financial resources.
South Africa	Digitalization	On 4 December 2013, Cabinet adopted "SA Connect", the country's broadband policy and strategy. Since then the Department of Communications (DoC) connected 788 schools to fast internet through cyber-labs, launched the iKamva National e-Skills Institute and the National Broadband Advisory Council (NBAC)
1.2.3 Boosting competition		

Country	Strategic Action	Description
Australia	Competition and regulatory reform	On 4 December 2013 the Government announced the establishment of the Competition Policy Review and the final report was released on 31 March 2015. The Report made a number of recommendations for reforms in the areas of competition policy, laws and institutions. In relation to investment in infrastructure, in its Final Report, the Competition Policy Review Panel expressed a view that well-considered contracting out or privatizing remaining infrastructure assets is likely to drive further consumer benefits through comparatively lower prices flowing from greater discipline drive further consumer benefits through comparatively lower prices flowing from greater discipline on privatized entities. The Review's recommendations are currently being considered by the Government, and a response is forthcoming.
	Improve the stability and competitiveness of the financial system	In recent years the Australian Government and individual agencies have introduced a number of measures to improve the stability and competitiveness of the financial system including: • Encouraging greater efficiency in financial markets, including by introducing competition between retail exchanges and reforming financial market supervision arrangements. • Revising standards for clearing facilities and ASIC guidance to reflect the CPSS-IOSCO Principles for Financial Market Infrastructures. • Improving transparency and risk management in derivatives markets. • Improving the long term resilience of funding markets by allowing Australian banks to issue covered bonds, and by taking steps to develop the domestic corporate bond market. • Strengthening prudential regulation through the introduction of Basel III and new prudential rules for superannuation funds, general insurers and life insurers. In December 2013 the Australian Government also commissioned an independent review (the Financial System Inquiry) looking at how the financial sector can best meet Australia's evolving needs and support Australia's economic growth. In response to the Inquiry, on 20 October 2015, the Australian Government announced a comprehensive Financial System Program which will support investment by creating a

Country	Strategic Action	Description
		more resilient, fairer and innovative financial system. One key recommendation was that Australian banks be 'unquestionable strong' in terms of their capital positions. The prudential supervisor and the Government have endorsed the recommendation, and each of the major banks has conducted significant capital raisings over the past year. The Government response also includes commitments to remove legislative impediments to the development of a crowd-sourced equity funding market, explore ways to facilitate the development of the impact investment market in Australia, enhance the regulatory framework for managed investment schemes, and simplify disclosure requirements for large corporates issuing 'simple' bonds to retail investors. The program will be implemented in stages over the coming years.
	Tax White Paper	As part of a broader reform agenda, the Government is undertaking a comprehensive review of the tax system to deliver better taxes that encourage people to work, save and invest. The Government started the national conversation on tax by releasing a tax discussion paper, *Re:think*. An options paper will be released in due course.
China	Implementing a unified market access system, and deepen the reform of the administrative examination and approval system	Pushing forward the reforms of market access and market exit system and the administrative examination and approval system, in order to create an enabling investment climate. China will implement a unified market access system. Based on a negative list approach, different types of market players may enter into sectors on the beyond the negative list on an equal footing under the law. China will improve the market exit mechanism that rewards good performers and eliminates the underperformers. In addition, the bankruptcy system for enterprises will be further improved. China will take further measures to facilitate the process of business' registration. China will deepen the reform of the government administrative system and reduce micromanagement of the Central Government. For economic activities where market mechanism regulation would suffice, administrative approval procedures will be cancelled. For remaining administrative approval items, their management standards and efficiency will be further improved.
France	Strengthening competition	France's commitments in favor of competition will increase the competitiveness of businesses and the buying power of consumer by lowering prices in the services sector. By lowering barrier to entry, it will also facilitate the setting-up of new

Country	Strategic Action	Description
		activities and risk taking by entrepreneurs setting the stage for new investments.
Italy	Competition	Promoting competition, in both product and service markets, is crucial. Product market reform might spur growth by reducing the cost of goods and services, setting the right incentives for innovation, and opening new opportunities for investment and job creation. A first major step has already been taken with the annual law on competition, presented to the Parliament last April. The law, to be implemented by 2015, concerns key areas in the effort to promote competition – such as insurance, pension funds, communication, postal service, energy sector, banks, legal profession, pharmaceutical distribution – and contains a comprehensive set of measures aimed at reducing uncertainties, increasing transparency, promoting demand mobility, and allowing organizational innovation and product differentiation, with particular regard to introducing or strengthening the role of non-professional shareholders in professional services, eliminating standard offers set by the regulators in the electricity and natural gas markets, limiting exclusive areas of business and information asymmetries in the insurance sector. Another major step, to be completed by 2015, concerns the local public services. The Government is committed to substantially reduce public shareholdings and fragmentation, to liberalize the sector and open a very relevant market.
Korea	Strengthening competition in service industry	The Korean government will ease entry barriers and business regulation in service sector such as allowing establishment of affiliates of medical corporations and expansion of related businesses of medical corporations. It will allow joint ventures of foreign educational institutions and incorporated Korean schools for establishing International schools in eight FEZs from 2014. In accordance with FTAs, both legal and accounting consultancy market will be opened by phase by phase to relevant parties of the FTAs. It will promote competition in the mobile communications market by simplifying the procedure for the business license so as to attract new entrants into the market.
Spain	Enhancing competition: Programme on market unity	The Law on Market Unity was passed (LGUM) with the aim of addressing internal market fragmentation for product and service markets by identifying regulations that hamper market unity and reducing business licensing requirements and other administrative burdens.

Country	Strategic Action	Description
1.2.4 Competition/unfair business practices		
India	Competition strategy and regulatory reforms	The Competition Commission of India (CCI) is a statutory independent regulator established to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India. Details at http://www.cci.gov.in/
Saudi Arabia	Fostering transparency	Foster transparency in investment-related matters, and ensure periodic issuance of a report or a public announcement examining all key dimensions of investment for the benefit of investor community.
1.3 Removing restrictions on investment (including FDI) - Eliminating excessive "red tape"		
China	Easing Restrictions on Foreign Direct Investment	The revised Catalogue of Industries for Foreign Investment has been put into force, with an aim to facilitate foreign direct investment. China will promote the orderly opening-up of service sectors, such as finance, education and healthcare in an orderly manner, remove limits for foreign investment in childcare, elderly care , architectural design, accounting and auditing, trade and logistics, electronic commerce and other such service sectors, and further liberalize market access to the manufacturing sector. China has established 4 pilot free trade zones, issued the Negative list on Foreign Investment Access to Pilot Free Trade Zone and Regulation on Record-filing Management for Foreign Investment in Pilot Free Trade Zone (Trial) to explore the management model of pre-entry national treatment plus negative list for foreign investors. As two administrative documents, the Administrative Measures for the Verification and Approval and Record-Filing of Overseas Investment Projects, and the Administrative Measures on Overseas Investments further facilitate overseas investment by domestic companies.
European Union	Reduce administrative burdens and unlock investment potential for infrastructure projects	The European Commission, together with Member States, is reviewing EU and national procedures and legislative frameworks with the aim of identifying possible actions to reduce administrative burdens and unlock investment potential for infrastructure projects. Targeted action by the Commission to improve the functioning of the Single Market in some essential areas (digital, energy, transport and services) will be developed in 2015 with a focus on measures conducive to investment at the EU level.

Country	Strategic Action	Description
		In particular, on digitalisation and digital divides, the European Commission introduced the Digital Single Market Strategy for 2015-2016. This plan consists of 16 legislative initiatives under 3 main pillars: "Better online access to digital goods and services", "Creating the right conditions for digital networks and services to flourish", and "maximising the growth potential of the Digital Economy through investment in ICT and research, innovation and skills". Information is provided under the Competition chapter of the growth strategy.
France	Simplifying business process	Among the many measures implemented by the Government to facilitate business operations, cutting the red-tape, improving the quality of social dialogue and streamlining local governments' organization will help companies to become more competitive and therefore trigger private investment
Indonesia	Improve financial markets to attract FDI and private investment by enhancing regulatory transparency and certainty	To create a stable capital flows, Indonesia shrive to deep its financial markets to attract further foreign direct investment and private investment by addressing infrastructure bottlenecks, and to enhance regulatory transparency and certainty.
India	Removing restrictions on FDI	Department of Industrial Policy and Promotion (DIPP) housed in Government of India is responsible for formulation of FDI Policy and promotion, approval and facilitation of FDI. Detail of the FDI policy (which is liberalised and has a short negative list) can be accessed at http://dipp.nic.in/English/Investor/FDI_Policies/FDI_policy.aspx The Foreign Investment Promotion Board (FIPB), housed in the Department of Economic Affairs, Ministry of Finance, is an inter-ministerial body, responsible for processing of FDI proposals and making recommendations for Government approval. The extant FDI Policy, Press Notes and other related notified guidelines formulated by (DIPP) are the bases of the FIPB decisions. In the process of making recommendations, the FIPB provides significant inputs for FDI policy-making The **FIPB** offers a single window clearance for applications on FDI that are under the approval route. The sectors under automatic route do not require any prior approval from FIPB and are subject to only sectoral laws. More details at http://fipb.gov.in/

Country	Strategic Action	Description
		An investor-friendly FDI policy has been put in place, whereby FDI up to 100 per cent is permitted under the automatic route in most sectors/activities. In 2014, FDI policy has been further liberalized. FDI up to 49 per cent through the government route has been permitted in the defence industry. Higher FDI has also been allowed on a case-to-case basis. FDI up to 100 per cent through the automatic route has been permitted in construction, operation, and maintenance of identified railway transport infrastructure. Norms related to minimum land area, capitalization, and repatriation of funds for FDI in construction development projects have been further liberalized. Further, in order to attract foreign investment/saving, the union budget 2015-16 proposed to do away with the distinction between different types of foreign investments, especially between foreign portfolio investments and foreign direct investments, and replace them with composite caps.
Italy	Reform of the tax system	The Government has launched an ambitious reform of the tax system, aimed at making it fairer, simpler, more transparent and more growth- and employment oriented. The Government has already approved eight relevant chapters of the tax reform, among which, in particular, the implementing legislation on simplification, measures to strengthen the fight against tax evasion and avoidance, the reform of the system of criminal and administrative sanctions, the reorganization of Tax Agencies and measures to improve the relationship between tax authorities and taxpayers (litigation and rulings). This comprehensive reform is strengthened by measures to reduce the level of taxation, in addition to those already mentioned before, including the elimination of the property tax on the main residential properties, excluding the luxury ones.
Japan	Further regulatory reforms in National Strategic Special Zones	The Japanese government designated six National Strategic Special Zones in May last year and three more in August this year to implement ambitious regulatory reforms. In particular, the Tokyo area, Kansai area and Fukuoka City will introduce various measures with a view to strengthen Japan's competitiveness as a business hub and attract foreign enterprises and promote business start-ups. Specifically, these Special Zones would consider introducing (i) simplified and accelerated incorporation procedure, (ii) more convenient information services in English regarding financial administration, (iii) relaxation of bus-related regulations for improvement of airport

Country	Strategic Action	Description
		access, and (iv) acceptance of the entrepreneurial people in National Strategic Special Zones as well as establishment of new scheme for accepting diverse foreign people.
Korea	Reforming regulatory framework	The Korean government will introduce "One-in, One-out" regulatory regime, which put a cap on the total cost of regulations. A new regulation can be adopted only when existing one with an equivalent cost is identified and removed. It will push forward with the "regulatory guillotine". It will try to relax regulations that undermine investment and job creation as much as possible by eliminating it or developing alternatives.
Saudi Arabia	Facilitating and fast-track issuance of licenses	Offer one-window operations to potential investors to facilitate and fast-track issuance of licenses, and to provide needed services in the shortest possible time.
	Resolving investment-related hiccups	Put in force investors' feedback mechanism to ascertain investors' needs and satisfaction levels to resolve investment-related hiccups.
	Promoting investment	Foster domestic-foreign partnerships to promote investment in capital-intensive and high-tech fields, particularly in industries that have horizontal and vertical linkages with mining industries as well as ICT and electronics industry.
Saudi Arabia	Establishment of industries	Expedite the establishment of manufacturing industries emanating from the existing basic industries such as petroleum, petrochemical and mining industries.
Spain	International mobility program	Starting in September 2013, Spain has streamlined the procedures to allow international mobility of investors and professionals in order to attract FDI
1.4 Strengthening public investment efficiency - Cost-benefit analysis		
India	Strengthening public investment efficiency	Budget 2015-16 has set targets for fiscal deficit for the next three years i.e. 3.9%, for 2015-16; 3.5% for 2016-17; and, 3.0% for 2017-18. The additional fiscal space will go towards funding infrastructure investment. More details at http://indiabudget.nic.in/ub2015-16/bs/bs.pdf The Central Statistics Office has recently released a new series for GDP, which involves a number of changes relative to the old series. Based on the new series, estimated GDP growth for 2014-15 is 7.4%. Further details at www.mospi.nic.in
Italy	Reform of the public administration	The Government firmly believes that economic growth and higher living standards for citizens stem also from an efficient and effective public administration that is able to

Country	Strategic Action	Description
		offer quality services to families and businesses. To this end, following urgent measures taken in 2014, Parliament has approved a comprehensive delegation law to the Government which commits to swiftly issue the implementing legislation by 2015. This ambition plan concerns key elements of an efficient and effective public administration, namely the institutional architecture, management, digitalization, human resources management, public enterprises.
Korea	Establishing 'Manufacturing Industry Innovation 3.0 Strategy'	The Korean government sets the target of building 10,000 smart plants by 2020. Public and private sectors will jointly mobilize KRW 1 trillion to provide financing. Technology assistances and consultation services will be also provided. Promote private sector to produce high value goods by developing key technologies. It will raise funds amounting to KRW 4.1 trillion in order to encourage the commercialization of these technologies.
	Increasing the public investment	The Korean government seeks to expand investment in ventures through comprehensive policy measures. It will significantly scale up the budget allocation for 2015 in R&D investment. It will give its priority to investing in promising industries including the 5th generation mobile communications and material convergence. It will expand R&D investment to enhance SME's technology innovation capacity. It will also expand R&D investment in energy efficiency technology.
Mexico	Fiscal Responsibility Law for States and Municipalities	The Mexican Federal Government promoted a Constitutional amendment that fosters sound management of local government finances.
Russia	Obligatory public technical and price audit of all large-scale projects	Our goal is to enhance the quality of the public investment, including the investment by natural monopolies, through introduction of mandatory public technical and price audit requirements of all large-scale projects with public participation
South Africa	Public Procurement	In February 2013 South Africa appointed its first Chief Procurement Officer. The Office of the Chief Procurement Officer oversees the South African public procurement system to ensure that the procurement of goods, services and construction works is conducted in a fair, equitable, transparent, competitive and cost effective in line with the Constitution and all relevant legislation
Saudi Arabia	Investment planning	Conduct surveys to monitor current investment preferences and trends, and maintain

Country	Strategic Action	Description
		investment-oriented database to ensure better future investment planning.
Spain	Enhancing the efficiency and quality of public expenditure and the public sector	The Commission for the Reform of the Public Administration (Comisión para la Reforma de la Administración, CORA), was created in 2012, and since then it has delivered the most important review of the Spanish public sector of the last decades. The OECD has acknowledged the relevance, leadership and thoroughness of this exercise.
1.5 Promoting R&D and business startup		
Argentina	Promoting R&D	The National government has put forward through the Ministry of Science, Technology and Productive Innovation (Mincyt for its acronym in Spanish) an array of policies in order to bolster investment in this area. The main policies are: "The Work Plan for Science and Technology" - a joint action carried out by the UnderSecretariat of Institutional Assessment of the Secretariat of Scientific and Technological Articulation, the National Agency of Science and Technology Promotion and the National Council of Scientific and Technical Research (CONICET). This Plan aims to expand and improve the building conditions in order to improve the quality of scientific-technological institutions. On the other hand, the Department of Scientific and Technological Articulation, also created the Institutional Evaluation Programme (PEI). The initiative promotes and manages the ongoing evaluation and continuous improvement of the institutions within the National System of Science, Technology and Innovation (SNCTI). Finally, the Department of Planning and Policy together with the UIA (Industrial Argentinean Union) developed the Technological Antenna, a platform of technological surveillance and competitive intelligence for diverse productive sector. The purpose of this platform is to provide the opportunity for the design and planning of technological strategies minimizing context uncertainty within the companies and institutions.
China	Cultivating new and Emerging Industries	The government will play a guiding role to create an enabling environment for mass entrepreneurship and innovation. China will mobilize fiscal funds to leverage private and financial capital to support mass entrepreneurship through market mechanism. China will use its national venture capital investment fund as a seed fund to support state-owned capital and foreign capital to engage in venture capital investment. A 40 billion yuan state guiding fund will be established for venture capital investments in

Country	Strategic Action	Description
		emerging industries. China will set up the SME Development Fund, and built an effective market-oriented mechanism for the long-term to support entrepreneurship and innovation, and the development of emerging industries.
France	Promoting Innovation	The Government is also promoting innovation through tax incentives, dedicated measures targeting promising industries and fostering innovation friendly ecosystem.
France	Supporting R&D	The Government has established a comprehensive strategy aiming at supporting R&D through dedicated tax incentives, synergies between research centers, enterprises, and teaching institutions and efficient transferring of publicly performed R&D results to private companies.
Germany	High-Tech Strategy	The Federal Government aims to keep the R&D quota at 3% of GDP – well above the current EU average. It has adopted the new High-Tech Strategy as a comprehensive, interdepartmental innovation strategy for Germany. The Strategy covers both technological and societal innovations with the aim to put research results into practice faster and more effectively.
India	Promoting R&D and business startup	Each Ministry supports Research and Development and coordinates the technical activities of the respective Societies of the Department. For e.g. The Department of Scientific and Industrial Research (DSIR) is a part of the Ministry of Science and Technology which aims to promote R&D by the industries, support a larger cross section of small and medium industrial units to develop state-of-the art globally competitive technologies of high commercial potential, catalyze faster commercialization of lab-scale R&D, enhance the share of technology intensive exports in overall exports, strengthen industrial consultancy & technology management capabilities and establish user friendly information network to facilitate scientific and industrial research in the country. Details available at www.dsir.nic.in Department of Electronics and Information Technology (DeitY) has long acknowledged R&D as an integral part of Electronics ecosystem and is supporting the entire value chain of R&D activities in the country ranging from the basic components to sophisticated product development. More details at http://deity.gov.in/content/research-development Each Ministry and State has its own initiatives. One of the initiatives of the Government of India includes setting up of the National Skill Development

Country	Strategic Action	Description
		Corporation India (NSDC) which is a one of its kind PPP in India. It promotes skill development by catalysing creation of large, quality, for profit vocational institutions. NSDC act as a catalyst in skill development by providing funding to enterprises, companies and organisations that provide skill training. Till June 2015, 51,63,546 people have been trained and 210 skilling proposals with a financial commitment of USD 478 million have been approved.
Italy	National Research Program	The comprehensive reform of the education system is complemented by the National Research Program, which will be launched this year for the period ending in 2020, to ensure close integration between European, national and regional program, a strong public-private partnership, the rationalization of research centers and significant investment in human capital. This comprehensive strategy is further reinforced by the 2016 Stability Law through substantial financial resources for young researchers and highly qualified academics.
Korea	Enhancing effectiveness of government expenditure	Adopt Pay-Go Principles. When the government introduces policies, they should also present the way to finance them.
	Establishing R&D innovation measures	The Korean government will scale down the top-down approach1 and scale up the bottom-up approach2 in R&D investment funded by government. Consequently, demand of private sector will be more reflected in R&D investment. In high risk or leading industries, it will introduce competition in selecting research institution for R&D project. Those institutions who wish to participate in R&D investment will be allowed to undertake studies on the project and then best institution will be selected as a winner through the interim assessment.
South Africa	Research and Development over the next three years	Support for the Oceans Economy has been prioritised with R296m allocated over the next three years to enhance climate change research and management of ocean resources. The Square Kilometre Array (SKA) astronomy partnership will receive R2.1bn over the next three years. Investment in mining and petroleum beneficiation projects will receive R2.7bn over the next three years. An allocation of R108m has been made for research and for drafting regulatory requirements for licensing shale gas exploration and fracking.

Country	Strategic Action	Description
Spain	Promoting R&D&I	The Spanish Strategy on Science, Technology and Innovation 2013-2020 as well as the National Plan on Scientific and Technological Research 2013-2016 include the following future actions: (i) The Centre for the Development of Industrial Technology (CDTI) will foster access to finance by reducing interest rates of its loans and through the creation of Private Equity Funds. (ii) In 2015 the National Research Agency will be created to increase the efficiency of public resources on R&D&I.(iii)Spain will intensify its collaboration with its European partners. In this regard, a peer review of the Spanish R&D&I system has just been conducted by a Commission of International Experts. The conclusions were published in April 2015 and they will be taken into account in future public actions.
2. Facilitating Financial Intermediation		
2.1 Promoting domestic financial savings - Financial education & inclusion		
Canada	Promote domestic savings through an enhanced Canada Pension Plan	The Federal Government will work with Canada's provinces and territories to enhance and expand the Canada Pension Plan (CPP) to help provide a strong and stable pension program.
European Union	European Long Term Investment Funds (ELTIFs) regulatory framework	The recently agreed European Long Term Investment Funds (ELTIFs) regulatory framework will be applied during mid-2015. ELTIFs are designed to bring together investors who want to put money into companies and projects (e.g. infrastructure projects) for the long term with enterprises in need of 'patient' long term money. ELTIFs should have particular appeal to institutional investors such as insurance companies or pension funds which need steady income streams or long term capital growth. As such, ELTIFs and the Capital Markets Union generally can be viewed as facilitators of the drive to improve the long-term funding of the EU economy, including foreign direct investments
India	Promoting Domestic Financial Savings	With a view to enhancing domestic saving and, in particular, household financial saving, the union budget for 2014-15 had increased the exemption limit for personal income tax, enhanced the (financial) investment limit for claiming deductions from taxable income and had reintroduced the *KisanVikasPatra*, a very popular saving instrument among small savers Keeping in view the substantial consumption of gold and gold imports in India, the

Country	Strategic Action	Description
		Union Budget for 2015-16 had proposed to develop an alternate financial asset, a Sovereign Gold Bond, as an alternative to purchasing metal gold; a draft outline of the scheme has been prepared and comments have been sought thereon. A three pronged strategy has been adopted to implement direct transfer of benefits. This will allow the government to transfer benefits in a leakage-proof, well-targeted and cashless manner. Details can be accessed at http://indiabudget.nic.in/es2014-15/echapter-vol1.pdf
Indonesia	National strategy for financial inclusion	To expand access to finance and financial services, particularly for those at the bottom of the pyramid, the government has set national strategy for financial inclusion.
South Africa	Tax-free savings accounts	Tax-free savings accounts will be implemented in the next 3 years, creating a mechanism to increase both household and corporate savings.
Russia	Promotion of financial literacy	Russian Federation currently carries out a jointly project with the World Bank with a total amount of 113 mln. USD. The objectives of the Financial Education and Financial Literacy Project are to: i) improve the financial literacy of Russian citizens (especially, among the school-age and college students, and active and potential low and middle income users of financial services) and ii) strengthen the foundations for improving consumer protection in financial services.
2.2 Private sector financing tools (local debt market and capital market)		
2.2.1 Addressing a lack of suitable investment vehicles		
Brazil	Types of capital market instruments qualify for the tax break	Corporate bonds (project bonds), certificates of real estate receivables (CRI), quotas of investment funds that holds at least 85% of its net worth in project bonds (67% during the first two years) and quotas of receivables investment funds (FIDC).
	Financial instruments created by Law 12,431	Capex Bond/Fund – when the tax break applies only to non-residents; Infrastructure Bond/Fund – when the tax break applies to both residents and non-residents.
China	Broadening Financing Channels	China will conduct equity crowd-funding pilot programs, regulate regional capital markets geared towards the medium-, small- and micro-sized enterprises, establish a strategic emerging industries board on the Shanghai Stock Exchange and speed up the pilot program which permits the qualified companies listed in the national equities exchange and quotations system (the "NEEQ", the OTC market) to issue stocks in the Growth Enterprise Market.

Country	Strategic Action	Description
European Union	The Capital Markets Union (CMU).	The European Commission carried out a three-month consultation on Building a Capital Markets Union, and an Action Plan is scheduled to be adopted in September 2015. The Capital Markets Union (CMU) is a European Commission plan aiming to create deeper and more integrated capital markets in the 28 EU Member States and constitutes a key component of the Investment Plan. With the CMU, the Commission will explore ways of reducing fragmentation in financial markets, diversifying financing sources, strengthening cross border capital flows and improving access to finance for businesses, particularly SMEs.
Korea	Providing Corporate Bond Market	The stocks for public subscription will be preferentially allocated to high yield funds which invest mainly in corporate bonds or unlisted stocks. When the company issues bonds or stocks to qualified institutional buyers, the duty of public announcement and report is reduced. The Korean government will expand the range of qualified institutional buyers by including corporative bank. The Korean government will extend the period of providing tax incentives for high-risk bond fund. At the same time, its framework will be also redesigned to strengthen its efficiency such as redefining requirements on receiving these incentives.
Mexico	Foster new IPOs and debt issuances including for public sector's contractors	In order to foster new IPOs for SMEs, including public sectors contractors, major NDBs will strengthen their current programs to foster capital markets development: i. The Financial Reform facilitates SMEs listing in the Stock Exchange. Moreover, NAFIN, the major National Development Bank for SME financing, created the Institutional Market Program for Alternative Corporate Debt (MIDAS), which grants credits to SMEs; these credits are accompanied by an institutionalization process to support these companies to meet the standards to be listed in the Mexican Stock Exchange (BMV). ii. NAFIN has the Financial Guarantee Program, which facilitates issue of corporate debt securities. The guaranteed amount will be up to fifty per cent of the total issuance.
	Participate in regional integrated markets to diversify sources of long-term financing	Ministers of Finance of the Pacific Alliance agreed different actions to strengthen the MILA and the four countries' capital markets. These actions include: expand MILA's scope in order to allow primary offerings/IPOs, increase the type of instruments that could be traded through the MILA, including shares, fixed income securities,

Country	Strategic Action	Description
		derivatives and investment funds and foster the participation of different stakeholders in capital markets, including pension funds.
Turkey	Capital Market Reforms	The promulgation of the capital market reforms is still a relatively new development and although there have been some improvements in some indicators such as institutional investor size, issues of corporate bonds and the share of private sector securities within the overall stock, the full impact of the reforms remains to be seen.
2.2.2 Promoting access to finance		
Germany	Increase the international competitiveness of the German venture capital	The Federal Government will increase the international competitiveness of the German venture capital market through more efficient legal and tax rules. This will help attract more resources for investment in innovative firms in Germany.
India	Prudential guideline	In order to ensure adequate credit flow to infrastructure sector and to the affordable housing needs of the country, the central bank's (RBI) extant prudential guidelines have been reviewed with a view to minimizing certain regulatory pre-emptions. Since July 2014, RBI has permitted banks to issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing.
	Private Sector Financing Tools	Some recent initiatives for developing the Corporate bond market in India: • For improving transparency, reporting platforms for OTC trades in corporate bonds, Commercial Paper, Certificates of Deposits, Non-Convertible Debentures and securitized debt has been set up. • Clearing houses of the stock exchanges have been permitted to have a pooling fund account with RBI to facilitate DvP-I based settlement of trades in corporate bonds. • Banks and standalone PDs have been allowed to become Direct members of stock exchanges for undertaking proprietary trades in corporate bonds. In 2010, repos in corporate bonds were permitted to regulated and other RBI permitted entities. Guidelines were further relaxed in terms of reduction of minimum haircut requirements and expanding the list of eligible collateral by permitting short term

Country	Strategic Action	Description
		instruments like CP, CD and NCDs of original maturity less than 1 year. Further, each state develops its own investment policy for attracting private capital in the concerned state. For e.g. The Investor Facilitation Portal of Gujarat can be accessed at http://www.ifpgujarat.gov.in/portal/. This is a single window facilitation mechanism for investors. The portal is a rapid medium of information for investors on Government policies, incentive schemes and the availability of infrastructure. It provides manuals to help investors understand the application process for proposed investment projects. The portal will also facilitate different stakeholder departments to process applications by investors and approve them online.
Italy	Finance for Growth	Investment has declined since 2007. At end 2013, investment was about 4 points of GDP lower than its peak before the crisis and around 2.5 points of GDP lower than its pre-crisis long-term average. The bulk of this sharp fall is explained by private investment, whose level at end 2013 was around a quarter lower than before the crisis, leading to a lengthening of the average life of plants and capital goods. Therefore, the Government has launched a comprehensive program named "Finance for Growth" to restart the investment cycle and boost private investment, including actions to facilitate financing and capital expenditure, to develop non-bank non-traditional sources of financing and to reform the banking sector in order to allow it to perform its role as a key channel of funding for the private sector and the SMEs.
Mexico	Implementation of the Financial Reform	The Federal Government will continue the implementation of the Financial Reform in particular to increase competition and reduce financing costs in the economy. The main lines of action are: i. Maintain a solid financial system: New liquidity rules for banks and stress tests for banks and brokerage houses were established. The Financial Stability Council was created to coordinate and reinforce the financial system's soundness. Furthermore, the Bank for International Settlements (BIS) assessed the Basel III implementation in Mexico, recognizing that Mexico is one of the leading countries in the implementation of these measures. In addition, the National Financial Inclusion Council was established, which aims to formulate, implement and monitor the national policy on financial inclusion.

Country	Strategic Action	Description
		ii. Increase competition in this sector and improve financial services' quality: A regulation to inhibit anticompetitive practices was issued and the attributions of the Federal Commission for Protection and Defense of Financial Services Users (CONDUSEF) were strengthened. Some of the achievements of these measures are: • Eliminate abusive clauses in attachment contracts from financial institutions, such as tied sales. • The Bureau of Financial Entities was consolidated with information about entities and user claims. • The Register of Debt Collection and Debt Recovering Offices (REDECO) was created. iii. Establish conditions to encourage private banks to extend credit: The corporate regime of investment funds was eased, the stock exchange market was modernized, a mechanism to assess banking institutions was established, regulations for commercial bankruptcy were improved, and a system of correspondents for the popular savings institutions was established in order to increase financial inclusion, even in places without banks. iv. Promote credit through Development Banks: NDBs have stronger corporative governments, mandates and organizational structure. Major NDBs published their institutional mid-term program, and new specific programs were developed to attend primary sectors.
South Africa	Financial Regulation Reform	In December 2013 South Africa published its first draft Financial Regulation Bill for public comments. The proposed Twin Peaks system for regulating the financial sector is designed to make the financial sector safer, and to better protect financial customers in South Africa. Twin Peaks places equal focus on prudential and market conduct supervision by creating dedicated authorities responsible for each of these objectives. It also places a separate focus on financial stability. A Twin Peaks system also represents a decisive shift away from a fragmented regulatory approach, minimizing regulatory arbitrage or forum shopping. It focuses on implementing a more streamlined system of licensing, supervision, enforcement, customer complaints (including ombuds), appeal mechanism (tribunal) and customer

Country	Strategic Action	Description
		advice and education across the financial sector. It is anticipated that the reform process will be over 2016 – 2018. Three institutions, Financial Services Board, Registrar of Banks and National Credit Regulator will oversee the implementation of this Act. The Registrar of Banks, and the part of the Bank Supervision Department in the South African Central Bank, is responsible for the prudential supervision of banks and for performing functions assigned in terms of the Banks Act. The Financial Services Board (FSB), established in terms of the Financial Services Board Act, is responsible for the prudential and market conduct supervision of all non-bank financial institutions, including insurance companies, pension funds, investment schemes and financial intermediaries. The FSB is structured so that there is a Registrar for each type of industry – i.e. a Registrar for Long-term Insurance, a Registrar for Short-term Insurance, a Registrar for Pension Funds, and so on. The FSB is responsible for 13 different financial sector laws. It reports to the Minister of Finance The National Credit Regulator (NCR) supervises all retail credit providers, which includes but is not limited to institutions which provide financial products and services as the main part of their business – in other words, their scope includes clothing and furniture retailers as well as banks and other financial institutions. The NCR is responsible for the implementation of the National Credit Act and focuses on promoting access to credit and the market conduct regulation of retail credit providers in South Africa. It reports to the Minister of Trade and Industry.
2.3 Respective role of different actors (banks, inst. investors, corporate finance		
2.3.1 Need for alternatives to bank credit/suitable financial instruments (includes securitization)		
Mexico	Expand the investors base for Mexican securities, including government bonds, corporate debt and project bonds	Implementation of international electronic platforms and systems through which securities denominated in Mexican pesos could be traded in the international financial markets, providing depth and liquidity. These platforms could be used for the more than 250 issuers listed in the Mexican Stock Exchange.
2.3.2 Mobilizing MDB resources and role of NDBs		
Korea	Fostering Fintech Industry	The Korean government will promote startups in the Fintech industry. It will lower the minimum capital requirement for entry. Public financial institutions will provide

Country	Strategic Action	Description
		financial support worth a total of KRW 200 billion. Fintech Industry will provide simple and convenient financial services to customers. People will be allowed to confirm their identities through online to open a bank account, which is essential for establishing internet primary bank without physical bank branches. Capital Market Act is scheduled to be revised by 2015, where by crowd funding will be introduced and infrastructure for online small investment established.
	Provide support from public financial institutions	In 2015, financial support worth KRW 259.1 trillion will be contributed by public financial institutions such as Korea Development Bank, Korea EXIM Bank, Industrial Bank of Korea, Korea Credit Guarantee Fund, and Korea technology Finance Corporation. The financial support will be provided in the forms of loans or credits and guarantees so on. Scale up trade financing amounting to KRW 14 trillion through Korea EXIM Bank.
Saudi Arabia	Role of investment banks	Enhancing the role of investment banks.
3. Enabling Appropriate legal and Appropriate Setting		
3.1 Rule of Law and public governance		
China	Rule of Law and Public Governance	China protects the property rights and legitimate interests of all economic sectors, ensures that they have equal access to the factors of production according to the law, participate in market competition on an open, fair and just footing, and are accorded with equal protection and oversight according to the law. Amending the Law on Chinese-Foreign Equity Joint Ventures, Law on Chinese-Foreign Contractual Joint Ventures and Law on Foreign Capital Enterprises to formulate a fundamental new law on foreign investment; issuing the Administrative Measures for the Verification and Approval and Record-Filing of Overseas Investment Projects; amending Administrative Measures on Overseas Investments; and issuing the Administrative Measures for Infrastructure and Public Service Franchise.
India	Rule of Law and Public Governance	An independent judiciary in India and transparency in decision-making, the Right to Information Act and the Public Interest Litigation system and have opened up decision- making to independent scrutiny and ensure governance standards and rule of law. Further details can be found at http://righttoinformation.gov.in/

Country	Strategic Action	Description
		The Constitution of India lays down the framework defining fundamental political principles, establishes the structure, procedures, powers and duties of government institutions and sets out fundamental rights, directive principles and the duties of citizen. More details available at http://lawmin.nic.in/olwing/coi/coi-english/coi-indexenglish.htm
Italy	Anticorruption	Corruption is a very powerful brake on private investment, an extremely relevant barrier to foreign direct investment and a key explanatory factor of the inefficiency and ineffectiveness of public investment. The Government, therefore, attaches the utmost importance to anti-corruption measures and initiatives, which are seen as inherently cross-cutting and, therefore, included in the major reforms outlined above, particularly those concerning the public administration, the procurement code and the justice system. Against this background, the Government has already approved very relevant measures, centered around strengthening the role and the powers of the National Anti-Corruption Authority (ANAC). The Government intends to continue its action to fight against corruption, building on the measures already taken and the strength of the Anti-Corruption Authority and, consistently, including it in all major reforms. In this regard, in May, the Parliament approved law 69/2015, which includes measures to fight against organized crime, illicit wealth and corruption, including through false accounting and stronger sanctions.
Mexico	Foster the creation of the National Anticorruption System.	The President of Mexico proposed a plan to create a National Anti-corruption System that would include a system for citizens to keep watch over the authorities; granting new powers to the Superior Audit Office of Mexico to supervise public spending; and the establishment of an impartial court and public prosecutor's office and other mechanisms that would process citizens' complaints.
South Africa	Improving Competition policy	The Competition Act of 1998 (“Competition Act”) and the institutions established under it in 1999 were important parts of the first democratic administration’s agenda of economic transformation. The Act and its numerous amendments have received positive reviews globally, with the World Economic Forum (WEF) ranking South Africa’s competition policy in the top 10 globally in 2013-14.The Competition Commission of South Africa was granted formal powers to conduct market inquiries after President Zuma determined that section 6 will come into effect on 01 April 2013.

Country	Strategic Action	Description
	Investment policy	Government of South Africa is working on an Investment Bill - Promotion and Protection of Investment Bill - which will enable a comprehensive and uniform legal framework to govern investments in the country. The Constitution provides significant and robust protection for investors and for property both domestic and foreign. The Bill therefore sets out a transparent and open investment environment for our investors, while modernizing the investment regime. This follows concerns over South Africa's evident need to attract FDI in order to address its pressing socio-economic problems.
3.2 Preconditions for long-term investment - Improvements in the business climate		
China	Responsible Business Conduct	China will improve the intellectual property rights (IPR) protection system through enacting and revising the Patent Law, Copyright Law, Regulations on Patent Commissioning and Regulations on Service Inventions
India	Preconditions for Long-Term Investment	The Securities and Exchange Board of India (SEBI) had notified the SEBI (Foreign Portfolio Investors) Regulations, 2014 (FPI Regulations). The FPI Regulations aim to rationalize foreign investments made into India by portfolio investors such as Foreign Institutional Investors and Qualified Foreign Investors. Further details available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1389083605384.pdf
Italy	Civil Justice	Another key item in the Government's agenda is the reform of the civil justice. The Government believes that enhancing the efficiency of the justice system and substantially reducing length and costs of proceedings is an extremely relevant component of the effort to improve the business environment and, thus, a prerequisite to boost investment. Therefore, following the number of measures already taken to this end, including the digitalization of proceedings, the establishment of the Office of Proceedings to support judges, the hiring of four hundred auxiliary judges, the strengthening of mediation and the earmarking of 140 million euro for 2015/2016 and 120 million euro annually from 2017, the Government has tabled by the Parliament a comprehensive delegation law, to strengthen the Courts specialized in business activities and extend their competences, including to competition and consumer protection, to accelerate civil proceedings in all of the three constitutional phases and to reform the institutional architecture and the organization, including the Ministry of Justice, honorary judges, the geographical distribution of Courts and the management

Country	Strategic Action	Description
		of public resources. Since 2014, specific Business courts for foreign investors have been created to avoid backlog and have a settled case-law.
Italy	Responsible Business Conduct	Responsible Business Conduct (RBC) contributes to the positive impact of investments on sustainable development and social progress. The Italian government, through the National Contact Point, encourages companies to observe the OECD Guidelines for multinational enterprises. In order to answer to the growing challenges in global markets particular attention is given to RBC in global value chain.
Korea	Promoting M&A	The Korean government will allow the PEF to invest in the firm in a way that PEF buys out part of its business. As the PEF is limited in exercising its voting right under certain conditions, it will ease these conditions. Growth ladder fund provides the financial support to SMEs and ventures for each stage of startup-growth-disinvestment. The Korean government will make the fund to allocate more resources to M&A. It has provided corporate tax deduction for acquiring shares of companies with technological innovation and to increase the scope of tax deduction by including innobiz companies.
	Establishing support framework to resolve challenges of private investment	A task force, with participants from public and private sector, has been launched to identify challenges that businesses face and provide them with relevant support. The Korean government has identified 18 suspended business projects and resolved their challenges. Consequently investment amount of KRW 26 trillion has been early executed. It additionally identified four suspended business projects due to lack of consultations among related administrations or excessive regulations in January 2015. It will resolve challenges so that the projects will be launched as soon as possible.
	Increasing tax incentives	The Korean government will provide tax incentives for angel investments, including increasing income tax deduction. The government will give qualifications to professional angel investors who meet criteria including investment performance and work experience and provide them benefit including policy financing support.
Russia	Improvement of business environment framework, including improvement of tax	We are taking practical steps to improve business environment. National Business Initiative contains several reforms in this area including: i) reduced number of indicators in all forms of reporting (annual, quarterly, and monthly) and time needed

Country	Strategic Action	Description
	administration	to complete the forms. The corresponding legislation is expected to be approved in March 2016, and ii) increased number of documents filed in electronic form. By 2018 the share of electronic filed documents will rise to 70% (currently 50%). Simplification and modernization of business tax administration will improve cooperation between business and authorities. These measures include: i) elimination of outdated forms; ii) closing existing gaps between tax rules and business accounting systems; and iii) expanded use of electronic documents.
United Kingdom	Business energy efficiency	At the Summer Budget 2015, the government announced a review of the business energy efficiency tax landscape. The government will consider options to reduce administrative costs for business and improve the effectiveness of the landscape in achieving government objectives around competitiveness, carbon savings and growth. Delivering a simpler and more stable environment for business will reduce administrative costs and improve incentives to invest in energy efficiency, which will help increase the productivity of businesses, save carbon and ensure secure energy supplies.
3.3 Governance and incentives of financial intermediaries - Need for transparency		
Argentina	Improvements in transparency	The government of Argentina has been making efforts to improve the transparency and establishing a level playing field to all firms. In this sense in 2014 our country satisfactory completed an ambitious Action Plan adapting our financial system against money laundering and financing of terrorism in line with international standards. Such plan implied several reforms of the current legislation and the adoption of measures to increment the effectiveness of the overall system. In this context: Law N. 26.683 adapts the category of criminal money laundering (this law criminalizes self-laundering, dissociating money laundering from concealment, and eliminating the limitation previously in force, enabling the punishment of self-laundering); law N. 26.734 adapts the criminal classification of financing of terrorism; law N. 26.733 establishes the criminal classification of market manipulation and use of privilege information, and the new Capital Markets Law (law N. 26. 831) gives the National Commission of Values (CNV) power to control all capital markets and agents in Argentina. In the same vein, the new Capital Markets Law completes the powers of regulation, supervision and discipline of the CNV, consistent with CPSS-IOSCO

Country	Strategic Action	Description
		Principles for Financial Market Infrastructures.
Canada	Improve fiscal transparency	Canada will take a number of steps to improve the transparency of the Government's fiscal affairs, including: (1.) Restoring the requirement that Government borrowing plans receive Parliamentary approval; (2.) Providing costing analysis for each Government bill; and, (3.) Ensuring that the Parliamentary Budget Officer is independent and properly funded.
	Improve the quality and accessibility of national data	Canada will restore the mandatory long-form census to ensure that important planning decisions are made using the best and most up-to-date data available. The long-form census allows for better investment decisions by governments, businesses and communities in a wide range of areas, including transit infrastructure and housing.
Japan	Enhancing corporate governance and provision of risk money	The government has already implemented various initiatives for pro-growth corporate decisions and for promoting constructive engagement with institutional investors, including legislation for encouraging outside directors, formulation of the Stewardship Code. Furthermore, Japan's Corporate Governance Code, which adopts "comply or explain" approach (either comply with a principle or, if not, explain the reason why not to do so) ,entered into force in June 2015.The code indicates that companies listed on the Tokyo Stock Exchange should appoint at least 2 independent directors.
	Further promote growth-oriented corporate governance	In order to make supervision on management by the board of directors more effective, formulate and publish an interpretative guideline of the Companies Act, which will cover (i) the scope of mandate for which the board of directors can delegate decisions to the management (i.e., matters which do not need to be presented to the board of directors), and (ii) the scope of actions that outside directors can take while still remaining external. Moreover, a possible way of integrating respective corporate disclosure rules set out by the Companies Act, the Financial Instruments and Exchange Act, and the Japan Exchange Regulation is being considered through review of such rules, in order for companies to provide investors with necessary information more efficiently and effectively. A conclusion will be reached by the end of this fiscal year. The government is also discussing issues and necessary measures towards in-principle digitization of documents that are attached to shareholder meeting notices (e.g., business reports, financial statements, etc.), with a view to expediting

Country	Strategic Action	Description
		information provision to shareholders. A conclusion will be reached by the end of next year.
India	Governance and Incentives of Financial Intermediaries	The Banking Regulation Act, 1949 empowers the Reserve Bank of India to inspect and supervise commercial banks. More details at https://www.rbi.org.in/commonman/English/Scripts/DeptofBS.aspx
3.4 Adequate regulatory framework		
3.4.1 Addressing restrictive legal & regulatory environment		
India	Adequate Regulatory Framework	Independent regulators have been set up in various sectors as in: Telecom Regulatory Authority of India (TRAI)-http://www.trai.gov.in/ • Airport Economic Regulatory Authority of India (AERA) http://aera.gov.in/content/ • Securities and Exchange Board of India (SEBI)- http://www.sebi.gov.in/sebiweb/ • Reserve Bank of India (RBI)- https://www.rbi.org.in/ • Insurance and Regulatory Development Authority of India (IRDA)- https://www.irda.gov.in/Defaulthome.aspx?page=H1, Pension Fund Regulatory and Development Authority (PFRDA)- http://pfrda.org.in/
Korea	Strengthening rules on fiscal expenditure	Rules on fiscal expenditure will be strengthened including limiting discretionary spending. The subsidy law will be revised to prevent illegal receipt of subsidy.
Mexico	Simplify mechanisms to increase voluntary savings for pension funds	The Federal Government through the CONSAR is working with the AFORES in order to promote the increase of voluntary contributions, by making saving mechanisms easier for population. These new mechanisms consist on: i. Payroll deductions. ii. Direct deposits in the workers' bank account. iii. Direct debit payments of voluntary savings to AFORES. iv. Online payment. v. Deposits in retail stores.
Russia	Improvement of legislation in terms of raising standards for disclosure of information by	Starting from 1 January, 2014 new capital adequacy rules for banks reflecting Basel III standard became effective in Russia. The minimum adequacy ratios are 5% for common equity, 5.5% for Tier 1 capital and 10% for total capital. On February 1, 2015

Country	Strategic Action	Description
	financial institutions, consolidated supervision, strengthening financial markets' infrastructure and regulation	Russian banks filed reports in accordance to the new capital rules.
Saudi Arabia	Promotion of regulations	Promotion of investor-friendly rules and regulations.
	Adequate regulatory framework	Simplification of litigation procedures and improvement of commercial disputes and bankruptcy settlement mechanism
South Africa	Financial Services Board (FSB)	The FSB is structured so that there is a Registrar for each type of industry – i.e. a Registrar for Long-term Insurance, a Registrar for Short-term Insurance, a Registrar for Pension Funds, and so on. The FSB is responsible for 13 different financial sector laws.
	Twin Peaks	Twin Peaks places equal focus on prudential and market conduct supervision by creating dedicated authorities responsible for each of these objectives. It also places a separate focus on financial stability. Financial Services Board, Registrar of Banks and National Credit Regulator will oversee the implementation of this Act. The Registrar of Banks, and the part of the Bank Supervision Department in the South African Central Bank, is responsible for the prudential supervision of banks and for performing functions assigned in terms of the Banks Act.
Spain	Regional doing business	In collaboration with the World Bank, a Regional "Doing Business" report will be carried out to capture differences in business regulations and their enforcement across regions in Spain.
	Law 14/2013, on Entrepreneurship and Internationalization	The aim is to provide the Strategic Plan for the Internationalization of the Spanish Economy with a reforming agenda that contributes to the amelioration of the business environment and the external competitiveness of the Spanish economy.
Turkey	Policies for the Banking System	After the Global Financial Crisis, Turkey has taken significant strides to avoid yet another systemic crisis that could stem from the financial system. As such, the steps did span from financial inclusion and literacy, to introduction of new financial

Country	Strategic Action	Description
		instruments and enhancing institutional coordination.
	Labor Reform	Within the scope of the active labor market programs in Turkey; there are key actions planned such as increasing the effectiveness of vocational training curricula, entrepreneurship training, and on-the-job training programs. These programs are regularly monitored to enable an impact assessment.
United Kingdom	Regulation	The Better Regulation Executive launched the Cutting Red Tape programme to help deliver this target, working in partnership with industry to identify and address red tape resulting from legislation and enforcement activities in sectors. Reviews will be conducted on: enhancing the effectiveness of the Anti-Money Laundering and Terrorist Financing regime, Energy, Mineral Extraction, Agriculture, Waste and Care Homes. The government also recognizes that regulators actions need to minimize unnecessary burdens on business.
3.4.2 Administrative burdens		
Australia	Deregulation Policy	In 2013, the Australian Government established a deregulation policy to achieve an annual reduction of A$1 billion to the cost of red tape to business, community organisations and individuals.
Germany	Cutting bureaucracy	The Federal Government has placed a fresh emphasis on cutting bureaucracy. The Bürokratieentlastungsgesetz (Bureaucracy Relief Act) includes a set of immediately effective measures. Relief of more than €700 million is expected, especially for start-ups, growing companies and SMEs. The Federal Government will introduce the principle of "one in, one out" in Germany by 1 July 2015, so that any new regulations with compliance costs for companies have to be balanced by removing or modifying existing regulation(s) to the value of the costs imposed
India	Responsible Business Conduct	The Companies Act 2013 enables companies to be formed by registration, and sets out the responsibilities of companies, their directors and secretaries. More details at http://www.mca.gov.in/MinistryV2/companiesact.html
Italy	Simplification Agenda	The Government has launched a comprehensive program on simplification, which is included in the Government's Agenda for Simplification that will be implemented in the 2015/2017 period. This Agenda concerns five key sectors (digitalization, health

Country	Strategic Action	Description
		and welfare, taxation, construction and business), where the need to simplify procedures, improve decision-making and reduce costs is particularly relevant for the economy.
4. Supporting Improvements in Investment Climate		
4.1 Regulatory framework for infrastructure		
4.1.1 Need for coordination		
Argentina	Regulatory framework for infrastructure	Given the adverse impact which the drop in oil prices might have on the incentives for investment in the sector, particularly relevant in the case of non-conventional sources which are abundant in Argentina, the government has established the "Program for the Stimulus of the Production of Crude Oil". A new impulse to renewable energies has been given by the government. In line with this, the Bank of Investment and Foreign trade (BICE) designed the "Program of Financing for Renewable Energies", that articulates public policies for the promotion of the renewable energies sector with the required financing. Project financing is structured and coordinated by the BICE that provides financing under a project finance scheme that is sustained by the capacity of the project to generate enough cash flows to repay the investment.
Australia	National Infrastructure Construction Schedule	The National Infrastructure Construction Schedule (NICS) is a web based resource that enables Australian governments and industry to better plan their forward work and investment programs. The NICS helps facilitate private sector engagement by promoting upcoming investment opportunities to both domestic and international investors.
China	Advancing the cooperation under the Belt and Road Initiative and building interconnected infrastructure networks	Advancing the cooperation under the Belt and Road Initiative and building interconnected infrastructure networks. On the basis of respecting sovereignty and security concerns, China stands ready to work jointly with other countries to build cross border trunk ways to foster infrastructure networks connecting all sub-regions within Asia, and gradually link Asia, Europe and Africa by cross-board transportation networks; when infrastructure interconnectivity is realized, build a unified coordination mechanism for long distance transportation, so as to facilitate international transport; boost port infrastructure

Country	Strategic Action	Description
		construction; build land-water transportation channels and advance port affairs cooperation; expand and build platforms and mechanisms for comprehensive civil aviation cooperation, and expedite aviation infrastructure development. The government will promote cooperation in energy infrastructure connectivity, and work with other countries to ensure the security of oil and gas pipelines and other transport routes, build cross-border power supply networks and power-transmission routes, and jointly promote regional power grid upgrading and transformation.
France	Promoting Housing	In order to ease low-income households access to housing, France is committed to increase the supply of housing and has taken several measures to achieve this objective. Transferring local town planning schemes to inter-municipal structures, increasing the "cadastral rental value" for building land and changing housing capital gain taxes will lead to the release of public and private land. Measures aiming at reducing timelines for obtaining building permits and easing town planning regulations are designed to stimulate housing supply by reducing regulatory constraints. In addition financial help will continue to be provided to first-time buyers, targeting particular areas and sections of the population for 11 whom such measures will act as a real incentive to buy.
South Africa	Task Team on Private Sector Financing of Infrastructure	A Task Team on Infrastructure in South Africa was established in 2013 to coordinate discussions between government and the private sector on obstacles to private sector participation in infrastructure development in South Africa. The Task Team is focused on identifying blockages to the private sector financing infrastructure, problem-solving around this, and making recommendations to be taken forward by the relevant private or public sector parties for resolution. This Task Tema consists of three professional industry bodies, the South African Venture Capital and Private Equity Association (SAVCA), the Banking Association of South Africa (BASA) and the Association for Savings and Investment South Africa (ASISA) and government.
Mexico	Strengthen regional cooperation for infrastructure.	Ministers of Finance of the Pacific Alliance agreed to strengthen cooperation in the following areas: (i) Knowledge sharing and information exchange regarding: policies for infrastructure development and financing that could help to improve the investment and financing climate for this sector, practices about the different stages of the complete project spectrum and institutional framework for infrastructure, including

Country	Strategic Action	Description
		PPPs, (ii) Continue the dialogue with the objective of developing infrastructure investment vehicles, which could allow private investors to participate in infrastructure projects in the four countries; and (iii) Foster institutional investors' participation in infrastructure financing, including pension funds of the four countries.
4.1.2 Addressing restrictive legal & regulatory environment		
China	Promoting pricing reforms in public service sector	China will push forward the public service pricing system reform, improve the government pricing policy hearing system, timely disclose project information and enhance the transparency of pricing and price adjustment mechanisms.
India	Regulatory framework for infrastructure	Independent regulators have been set up in various states and sectors and details can be accessed at the relevant websites.
Indonesia	Regulations to create conducive infrastructure environment	(1) land procurement for public benefit that provides certainty for private investor who involve in public projects; (2) extended period in the term of financing stage in PPP process; (3) regulates PPP scheme between government and business entity, and government support and guarantee for the PPP project; and (4) guarantee in PPP through infrastructure guarantee fund solves the need of investor to protect the projects against political risk inherent in infrastructure investment.
Italy	Comprehensive program	Public investment, particularly in infrastructure, is an essential component of the Italian Government's comprehensive approach to spur growth and create jobs. It constitutes an ideal bridge between demand- and supply-side policies, as it strengthen the recovery in the short term, thus reinforcing the impact of structural reforms, while removing key supply bottlenecks in the medium-term. To boost public investment, characterized by a low level of efficiency, the Government has first committed to address longstanding challenges, which it has clearly underlined: delays in execution, higher costs due to legal and procedural complexity, compensations, a contractual framework that does not provide the right incentives, lack of competition, corruption, limited use of cost-benefit analysis. The Government has stated since the outset its intention to change this system and gear, by intervening in all phases of the project cycle, including prioritization, programming, preparation, execution and evaluation, and by introducing best practices taken from the international experience, and by boosting investment in infrastructure within the context of a prudent growth- and

Country	Strategic Action	Description
		employment-friendly fiscal policy, through a strategic programming focused on priority investment, the involvement of private investors through public-private partnerships and a specific attention to small and medium-sized investment.
Korea	Fostering business-owned rental house businesses	The Korean government will ease regulations on a large scale construction of rental houses by the private sector. There will be no limit in setting rental houses as the security right and no duty to convert rental houses for sale. It will reduce the burden of acquiring the land for rental housing by providing land at discounted price through Korea Land and Housing Corporation. It will establish the special zone for rental housing to provide various forms of incentives. It will raise the cap on loans for long-term (8 years) rental housing business from KRW 70 million to KRW 80 million and lower the interest rate for loans by 70basis point. And it will guarantee revenue up to 70% of total business expenses by introducing a comprehensive credit guarantee system. It will increase acquisition tax reduction on long-term contract rental houses from 25% to 50%. The range of companies qualified for income and corporate tax exemption will be expanded from KRW 300 million to KRW 600 million. Their tax exemption will be increased from 20% to 30% for short-term contracts and from 50% to 75% for long-term contracts.
	Expanding subjects of PPP	The Korean government will add central government complex (including affiliated agencies) and correctional institutions among public facilities to the list of the Private Investment Act.
Mexico	Consolidate the new regime for PEMEX and the Federal Electricity Commission (CFE) as State Productive Enterprises	In 2014 PEMEX and CFE regulation was amended. The new legal framework provides PEMEX a CFE more specialized, management and budgetary autonomy. This new regulation considers: i. A Board of Directors of Pemex, integrated by: the Minister of Energy, which will chair this Board; the Ministry of Finance and Public Credit; 5 independent directors ratified by the Senate; and 3 directors of the Federal Government. ii. Board of Directors of CFE, integrated by: the Minister of Energy; the Ministry of Finance and Public Credit; 4 independent directors ratified by

Country	Strategic Action	Description
		the Senate; 3 directors of the Federal Government; and one director named by the CFE’s workers (not the union).
South Africa	Infrastructure Development Act	Parliament of South Africa signed the Infrastructure Development Bill into law on 02 June 2014. This law aims to fast-track important regulatory decision-making and speeding up the implementation of strategic infrastructure projects earmarked for South Africa. The Infrastructure Development Act also codifies into law Presidential Infrastructure Coordinating Commission (PICC). It sets out processes of co-ordination that require regulatory authorities and cross-cutting departments to work closely together through steering committees for each SIP that will co-ordinate efforts to speed up the implementation of infrastructure construction and completion.
4.2 Strengthening Public Investment		
4.2.1 Multiyear Investment Plans		
Brazil	National Plan of Integrated Logistics (PNLI - Plano Nacional de Logística Integrada)	Is an innovative instrument that will put together a single, systematized transport planning framework for all transportation modes. This will promote intermodal efficiency and synergies that are possibly lost in the current model, in which three different agencies (the Ministry of Transportation, the Secretariat for Civil Aviation and the Secretariat for Ports) develop separately their own logistic plans.
	Logistic Investment Programme	The PIL first stage (PIL/1) was launched on August 15, 2012, with the announcement of concessions for roads and railways. In December of that year, PIL was expanded to include Airports and Ports. New road concessions reduced the weighted average toll fare in private sector roads from R$ 10.40, in the period from 1995 to 2002, to R$ 3.75, in the 2011-2015 period. Between 2011 and 2015, concessions for rights to build over 5,363 kilometres were granted in eight roads. The airport concession program resulted in investments of over R$ 27 billion and in the participation of five international airport operators in Brazil. The airports of São Gonçalo do Amarante (RN), Guarulhos (SP), Viracopos (SP), Brasília (DF), Confins (MG) and Galeão (RJ) were auctioned and are now operated by private companies.
Canada	Transformative public investment in infrastructure	Canada has committed to almost double infrastructure investments in priority areas over the next decade, including a quadrupling of investment in public transit infrastructure, dedicated funding for green infrastructure, and new, dedicated funding

Country	Strategic Action	Description
		for social infrastructure. The Government will also provide financial instruments to support provincial, territorial and municipal infrastructure, such as a Canada Infrastructure Bank, where jurisdictions are facing challenges in advancing projects due to a lack of capital. In addition, the New Building Canada Plan, launched in 2014, includes over $53 billion for provincial, territorial and municipal infrastructure over 10 years to fund the construction, rehabilitation and enhancement of Canada's infrastructure.
China	Five-Year Plan of National Economic and Social Development	China is working on the 13th Five-Year Plan of National Economic and Social development (2016-2020), which will outline the investment priorities in the next 5 years.
France	Modernizing French Infrastructure	The Government has initiated several initiatives with the objective of mobilizing financing for ambitious plan aiming at strengthening long term growth potential at the national level, enhancing the French capital region productivity and expanding access to superfast and reliable broadband network.
India	The Twelfth Five Year Plan	The Twelfth Five Year Plan lays special emphasis on development of the infrastructure. The total investment in the infrastructure sector during the Twelfth Five Year Plan (Year 2012-2017) i.e. USD 1 trillion is nearly double of that made during the Eleventh Five Year Plan. Increased private investment will be required in addition to public investment for long-run growth. A firm commitment towards fiscal consolidation without losing sight of the objective of stepping up public investment, at least in the short-term, coupled with the reinvigoration of the structural reforms process that would stimulate private investment and enhance productivity levels, forms the overall investment strategy
Italy	Strategic Prioritization	The Economic and Financial Document, the Government's main strategic document, includes a specific and detailed annex on infrastructure investment, which states the intention of the Government to strategically link the Italian priorities with the European lines of action and guidance on the transport system, including ports, airports, railways and roads. The Government, through the Ministry of Infrastructure, will issue in 2015 the Multi-Year Planning Document (DPP), as the strategic tool to coordinate investment programmes and closely link them to European actions. In this

Country	Strategic Action	Description
		regard, the Government has recently approved the National Strategic Plan on Ports and Logistical Activities. In addition, the infrastructure annex includes the updated pipeline of strategic infrastructure projects, now equal to 25 to respond to the need of prioritization, which can benefit from about 30 billion euro of public resources and 7 billion euro of private financing.
Mexico	Execution of the National Infrastructure Program	The different Federal Government Agencies will continue the implementation of the National Infrastructure Program. Considering the international economic outlook, the private and public funding sources of the NIP could be modified.
Russia	Development of the Transport System	Public investment in infrastructure will be primarily focused on expansion of the transport infrastructure via implementation of the federal program "Development of the Transport System". Its major provisions include: i) acceleration in road construction - the total length of federal highways is to reach 44.1 thousand km by 2018; ii) reduction in transportation costs to the economy as percentage of GDP Infrastructure (7,7% decline in 10 years); iii) improved accessibility of the transport services for the population (a two-fold increase in the population's mobility is projected by 2020); and iv) higher external competitiveness of the national transport system (increase in the transportation services' export by 80% in 2018), while ensuring its safety and sustainability.
Spain	PITVI (Plan de Infraestructuras, Transporte y Vivienda)	In its current version, PITVI envisages a public investment sum in transport infrastructure of 119,720 to 144,826 million euros, 90% of which will be devoted to transport policies. The rest will be spent in housing and other cross-cutting policies. The primary goals of PITVI in terms of investment are to complete the main structuring transport axes, to strengthen the intermodal connections and to provide certain strategic infrastructures, such as cross-border connections.
Turkey	Program to Upgrade the Transportation Sector	One of the priority transformation programs in the Tenth Development Plan is dedicated to the transportation sector, which aims at increasing the contribution of logistics infrastructure to growth potential in order to achieve export, growth and sustainable development objectives of Turkey.
4.2.2 Strengthening public investment		
Argentina	Strengthening Public	The National Government with the understanding that investment in infrastructure is

Country	Strategic Action	Description
	Investment.	key to support the country´s economic growth and encourage job creation, has undertaken since 2003 an aggressive public investment program to compensate for the lack of private initiatives in the areas of energy, production and distribution, and transport.
Australia	Infrastructure Australia – reform & re-prioritisation	In September 2014, the Australian Government implemented institutional reforms to Infrastructure Australia (IA) that increased its independence. It was also tasked to undertake five yearly evidence based audits of Australia's infrastructure asset base, and to develop a 15-year Infrastructure Plan. The inaugural audit was published on 22 May 2015, and identifies infrastructure gaps according to economic need. The 15-year Infrastructure Plan will build on the findings from the audit, and will take into account the strategic plans of the states and territories.
	Australian Government's Investment in Infrastructure	In the 2015-16 Federal Budget, the Australian Government reaffirmed its commitment to invest A$50 billion to 2019-20 and onwards to build or upgrade both new and existing land transport infrastructure, including through its major Infrastructure Investment Programme. This funding will catalyse additional infrastructure investment from state and territory governments, as well as the private sector. The Infrastructure Investment Programme consists of 333 major projects, funding for smaller works under sub-programmes, and various policy initiatives. The Programme primarily targets economic land transport infrastructure priorities and also frees up state and territory government funds to focus on the infrastructure priorities of those governments. Some of the policy initiatives under the programme include the attraction of greater private sector investment and the development of innovative financing and funding mechanisms to support traditional grant-based investment in public infrastructure. The Australian Government is also investing A$29.5 billion in the national broadband network (nbn) which is Australia's first national wholesale-only, open access broadband network to enable access to fast and reliable broadband services to homes and businesses. The nbn will be available to every Australian household and business by 2020.

Country	Strategic Action	Description
Germany	Measures to increase public investment	During the current legislative period, the Federal Government has launched measures to increase public investment by nearly €40 billion over a five-year period (from 2014 to 2018). These include measures that will reduce financial burdens on regional and local governments, in order to give them more financial capacity to make investments.
India	Strengthening public investment	Several initiatives have been taken by Government to fund investment projects, especially in infrastructure, and will continue to be taken. As an example, Budget 2014-15 announced establishment of 'one hundred Smart Cities' as satellite towns of larger cities and by modernizing existing mid-sized cities. The Smart City Mission will be operated as a Centrally Sponsored Scheme (CSS) and the Central Government proposes to give financial support to the Mission to the extent of USD 8000 million over five years. More details at http://smartcities.gov.in/
	Inflation and foreign exchange risk management alternatives	In India, the central monetary authority is the Reserve Bank of India (RBI). It is so designed as to maintain the price stability in the economy. The Foreign Exchange Management Act, 1999 (FEMA) is an Act of the Parliament of India "to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India". FEMA is a regulatory mechanism that enables the Reserve Bank of India and the Central Government to pass regulations and rules relating to foreign exchange in tune with the Foreign Trade policy of India. More details at https://rbi.org.in/scripts/Fema.aspx A Monetary Policy Framework Agreement has been signed between the government and the central bank in February 2015 which will shape the stance of monetary policy in 2015-16 and succeeding years. The central bank will stay focused on ensuring that the economy disinflates gradually and durably, with retail inflation targeted at 6 per cent by January 2016 and at 4 per cent by the end of 2017-18.
Italy	"Unblock Italy"	The Government has started to implement its comprehensive strategy to boost infrastructure at the end of last year (decree-law "Unblock Italy"), through a broad range of measures to simplify and accelerate procedures. This legislative package, which includes substantial financial resources (3.9 billion euro), is financing projects ready for execution in the priority areas of undergrounds, railways, roads, water infrastructure and airports.

Country	Strategic Action	Description
	The Italian Digital agenda	A key component of the Italian Government’s strategy concerns the infrastructure related to information and communication technologies. Last March, the Government approved the Italian Digital Agenda, including the ultra-broadband and digital growth, for the period 2015/2020. The objective is to close the Italian infrastructure and market gap with respect to the European average, by creating favorable conditions for the development of an integrated infrastructure for fixed and mobile communications. The target of the ultra-broadband strategy is to provide by 2020 at least 85 per cent of the population with access to 100 Mbps connectivity. This strategy would benefit from 6 billion euro of public financing, resources of the Investment Plan for Europe and private investment.
Japan	More efficient public investment	The government has started employing private sector’s infrastructure management methods, including PM (project management) and CM (construction management) in public infrastructure investment with the aim of achieving more efficient and transparent maintenance and management of infrastructure.
	Strengthening industrial infrastructure	The Government will promote industrial infrastructure development in order to enhance Japan’s international competitiveness. The Japanese growth strategy has identified some strategic areas, which include followings: the government will promote large-scale private sector urban development projects in around 40 locations by FY2020; the government will take measures to further enhance the functions of airports including through increasing the number of landing slots at airports in the Tokyo metropolitan area by maximum 79,000 slots from about 747,000 slots within the time frame of the 2020 Tokyo Olympics and Paralympics.
Korea	Expanding financial support for PPP	The Korean government plans to increase infrastructure investment via SOC expenditure amounting approximately KRW 85 trillion in 2014~2017. It will support to effectively settle any disputes. Using the dispute mediation committee will be recommended before bringing the case to the court. Task force of private sector investment will be established to provide legal services.
	Expanding government expenditure and PPP in infrastructure	The Korean government plans to increase infrastructure investment via SOC expenditure amounting approximately KRW 110.3 trillion in 2014~2018. In particular, considering the high demand for infrastructure, the focus will be placed on constructing ports, industrial complexes, roads and railways. For example, the

Country	Strategic Action	Description
		government will invest amount of KRW 2.1 trillion from 2015 to 2018 in building Great Train eXpress(GTX) which is high speed network connecting metropolitan area
Russia	Public investment in the large-scale infrastructure projects and development of project financing mechanism	The Government envisage use of the public funds to support investment in the large-scale infrastructure projects. First, it includes direct financing of projects from National Wealth Fund. The projects already approved or under consideration are primarily in transportation sector. Total estimated cost of the approved projects is 3,4tn rubles ($65.8bn) and 800bn rubles ($15,7bn) will be funded from the National Wealth Fund.
5. Facilitating Financial Intermediation		
5.1 Promoting long term financing environment - Addressing a lack of long-term finance		
Argentina	Promoting long term financing environment.	Nowadays, it is operating an Initiative that requires companies to allocate a percentage of their investment portfolio in production or infrastructure projects with a medium- to long-term maturity. Moreover, the Pension System Law requires the public pension fund to invest between 5% and 20% of its portfolio in production or infrastructure projects.
Australia	Facilitating alternative sources of infrastructure financing	To meet the infrastructure requirements of Australia's increasing population, private financing of infrastructure needs to increase given government budget constraints. The Australian Government is implementing a number of policies to address this challenge. These include: i) Alternative funding and financing mechanisms: wider implementation of user charging; concessional government loans; government guarantees; phased grants/availability payments; targeted payments; and value capture. ii) Public Private Partnerships (PPP) involving private sector financing and/or operations management have been used across a wide range of infrastructure sectors, including (toll) roads, railways, water and social infrastructure. Australia has a highly developed PPP environment, and major infrastructure projects have been delivered through PPPs since the late 1980s. Australian governments have established National PPP Policy and Guidelines, which helps provide consistency for industry, whilst assisting governments achieve value for money in the delivery of PPP projects. iii) Asset Recycling Initiative which provides the state and territory governments with incentives to privatise existing infrastructure assets, and reinvest the proceeds in

Country	Strategic Action	Description
		productivity enhancing infrastructure. iv) Northern Australia Infrastructure Facility which will provide concessional loans to support major infrastructure projects such as ports, railways, pipelines and electricity generation. In addition, the Australian Government will provide A$100 million to improve the roads and supply chains involved in getting cattle to market.
Korea	Expanding facility investment fund	The Korean government launched a local facility investment fund worth KRW 1 trillion. It has provided financial support amounting of KRW 0.4 trillion to 260 projects.
	Facilitating Financial Intermediation	The Korean government will expand venture investment via policy financing. It will launch secondary funds to acquire investment assets which venture companies or angel investors hold.
Mexico	Strengthen the National Infrastructure Fund (FONADIN) in order to foster private participation in infrastructure.	FONADIN's action plan includes: i) support PPP project development. ii) Strengthen project preparation and structuring in order to consolidate a pipeline of bankable projects for private sector investment, fostering solid evaluations and risk management techniques. iii) Implement a mechanism to prioritize infrastructure project development, in order to meet the infrastructure strategy outlined in the National Infrastructure Program. iv. Strengthen FONADIN's financial capacity by: optimize toll fees in FONADIN's concessioned highways; extend the term of FONADIN's concessions; and securitization of future cash flows.
Saudi Arabia	Public investments fund	Supporting the development and finance role of the public investments fund.
	Access to loans for SMEs	Facilitating access to loans for SMEs.
Spain	Fund for the Accessibility of Ports by Land.	It finances investments by ports targeted at accelerating access by road and rail and, thus, improve competitiveness. Annual investment is estimated at 100 million euros.
	Investments co-funded by European Structural Funds	During the period 2014-2020, around 2.5 billion euros will be invested in transport infrastructure in order to increase its efficiency and promote intermodality, especially promoting the shift from road to rail freight.
Turkey	PPP Debt Assumption Mechanism	For PPP projects in Turkey, the debt assumption mechanism is used as a credit enhancement tool and is seen as an effective way to ensure the sustainability of the projects. The debt assumption means assumption of the outstanding senior debt of a designated Project.

Country	Strategic Action	Description
United Kingdom	Vehicle Excise Duty and Roads Fund	By 2020-21, the UK will have trebled investment in improvements to the national road networks compared to 2012-13 levels, investing over £28 billion in enhancements and maintenance of national and local roads. To ensure that future roads investment is sustainable, in July the government announced a reform to vehicle excise duty (VED) to create a new Roads Fund. VED will be reformed for cars registered from April 2017 to make it fairer for motorists and reflect improvements in new car CO2 emissions. The new VED system will be reviewed as necessary to ensure that it continues to incentivise the cleanest cars.
5.2 Developing financing vehicles Private equity / project bonds		
5.2.1 Addressing a lack of suitable investment vehicles		
China	Developing High-Efficient and Flexible Financing Tools	Issuing the Guiding Opinions on Innovating in Investment and Financing Mechanism and Encouraging Social Investment in Key Fields and setting up a 300 billion RMB yuan Insurance Investment Fund
	Developing Private Equity Funds/Project Bonds	China will develop debt investment plans, equity investment plans, asset-backed plans and various financing instruments to extend the investment period, and as a means to guide social security funds and insurance funds into infrastructure projects. The government will set up an insurance investment fund of 300 billion RMB yuan to support the country’s infrastructure projects in the form of equity and debt financing.
India	Developing financing vehicles private equity/project bonds	Government has also been introducing new, innovative instruments for attracting long term investment in infrastructure. Infrastructure Debt Funds (IDFs) aim at raising low-cost long term resources for refinancing infrastructure projects. Infrastructure Investment Trust (InvITs) and Real Estate Investment Trusts (REITs) are trust-based structures that maximize returns through efficient tax pass-through and improved governance structures. These are among the very promising opportunities for long term private investors. The India Infrastructure Finance Company Limited was also set up to play a catalytic role in the Infrastructure sector by providing long-term debt for financing infrastructure projects. IIFCL funds viable infrastructure projects through Long Term Debt, Refinance to Banks and Financial Institutions for loans granted by them, with tenor exceeding 10 years or any other mode approved by the Government.
Mexico	Develop credit enhancement	The Federal Government is working on designing and developing infrastructure

Country	Strategic Action	Description
	measures and project bonds.	financing vehicles and credit enhancement measures, such as guarantees, loans or subordinated debt from NDBs, which could mitigate projects' risks and foster institutional investors' participation in infrastructure financing. Likewise, the Federal Government will take further actions in order to develop project bonds for specific projects. In particular, the New Airport of Mexico City (NAICM) will be funded using a combination of private financing and Federal Budget resources. Private financing strategy includes bank debt and capital market financing, which will use the passenger facility charges (TUA), generated by the existing and the new airport, as sole source of repayment. The securitization of other infrastructure projects, like highways could also contribute to foster capital markets' financing for infrastructure. The Mexican Government is evaluating to use stable brownfield assets in order to finance greenfield projects.
5.2.2 Insufficient risk capital instruments and markets (includes venture capital) / Addressing underdevelopment capital markets		
China	Tapping into various financial instruments to finance infrastructure development	China vigorously develops investment vehicles such as equity investment funds to encourage private capital to set up sector specific investment funds through private placement. The government may provide financing through equity subscription with fiscal funds. The central government supports local governments to issue bonds in accordance with relevant laws and regulations for the projects in key sectors of economic development. China will continue innovating credit services, such as using emission rights, charging rights, franchises, projected returns of service purchase agreement as collaterals, and using predicted project returns as pledges for loans.
Korea	Providing Corporate Bond Market	The Korean government will extend the period of providing tax incentives for high-risk bond fund. At the same time, its framework will be also redesigned to strengthen its efficiency such as redefining requirements on receiving these incentives.
Saudi Arabia	Enhancing the capital market	Enhancing the primary capital market activities.
South Africa	Regulation of Institutional Investors	For pension funds there is Regulation 28 of the Pension Funds Act which stipulates the maximum percentage of assets that can be invested in various instruments, like listed equity, unlisted equity, government bonds, etc. This has worked in that funds do adhere to the required percentages. Also useful is the Code for Responsible Investing in South Africa (CRISA) gives guidance on how the institutional investor should

Country	Strategic Action	Description
		execute investment analysis and investment activities and exercise rights so as to promote sound governance. The regulatory environment for the long term investors has a prudential focus to ensure that the underlying owners of the products interests are looked after. Currently there are also engagements around the issue of preservation.
5.2.3 Need for alternatives to bank credit/suitable financial instruments (includes securitization)		
Argentina	Housing	National Government has established the PRO.CRE.AR Program. The program aims to increase access to housing finance by means of mortgage loans at subsidized rates, and has flexible eligibility criteria. The program not only attempts to reduce the housing gap, but also creates employment and boosts demand in the construction sector. The PROCREAR Program aims to facilitate access to home ownership, and stimulate economic activity and employment generation, by providing financing to the construction sector. It includes direct loans for construction as well as the development of urban projects, and takes advantage of the building sector's multiplier effect on economic activity and employment.
India	Develop secondary markets	http://www.nse-india.com/ http://www.bseindia.com/
Indonesia	Alternative access of financing for infrastructure	Indonesia has initiated further alternative access of financing for infrastructure, in particular Islamic sukuk. Indonesia's path in developing Projects-Based Sukuk (PBS) was initiated as part of strategist in infrastructure financing and diversifying risks. While conventional bond is a promise to repay loan, sukuk constitutes partial ownership in projects being financed. One of Indonesia's milestones in project-based sukuk is the double track railway project that connected two potential cities in West Java and Central Java lise around 160 kilometers. Indonesia has another double track railway in metro Jakarta being financed by sukuk issuance for three-year project. Referring to these successful project-based sukuk, the government is optimistic that there is potential to further optimize Islamic sukuk as a financing model in the country. Currently, the outstanding Project Based Sukuk (PBS) is approximately 27% of total outstanding of Indonesia Government Islamic Securities.
Italy	Project financing tools and project bonds	A tax credit on both the corporate income tax and the regional tax on productive activities has been introduced for up to a maximum of 50 per cent for all public works

Country	Strategic Action	Description
		between 50 million and 2 billion euro executed with project financing tools, and measures have been approved to promote the use of project bonds, which now have a tax treatment equal to government securities, and to facilitate their flexibility and transferability between investors, through flexibility and reduced costs on the related guarantees.
Korea	Expanding Korea Infrastructure Credit Guarantee	The Korean government plans to scale up the guarantee for each project from KRW 300 billion to KRW 400 billion and expand the asset of the Korea Infrastructure Credit Guarantee.
Mexico	Develop financing vehicles (guarantees, loans or subordinated debt from development banks) to reduce financing cost for PPPs.	The Federal Government is working on developing financing vehicles, such as guarantees, loans or SEloans from BANOBRAS in order to reduce the financial cost of infrastructure projects. These vehicles could be available for all the participants during the procurement processes, in order to reflect in their bid the reduction in project's financial cost.
United Kingdom	UK Guarantees Scheme (UKGS)	The UK Guarantees Scheme was launched in 2012 to support private investment into UK infrastructure. It can provide £40 billion worth of guarantees and works by guaranteeing the principal and interest payments of infrastructure debt. Seven projects have received support through the Scheme to date, and a further one has had a guarantee approved. This is a total of £1.7 billion in guarantees, supporting projects with a capital value of approximately £4 billion. A further 39 projects have been prequalified as being eligible for a guarantee, with a capital value of approximately £34 billion. Last year, UKGS underwrote £827 million of senior debt for greenfield projects in the UK.
5.3 Tax incentives		
Australia	Taxation	The Australian taxation system is focused on removing the impediments to private investment in infrastructure that result from long lead times between incurring deductions for expenditure and earning income from such investments. In particular, for certain infrastructure investments the Tax Loss Incentive (introduced in July 2013) allows the value of carry forward losses to be uplifted by the 10 year Government bond rate and increases access to carry forward losses and bad debt deductions, even if certain eligibility criteria are not met.

Country	Strategic Action	Description
China	Implementing the Catalog for Public Infrastructure Projects Eligible for a Favorable Corporate Income Tax	China implements the Catalog for Public Infrastructure Projects Eligible for a Favorable Corporate Income Tax, and apply the "three-year exemption and three-year half payment" policy to the incomes generated by business operations of the important public infrastructure projects supported by the state such as ports, airports, railways, highways, urban public transport, power supply and water conservancy.
India	Tax Incentives	The Income Tax Department is a government agency in charge of monitoring the income tax collection by the Government of India. It functions under the Department of Revenue of the Ministry of Finance. It is responsible for administering following direct taxation acts passed by Parliament of India. • Income Tax Act • Wealth Tax Act • Gift Tax Act • Expenditure Tax Act • Interest Tax Act • Various Finance Acts (Passed Every Year in Budget Session) More details at http://www.incometaxindia.gov.in/Pages/default.aspx
United Kingdom	North Sea taxation	The UK Continental Shelf (UKCS) represents a huge opportunity for the UK and the government believes in making the most of its oil and gas resources, including the safe extraction of shale gas. Action has been taken as part of a plan to reform the fiscal regime to make the UKCS an attractive destination for investment and safeguard the long-term future of this vital national asset. A package of measures (including reducing field based taxes by 15% and company based ring fence taxes by 12%) was announced in early 2015. These measures are expected to cost £1.3bn over the period to 2020 and result in £4bn of incremental investment. Building on action set out in the March Budget 2015, the government announced this summer that it will expand North Sea investment allowances to include additional activities which will maximise economic recovery. The government will also bring forward proposals for a sovereign wealth fund for communities that host shale gas development.
6. Mobilizing MDB Resources and Role of NDBs		

Country	Strategic Action	Description
6.1 Country led MDB programs - Mobilizing MDB resources and role of NDBs		
China	Deepening Domestic Policy Banks	The regional and industrial development priorities specified in the national long-term development strategy. China will continue to draw on the experiences from existing MDBs in their lending projects policy, management and execution, in order to facilitate the reforms in infrastructure project management system, including project supervision, evaluation as well as bidding and procurement.
European Union	European Fund for Strategic Investments (EFSI)	The European Commission's Investment Plan for Europe is setting up the European Fund for Strategic Investments (EFSI) in partnership with the European Investment Bank (EIB), built on a guarantee of EUR 16 billion from the EU budget, combined with EUR 5 billion committed by the EIB. Based on prudent estimates from historical experience, the multiplier effect of the Fund will be 1:15. In other words, for every public euro that is mobilized through the Fund, EUR 15 of total investment, that would not have happened otherwise, is generated.
India	Country led MDB programs	Sovereign loans accessed from the MDBs are a very small part of the overall finance, given the size of India's investment needs. They dovetail into larger investment by the Government.
Indonesia	Asia Infrastructure Investment Bank	Indonesia has actively prepared in the establishment of regional multilateral commitment or Asia Infrastructure Investment Bank to participate more in development of Asia region infrastructure. There is a huge gap of financing needs in Asia region that could disturb economic growth. Indonesia expects an improvement in region infrastructure that would encourage economic growth, employment, and regional connectivity by participating in multilateral commitments. Indonesia is also continuously optimizing existing multilateral and regional development banks resource through partnering in productive projects. As a country, partnering with development banks is not only provide affordable financing but also some benefits such as capacity improvement, good governance practices, and delivering value for money.
South Africa	Country led MDB programs	The World Bank's Investment Support Project for Eskom is a critical program which aims to help South Africa achieve a stable electricity supply while also pioneering the biggest solar and wind power plants in the developing world. The project also aims to

Country	Strategic Action	Description
		generate power capacity and jobs that benefit the poor directly.
6.2 Technical assistance and experience sharing - Capacity building		
China	South-South knowledge-sharing platform	China has set up South-South knowledge-sharing platforms together with MDBs to share experiences related to infrastructure development.
India	Technical assistance and experience sharing	India accessed technical assistance from the ADB to drive one of the most successful efforts worldwide to mainstream its PPP program. India has been rated as the global leader in Operational Maturity in PPPs by the Economic Intelligence Unit in May 2015
Korea	Introducing corporate investment promotion program	This is a program for financing about USD 30 billion worth of investment for infrastructure. The Korea Development Bank will raise 15 trillion KRW and attract the same amount from the private sector. As a result, the container terminal project amounting to USD 1 billion is ready to be launched in Busan. The healthcare investment project with private hospital valued at USD 300 million is currently making a progress. The program will be focusing on SOC, infrastructure investment, and new growth industries. Comprehensive business nature will be considered to set support conditions such as the size of funding and the payback period. The private sector will make a proposal on project, and then the government will review and assess project feasibility. A simpler selection process will be applied for the projects that are identified through a preliminary survey.
South Africa	The Knowledge Hub	Government of South Africa and the World Bank are working to establish a "Knowledge Hub" in South Africa. The objective of the Knowledge Hub is to support evidence-based implementation support for service delivery, or "knowledge in action". This Hub intends to fill a critical gap in connecting the fragmented knowledge space, bringing in the Bank's global expertise of practitioners in implementing development solutions, and in taking it to scale.
6.3 Role of National Development Banks - Addressing need for balance sheet repair		
China	Reforming Domestic Policy Banks	Making use of national development financial institutions, China encourages the China Development Bank to give more support to key sectors and weak links of the economy, support the development endeavors in key sectors such as national

Country	Strategic Action	Description
		infrastructure, basic industries and pillar industries as well as shanty towns renovation.
India	Role of National Development Banks	A number of National Development Banks have already been set up in India which play a significant role in financing the developmental process. For instance, • The Industrial Development Bank of India (IDBI) is the apex financial institution and besides providing financial assistance on consortium basis, the major function of coordination between the various institutions is looked after by the bank. It also provides refinance facility to the eligible financial institutions including term loans. The bank sanctions the financial assistance to the industrial concerns engaged in the manufacture or processing of goods, mining, transport generation and distribution of power etc. both in private and public sectors.. IDBI finances new projects/ expansions/ diversification/ modernizations of projects. It provides refinance facility to the primary lending institutions i.e. SFC/SIDC/Commercial Banks etc. • **The National Bank For Agriculture And Rural Development (NABARD)** serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas; The Small Industries Development Bank of India (SIDBI) has been set up as the principal financial institution for promotion, financing and development of industries in the small scale sector and to coordinate functions of the institutions engaged in similar activities. There are various Infrastructure Finance Companies (IFCs) which look at infrastructure funding. Further, the Union Budget 2015-16 announced establishment of National Investment and Infrastructure Fund (NIIF) to ensure an annual flow of USD 3333 million to it.
Italy	CDP	The National Development Bank (Cassa Depositi e Prestiti) is now allowed to support profitable investment projects related to innovative technologies, energy and environment.
Korea	Establishing Korea Infrastructure Investment Platform	The Korean Government will establish the Korea Infrastructure Investment Platform which will provide financing for infrastructure investment. A total amount of finance will be KRW 10 trillion. The platform will be financed from pension fund, private

Country	Strategic Action	Description
		sector and Korea development bank.
Mexico	Optimize National Development Banks' balance sheets	NDBs will analyze their credit portfolios in order to identify those credits that could be refinancing in order to increase available resources for financing new infrastructure projects.
	Execution of National Development Banks' medium term plans (2014-2018)	The main strategies included in the aforementioned mid-term plans include: a. Expand credit. b. Foster participation of commercial banks in infrastructure financing (mini-perm financing, mezzanine products). c. Contribute to channel institutional investors' resources to infrastructure (guarantees). d. Foster infrastructure development by local governments. e. Strengthen credit and guarantee programs for SMEs, which will contribute to create a credit history record for these enterprises.
Russia	Development of Vnesheconombank	National Development Bank of Russia – Vnesheconombank (VEB) is a main national development institution that works in different areas. Its long-term mission is to diversify the Russian economy, boost its competitive edge and encourage investment activity. VEB participates only in those projects which cannot be financed by private investors. During 2015-2020 period VEB plans to increase its loan portfolio from 24.436 bln. USD to 33.834 bln. USD.
	Establishment of the New Development Bank and AIIB	Russia is actively engaged in expanding and optimizing MDBs capacities. On 14th April, 2015 Russia joined Asian Infrastructure Investment Bank (AIIB). AIIB is expected to serve as a platform for infrastructure development and improvement in Asia. The Bank's operations will be based on three principles: lean, clean and green. Lean, with a small efficient management team and highly skilled staff; clean, an ethical organization with zero tolerance for corruption; and green, an institution built on respect for the environment. Russia is a founding member of the New Development Bank. According to its Establishment Agreement, the purpose of the institution is to "mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, complement the existing efforts of multilateral and regional financial institutions for global growth and development. It shall also

Country	Strategic Action	Description
		cooperate with international organizations and other financial entities, and provide technical assistance for projects to be supported by the Bank".
South Africa	Development Bank of Southern Africa (DBSA)	The DBSA promotes economic development and growth in the African region with a special focus on infrastructure and leveraging the private sector.
	Industrial Development Corporation (IDC)	The IDC is mandated to contribute to the creation of balanced, sustainable economic growth in South Africa and on the rest of the African continent.
	Focus on infrastructure and leverage the private sector	In 2013/14, the DBSA provided a total of R12.7 billion in infrastructure financing, bringing to R46.5 billion the total disbursements over the past five years. Within the municipal market, the Bank's total funding reached R1.7 billion for the year. It is estimated that over 263 000 households will benefit once these projects are completed. In an effort to expedite the delivery of infrastructure within under-capacitated municipalities, the DBSA has implemented an innovative finance solution by providing bridging finance to those municipalities ahead of payment to them of the annual municipal infrastructure grant from the National Treasury. It is estimated that approximately 109 000 households will benefit from access to electricity, water and sanitation when these projects are completed. In addition, the Bank provided project planning and implementation support services to various municipalities.
Spain	Role of NDBs	ICO (Instituto de Crédito Oficial, the Spanish NDB) contributes to the financing of infrastructure projects in Spain through direct loans and through AXIS, its venture capital manager. One of AXIS's funds is Fond-ICO Infrastructuras, which finances infrastructure projects in transportation, social infrastructure, services, energy and the environmental sector. Spain will contribute 1.5 billion euros to the so called "Juncker Plan" at European level and is currently working closely with EIB as well as with other European NDBs in the implementation of the Plan.
7. Enabling Appropriate Legal and Appropriate Settings		
7.1 Develop an adequate PPP framework – Boosting private participation in infrastructure		
Australia	National PPP Policy and Guidelines	Public Private Partnerships (PPP) involving private sector financing and/or operations management have been used across a wide range of infrastructure sectors, including

Country	Strategic Action	Description
		(toll) roads, railways, water and social infrastructure. Australia has a highly developed PPP environment, and major infrastructure projects have been delivered through PPPs since the late 1980s. Australian governments have established National PPP Policy and Guidelines, which helps provide consistency for industry, whilst assisting governments achieve value for money in the delivery of PPP projects.
China	Develop an adequate Public-Private Partnership (PPP) Framework	Establishing institutions and funds to support PPP, advancing PPP legislation, formulating PPP operating guidelines and contractual provisions. China has established the policy framework for PPP. China will advance the relative legislation to specify the rights and obligations of the government and social capital. PPP financing support funds will be set up with Central Government budgets, and local governments are encouraged to set up joint funds with financial institutions on the premise of bearing limited losses, with an aim to improve project financing access. The government has improved the PPP operating guidelines to provide full cycle regulation for operating procedures from project identification, preparation, procurement, execution to handover. The contract guidance and the standardized contracts for different industries and sectors have also been formulated.
Germany	New generation of public-private partnership projects	The Federal Government will launch a new generation of public-private partnership projects with a total investment volume of €7 billion to carry out necessary road construction works in a more efficient way.
India	Develop an adequate PPP framework	To facilitate greater investment in infrastructure, the government has set up various facilities and schemes: For PPP projects, a dedicated PPP Cell in Department of Economic Affairs serves as the Secretariat for structuring rollout and capacity building for PPP projects. The cell also oversees state government cells for PPP.
Italy	Development of PPP	By 2015, in order to promote project financing and public-private partnerships, the Government is considering reviewing the governance of public investment. Among the ideas under consideration is the establishment of a specialized unit to assess the bankability of sizeable projects, define standards, contract models and public tenders and improve PPPs capability.
Japan	Making more use of PPP/PFI	It is essential for Japan to make more use of private funds and private expertise

Country	Strategic Action	Description
		through PPP/PFI in developing, rehabilitating, operating, and managing infrastructure. The government is planning to make more use of PPP in repairing the Metropolitan Expressway in Tokyo and introduce concession contracts in the government-owned airports (e.g. SENDAI Airport) in order to allow private sector to operate and manage the airports. The government will revise the project scale target (12 trillion yen within 10 years) set in the "Action Plan Toward the Fundamental Reform of PPP/PFI" (decided on June 6, 2013 by Council for the Promotion of Private Finance Initiatives) and reach a conclusion on measures to achieve this objective through consideration. In order to enhance the promotion of PFI concession projects, promote deregulation relating to proposals from the operators and others, including through special zones. In order to catalyze private funds and thereby further promote PFI projects, the PFI Promotion Corporation was established in October 2013. The PFI Promotion Corporation provides risk money (through purchasing preferred stocks and subordinated bonds) to PFI infrastructure projects and catalyzes private funds. In particular, with regard to specific PFI projects which introduce concession contracts in the government-owned infrastructure, the government also set numerical targets (six airports, six water systems, six sewages and one road), and accelerated the deadline of implementing 2 to 3 trillion yen worth of this type of PFI projects from 2022 to the end of FY2016.
Korea	PPP investment	Infrastructure investment through PPP has increased. Currently 137 PPP projects are undertaken. PPP investments amounting to KRW 49 trillion are underway and KRW 6.7 trillion will be disbursed in 2015. For example, the construction of Seoul-Moonsan highway amounting to about KRW 2 trillion will be started this year. A total amount of KRW 1.5 trillion will be invested in extending New Bundang subway line which will reduce travel time between Seoul and Gyeonggi Province.
Mexico	Implement accountability and transparency mechanisms for public bidding processes (i.e. Mexico City's New Airport)	The Ministry of Communications and Transportation (SCT) signed an agreement with the Organization for Economic Co-operation and Development (OECD) in order to apply international best practices in procurement, construction and project development for the New Airport of Mexico City. In addition the OECD will provide consulting services to the Federal Government on:

Country	Strategic Action	Description
		• Analysis of legal frameworks for procurement processes. • International best practices. • Organization of seminars regarding transparency and accountability.
Russia	Improvement of budget and tax systems in order to develop PPP	Improvements in budget and tax systems will contribute to development of PPP mechanism. The Russian Government recently has intensified its efforts to develop an adequate and effective legislative and administrative framework for Public-Public Partnerships (PPP). On the federal level, this framework consists of two Federal Laws, 4 Federal Government's Resolutions, two Federal Government Executive Orders and two Executive Orders of the Federal Ministry for Economic Development. All this legislative and executive acts define competences of state agencies, selection criteria for projects and the methodology for assessing their effectiveness and impact as well as conditions for providing public support for projects structured as PPP. On May 14, 2014, the Ministry for Economic Development issued an Executive Order # 279 stipulating creation of the Coordination Council for PPP at the Ministry.
Spain	Adjustments of ports concessional periods	Concessional periods will be adapted to those in Europe in order to maintain international competitiveness.
	Urban water treatment	New model for urban water management is introduced. It aims at fostering PPPs in the development of the necessary water treatment infrastructures.
Turkey	Improving the Institutional Capacity for PPPs	Main actions are defined as "to improve institutional capacity on the public side to increase the quality of the PPP process as a whole", "to prepare a strategy paper", "to adopt a framework law in order to compile the scattered PPP legislation", "to strengthen the coordination of PPP policies and practices", and "to set up an effective monitoring and evaluation system".
United States	Permanently establishing the Qualified Public Infrastructure Bonds (QPIBs) program.	This innovative new type of PAB would finance specified types of infrastructure projects in order to facilitate more PPPs. Under current law, PPPs that combine public ownership with private sector management and operations expertise cannot take advantage of the benefits of tax-exempt municipal bonds. The QPIBs program would extend the benefits of municipal bonds to PPPs, like partnerships that involve long-term leasing and management contracts, lowering the cost of borrowing and attracting new capital. Eligibility for QPIBs would require state or local government ownership

Country	Strategic Action	Description
		of the project, and interest payments on these bonds would not be subject to the alternative minimum tax (AMT).
	Creating the Build America Transportation Investment Center (BATIC).	This center serves as a one-stop shop for state and local governments, public and private developers, and investors seeking to use innovative financing strategies for transportation infrastructure projects. In particular, for state and local government officials interested in pursuing private financing opportunities for infrastructure, the BATIC provides extensive technical assistance materials for the design and implementation of infrastructure public-private partnerships, including model contracts and analytical tools.
	Establishing other mission-specific investment centers at the federal level.	EPA is setting up a new Water Finance Center, which will work closely with municipal and state governments, utilities, and private sector partners to use federal grants to attract more private capital into projects and promote models of public-private collaboration. Similarly, the Department of Agriculture (USDA) is launching the Rural Opportunity Investment Initiative, which will identify opportunities for investment in promising rural water, energy, and broadband projects, reduce barriers to investment, and connect projects with investors. The new center will also improve access to USDA credit programs.
	Integrating PPPs into current Administration permitting reform efforts.	The Build America Investment Initiative's (BAII) Interagency Infrastructure Finance Working Group (WG) recommends leveraging the work the Administration is already doing in this area (see above) to better integrate PPPs, such as developing guidance to help standardize processes for early input into the environmental review and permitting process, including by investors.
	Standardizing the approach to PPP contracts could make arrangements more accessible for both project sponsors and investors	While PPP transactions will always require some degree of asset-specific customization, a general template for structuring PPP contracts should reduce the cost and complexity of executing a PPP transaction. The WG recommends expanding the BATIC's work related to model PPP contracts to cover other payments structures for infrastructure modes including transit. The WG also recommends collaboration between agencies to develop parallel model PPP contracts for the water and wastewater sectors using the newly formed Water Finance Center.
	Disseminating information on	The Department of the Treasury recently released a report detailing new frameworks

Country	Strategic Action	Description
	alternative risk- and profit-sharing arrangement for infrastructure PPPs	for PPP design in the hopes of attracting more private investment to infrastructure. By expanding the options for sponsors and investors to consider in PPP negotiations, the risk- and profit-sharing approaches discussed in the paper have the potential to increase the number of PPP deals and improve the odds of the projects' long-term success.
	Providing support to state and local government surface transportation project sponsors for collaborating with the private sector	The WG recommends the following: developing model PPP contract guides and conducting outreach and training activities geared to policymakers and legislative and executive staff; encouraging the use of PPP screening tools developed by DOT to foster the early consideration of PPPs in the transportation infrastructure planning process; partnering with the National Governors Association and the National Conference of State Legislators to better assist states with limited or no PPP authority.
	Encouraging the consideration of PPPs as an alternative to conventional procurement for port infrastructure	Under the Maritime Administration's (MARAD) new StrongPorts program, DOT is developing tools and initiatives helpful to port authorities that are pursuing modernization projects, including those interested in PPPs. The WG recommends exploring the potential benefits of increasing MARAD's capacity to provide technical assistance through the StrongPorts team to help ports identify and secure appropriate funding resources; partner with key stakeholders; integrate port planning with state and local planning and financing mechanisms; and help form PPPs where appropriate, to meet future modernization and expansion needs.
	Encouraging the consideration of PPPs as an alternative to conventional procurement for water infrastructure	The WG recommends exploring opportunities to encourage private investment in federally built water infrastructure.
7.2 Addressing legal & regulatory environment		
Australia	Alignment of priorities at all levels of government	The Council of Australian Governments (COAG) is the peak intergovernmental forum which seeks to promote policy reforms of national significance or those which require coordinated action across governments. Strategic plans are often agreed through COAG or its subordinate bodies, with each jurisdiction adopting its own tailored approach to implementation. This way, jurisdictional planning processes take into account agreed national policy directions.

Country	Strategic Action	Description
Canada	Enhancing existing infrastructure support	Canada will seek to make the New Building Canada Plan more focused and transparent, including by providing clearer project criteria, along with faster approval processes. The Federal Government will also work with provinces, territories and municipalities to ensure funding is committed to projects.
India	Stable and consistent regulation	See 3.1 and 4.1.2
Italy	Procurement Code	The Government is committed to reform the procurement code by 2015, in order to make the regulatory framework clear, stable and transparent, so as to involve the private sector and the stakeholders and avoid illegal behaviors and corruption.
Korea	Strengthening PPP capacity building	In order to strengthen the expertise of government official, the Korean government will carry out customized education by external experts. It will reallocate more experts of the KDI to reinforce PIMAC function. If necessary, it will set up new organizations or recruit more talents.
Mexico	Develop new vehicles to foster institutional investors' participation in infrastructure financing	The Mexican Federal Government is encouraging a reform of capital market regulation, regarding the participation of institutional investors in infrastructure, in order to: i. Improve incentives for investment portfolio management, leading to better investments and more efficient asset managers. ii. Simplify the regulatory framework for infrastructure vehicles, making more flexible instruments. iii. Extend the range of institutional investors that can invest in these vehicles. In addition, Master Limited Partnership (MLP) are being analyzed to see if a similar structure could be introduced in Mexico.
Saudi Arabia	Simplification of litigation proceedings	Accelerating enhancement and simplification of litigation proceedings and improving commercial disputes and bankruptcy settlement mechanisms.
	Simplifying procedures for investors	Continuing with the development of the domestic investment environment and simplifying procedures for investors who observe resolutions along with boosting efforts to curb on concealment acts.
Spain	Actions to increase the efficiency in provision	Law on the Railway Sector includes measures to increase the use of rail infrastructures and improve the competitiveness of rail freight.

Country	Strategic Action	Description
		Law on Road Infrastructures promotes a better use of available resources. Law on Public Administration and Common Administrative Procedure will contribute to reduce administrative burdens particularly those that most affect productive activity and includes the elaboration of an impact analysis of the new legislation on market unity. Advisory council for the analysis of major infrastructure projects. The new Roads Act and the new Railways Act confer competences to this Advisory Council in their respective fields in this respect. New framework for airport regulation and supervision.
Turkey	Priority Transformation Programs	"The Rationalization of Public Expenditures" priority program includes a set of actions on PPPs including the establishment of a monitoring system and a framework law.
United States	Reauthorizing surface transportation funding at $478 billion over six years.	This would constitute the majority of federal infrastructure spending over that time period and be directed at highways, bridges, and intercity and transit rail. The reauthorization would also permanently authorize the TIGER (Transportation Investment Generating Economic Recovery) discretionary grant program, a competitive funding structure run by DOT. Project sponsors at the local and state level apply for funding through the program, which focuses on recipients (i.e. not state DOTs receiving formula-based funding or transit agencies) and projects (multi-modal and/or multi-jurisdictional; also sector-specific, e.g. ports and freight rail) that are usually not eligible for traditional DOT funding programs. In addition, the reauthorization would advance the President's Climate Action Plan by building more resilient infrastructure and reducing transportation emissions.
	Establishing a new Interagency Infrastructure Permitting Improvement Center (IIPIC) housed at DOT.	The IIPIC would be staffed by experts, whose efforts would be devoted to the evaluation of the effectiveness of implemented reforms to the infrastructure permitting and review process at the federal level and also to the identification of additional reforms. The IIPIC would also serve as a clearinghouse for the sharing of best practices in permitting and reviewing across agencies, e.g. switching from consecutive reviews across several agencies to synchronized, simultaneous reviews in order to shorten project timelines.
	Permanently creating the	AFFBs would be an alternative to tax-exempt bonds, allowing state and local

Country	Strategic Action	Description
	America Fast Forward Bonds (AFFB) program.	governments to government, which would not be subject to sequestration. Taxable bonds would attract issue taxable bonds and receive a subsidy directly from the federal capital from pension funds and foreign investors, which receive a lower yield from holding tax-exempt bonds but no tax savings. Treasury research suggests that state and local government borrowing costs, including the subsidy, are lower from issuing taxable vs. tax-exempt bonds. The 28 percent subsidy is estimated to be revenue-neutral relative to budgetary cost of tax-exempt bonds.
	Policy changes affecting qualified Private Activity Bonds (PABs).	PABs are tax-exempt bonds issued by a state of local government, the proceeds of which are used for a defined qualified purpose by an entity other than the government issuing the bonds. PABs can be used to finance qualified highway or surface freight transportation facilities, and the Secretary of Transportation is authorized to allocate up to a limit of $15 billion of issuance authority annually for PABs for these facilities. The FY 2016 Budget request proposes increasing the aggregate limit for issuance authority from $15 billion to $19 billion. PABs can also be used issued for public educational facilities, and the FY 2016 Budget proposes modifying ownership requirements in the law to facilitate the applications of PABs for financing this type of social infrastructure.
	Exempting foreign pension funds from application of the Foreign Investment in Real Property Tax Act (FIRPTA).	This reform would remove a difference in tax treatment between U.S.-based and foreign pension funds. Under current law, any gain from the sale of real assets (e.g. infrastructure capital) by a foreign pension fund is subject to U.S. tax. The same gain to a U.S.-based pension fund is untaxed. Exemption from FIRPTA removes an impediment to foreign pension funds holding U.S. infrastructure assets, thus expanding the pool of possible investors.
	Expanding access to infrastructure project predevelopment funding for state and local government project sponsors.	While the costs associated with predevelopment e.g., economic impact analyses, regional planning studies, and preliminary engineering and environmental impact assessments represent a relatively small portion (generally less than 10 percent) of overall project cost, the lack of funding for these activities is often a significant obstacle to project development in public sector-dominated infrastructure areas. The Build America Investment Initiative’s (BAII) Interagency Infrastructure Finance Working Group (WG) recommends identifying opportunities to connect projects that receive predevelopment funding with complementary federal resources (e.g. assistance

Country	Strategic Action	Description
		from the Build America Transportation Investment Center - BATIC), exploring whether and how to expand predevelopment funding support to cover associated costs (e.g. community engagement in the planning process), and better understanding the role the private sector can play in supporting predevelopment.
	Convening pension funds and other institutional investors to better understand the composition of current market activity.	Pension funds and other large institutional investors have risk-return preferences and investment horizons that are often well-suited to infrastructure assets, and they represent a significant source of potential funding for domestic infrastructure projects. The WG recommends engaging with institutional investors in order to capitalize on and share the experience of investors already active in the market, and to better understand how their practices can be publicized and replicated by other investors.
	Increasing broadband deployment and adoption in underserved communities.	The WG recommends that the National Telecommunications and Information Administration (NTIA) document best practices for broadband deployment, convene community broadband stakeholders at all levels, and provide technical assistance to communities seeking to improve their broadband capacity. The WG also recommends that the Administration establish an interagency federal broadband working group to further this effort.
7.3 Sustainable and clean energy - Promoting "green" investment		
Australia	Investment support to promote emissions reduction	Australia supports investment in new renewable electricity generation capacity and energy efficiency of business. The Emissions Reduction Fund (ERF) provides a financial incentive for private sector investment in new technology to improve the energy efficiency of business. The Government has committed A$2.55 billion to the ERF. The Renewable Energy Target (RET) encourages investment by creating a market for additional renewable electricity that supports investment in new renewable generation capacity. The RET consists of the Large-scale Renewable Energy Target which supports investment in renewable energy power stations and the small-scale Renewable Energy Scheme which encourages household take up of renewable energy
France	Energy transition	The bill about energy transition to support green growth sets several objectives for long and medium term: reduce greenhouse gas emissions of 40% in 2030 and of 75% in 2050 compared to 1990, reduce fossil fuel consumption of 30% in 2030 compared to 2012, reduce final energy consumption of 20% in 2030 and of 50% in 2050

Country	Strategic Action	Description
		compared to 2012, decrease nuclear share to 50% of electricity production in 2025, increase renewable share in final energy consumption to 23% in 2020 and 32% in 2030, build 7 millions of charging points for electric vehicles in 2030. Successful achievement of those objectives will require a substantial amount of additional investment. A wide range of instruments already exist or will be set to support those investments. Carbon taxes (European Trading Scheme (ETS) for some sectors and climate energy contribution, set to 22 €/tCO2eq in 2016, for non ETS-sectors) give a long term signal to investors and encourage investments in energy efficiency and low-emitting technologies. The energy saving certificates system is another economically efficient way to incite electricity suppliers to invest in energy efficiency in agriculture, residential and tertiary building, industry, networks and transport. Support mechanisms for renewable energies and an energy transition fund of €1.5bn will also be created to subsidy other investments, including those aiming at the development of positive energy territories.
Germany	Energiewende/energy reforms	To improve the framework in which investment and innovation can take place, the energy reforms, oriented equally to the objectives of climate and environmental compatibility, security of supply and economic viability, will be continued. To achieve the goals of Germany's *Energiewende* (as the energy reforms are known), private investment in energy efficiency, renewable energy, grids, and energy storage technologies is needed.
India	Sustainable and clean energy	Various initiatives have been taken and continued. In Union Budget 2015-16, The Ministry of New Renewable Energy has revised its target of renewable energy capacity to 1,75,000 MW till 2022, comprising 100,000 MW Solar, 60,000 MW Wind, 10,000 MW Biomass and 5000 MW Small Hydro. Ministry of New & Renewable Energy has initiated an exercise to track the evolving renewable power regulatory framework and develop a repository of information in a consolidated manner. Further details can be found at http://mnre.gov.in/information/renewable-energy-regulatory-framework/
Italy	Green Act	In the context of the Government's strategy to buttress investment and promote

Country	Strategic Action	Description
		financing to businesses, several measures have been adopted to promote private sector investment in clean energy and the green economy, including in renewable energy, industry, residential, transport and agriculture. The so called "Green Act, which is a key commitment of Italy's National Reform Program, accompanied by the strengthening of the role of environmental taxation, will allow to further involve the private sector to make additional steps towards a low-carbon economy.
Japan	Environment-friendly infrastructure	The government will promote environment-friendly infrastructure investment which reduces greenhouse gases and lowers burden to environment. Specifically, we will consider introduction of renewable energy power generation facility and LED lights in public facilities, and take measures to contain CO_2 emission of residents and buildings.
South Africa	Renewable energy independent power producer procurement (REIPPP) programme	South Africa has a high level of Renewable Energy potential and has in place a target of 10 000 GWh of Renewable Energy. It is planned 3 725 megawatts (MW) needs to be generated from Renewable Energy sources to ensure the continued uninterrupted supply of electricity in South Africa. This 3 725 MW is broadly in accordance with the capacity allocated to Renewable Energy generation in IRP 2010-2030. To date, 4322 Mega Watts have been procured in a period less than four years.
Spain	National Energy Efficiency Fund	It is co-financed by European funds and has an annual budget of 350 million euros. Its goal is to co-finance energy efficiency investments in the construction, transport, industry, services and agricultural sectors.
United Kingdom	Green Investment Bank	The Green Investment Bank (GIB) is the world's first investment bank dedicated to accelerating the transition to a green economy. With allocated funding of £3.8bn, the GIB is providing debt and equity finance solutions to innovative, environmentally friendly sectors where there is currently a lack of sufficient support from private markets.
8. Project Spectrum: Project Planning, Prioritization and Process Development		
8.1 Project identification and prioritization		
8.1.1 Addressing bottlenecks and logistics problems / Lack of standardization		
Australia	Pipeline of projects, planning, appraisal and prioritization	The National Infrastructure Construction Schedule (NICS) enables Australian governments and industry to better plan their forward work and investment programs.

Country	Strategic Action	Description
		Infrastructure Australia has been tasked to undertake five yearly evidence based audits of Australia's infrastructure asset base (the inaugural audit was published in May 2015), and to develop a 15-year Infrastructure Plan. In the case of transport infrastructure, project proposals are identified and assessed using a framework set out in the National Guidelines for Transport System Management. Project proposals emerge from a strategic planning process that involves identifying goals, problems, and options, which are then assessed using detailed cost–benefit analysis. Work is continuing to further develop the project appraisal guidelines to ensure a nationally consistent approach to the use of cost-benefit analysis. To support long-term planning for major land transport infrastructure projects, state and territory governments are encouraged to preserve corridors and economic precincts from incompatible uses.
France	Creating a project pipeline	France is supportive of initiatives aiming at facilitating the identification of projects with a positive cost-benefit value. In this regard, the Government encourages the European Investment Plan initiated by the Juncker Commission, promotes the use of innovative financial instruments such as project bonds and has enhanced its framework for supervising public investment while supporting local communities' investment.
Japan	Extending life-span of infrastructure	With a view to maintain and improve the quality of infrastructure in Japan, the government formulated the Basic Plan for Life Extension of Infrastructure. This Basic Plan set out the direction to be taken and aims at establishing an infrastructure maintenance cycle, reducing and leveling total government expenditure for infrastructure, developing new technologies, and cultivating an infrastructure maintenance industry. In accordance with the Basic Plan, the central government is to provide technical know-how and assistance to local governments. And the central and local governments in charge of managing infrastructure are now formulating the Action Plans for Life Extension of Infrastructure.
Korea	Improving preliminary	The scope of study will be changed from more than KRW 50 billion of total

Country	Strategic Action	Description
	feasibility study	investment and KRW 30 billion of government investment to more than KRW 50 billion of total investment and KRW 30 billion of government
Mexico	Self-assessment of the complete project spectrum to identify bottlenecks in infrastructure development.	The Ministry of Finance will develop a self-assessment exercise of the complete project spectrum in order to identify bottlenecks in infrastructure development. This exercise will cover the following stages: i. Project identification and prioritization. ii. Project preparation. iii. Procurement and contract management. iv. Execution. v. Institutional investors' participation in infrastructure. This analysis will include the review of available information, interviews, consultations and meetings with the involved areas in the infrastructure sector; review of legal and institutional framework; and, analysis of international best practices. At the end of the self-assessment, the consulting company would implement pilot projects according to new methodologies.
8.1.2 Project planning / Developing a suitable pipeline		
Australia	Key freight routes (transport)	In November 2014, Australian transport ministers agreed to the publication of the first-ever maps of key freight routes. These maps provide a detailed picture of the road and rail routes joining Australia's nationally significant places for freight and provide a policy tool to inform strategic planning, as well as operational and investment decisions across the Australian freight network.
	Corridor protection (transport)	The Australian Government has committed to enhancing its existing Infrastructure Investment Programme to refocus state and territory planning efforts on priorities identified in Infrastructure Australia's 15-year Infrastructure Plan. This will support long-term planning for major land transport infrastructure projects, and encourage states and territories to preserve corridors and economic precincts from incompatible uses.
	Investment in Australia's agriculture	As part of the Agricultural Competitiveness White Paper which was released in July 2015, the Australian Government announced a A$500 million National Water

Country	Strategic Action	Description
		Infrastructure Development Fund for water infrastructure, including dams. This is in addition to the A$200 million recently announced for dams in northern Australia.
Brazil	The National Dredging Programme	The National Dredging Programme, launched in 2012 and, subsequently, included in the Logistics Investment Programme – Ports, envisages the dredging and the maintenance of the depths reached in the port access channels under long-term contracts with private companies. The main goal of the programme is to open the Brazilian ports for larger vessels with draft over 14 metres.
European Union	European Union Investment Plan	The existence of a stable, credible and transparent pipeline of economically viable projects is an important component of the EU Investment Plan. The Investment Plan is helping to identify the sectors and projects in which investment is critical for long-term growth and, notably, where investment requires public policy intervention to materialize. A priority of the Investment Plan will be to provide strengthened support to project development across the EU. This notably includes technical assistance for project structuring, the use of innovative financial instruments at national and European level, and the use of public-private partnerships. To this end, a one-stop-shop will be established for all questions regarding technical assistance. This will take the form of an investment advisory "Hub" with three audiences in mind: project promoters, investors and public managing authorities. One of the major goals of this facility will be to provide targeted support taking into account the specificities and needs of Member States with less advanced financial markets.
India	Project identification and prioritisation	Institutional mechanisms and governance frameworks have been formed for infrastructure project identification, procurement and monitoring committees, legal and regulatory frameworks. All stake-holders, including potential investors, developers, contractors, are involved in robust consultations before bid documents are prepared.
Indonesia	Committee for the Acceleration of Priority Infrastructure Provision (KPPIP)	The KPPIP has function to accelerate priority infrastructure projects by providing effective coordination, facilitation, and debottlenecking. KPPIP is chaired by The Coordinating Minister for Economic Affairs, The Minister of Finance, The Minister of National Development Planning/Head of National Development Planning Agency (Bappenas), and The Head of National Land Agency (BPN) as permanent members. KPPIP also has ad hoc member, which is minister or government agencies who deal

Country	Strategic Action	Description
		with infrastructure that being planned. The tasks of KPPIP includes setting up strategies and policies in order to accelerate priority infrastructure provision, monitoring and controlling the implementation of these strategies and policies, and facilitating capacity building of apparatuses and institutional matters. In determining priority infrastructures, KPPIP identifies priority infrastructures by receiving suggestions from ministers, heads of agencies, heads of regions, leaders of state owned enterprises, or leaders of local government owned enterprises. Subsequently, KPPIP assigns party or person as program responsible for each priority infrastructure. In 2015, the Committee already defines 22 projects as priority infrastructure that will be financed through three schemes such as government budget, SOE assignment and PPP scheme.
Italy	Strategic planning	The Economic and Financial Document, the Government's main strategic document, includes a specific and detailed annex on infrastructure investment, which states the commitment of the Government to issue in 2015 the Multi-Year Planning Document (DPP), as the strategic tool to coordinate investment programs and includes the updated pipeline of strategic infrastructure projects.
Korea	Converting into the PPP projects during the preliminary feasibility study	If infrastructure projects funded by the government are estimated to be financed by private sector at the feasibility study, the Korean government will convert them into PPP projects.
South Africa	National Development Plan	The National Development Plan outlines government's objectives around the roll out of large infrastructure projects, setting targets and priority sectors for the country in the medium to long term. The NDP is developed in consultation with relevant industry stakeholders. The Plan serves as a strategic guidance, around which government departments and entities that roll out capital projects align their projects.
United Kingdom	The European Fund for Strategic Infrastructure	The infrastructure pipeline has enabled the UK to be on the front foot in proposing up to £60bn of investment that could be eligible for support from the recently proposed €315bn EU Investment Plan.
	UK insurance growth action plan	The insurance growth action plan includes a commitment by UK insurers to work in conjunction with partners with the aim of delivering at least £25 billion of investment in UK infrastructure, including but not restricted to projects in the published

Country	Strategic Action	Description
		Infrastructure Pipeline, over the next 5 years.
8.2 Project preparation / Execution / Procurement and contract management		
8.2.1 Need for coordination		
India	Project preparation/execution	Each sectoral Ministry is entrusted with the task of formulating and administering, in consultation with other Central Ministries/Departments, State Governments/UT Administrations, organisations and individuals, policies for each sector with a view to increasing the mobility and efficiency of the that particular in the country. For e.g. Ministry of Road, Transportation and Highways has two wings: Roads wing and Transport wing. Details are available at http://morth.nic.in/.
	Procurement and contract management	National Highways Authority of India (NHAI) is a nodal agency of MORTH which is responsible for the implementation and monitoring of National Highways Development Projects (NHDP). Contracts are executed by the Project Implementation Units(PIUs) of National Highways Authority of India
Indonesia	Directorate of Government Support and Infrastructure Financing	Ministry of Finance has established a unit, namely Directorate of Government Support and Infrastructure Financing, early 2015. The unit works closely with other stakeholders such as KPPIP to develop a pipeline of bankable infrastructure projects under PPP scheme. It will develop regulatory framework for PPP scheme by harmonizing existing regulations and formulating policies in order to increase private investor involvement. The unit will also manage and provide facilities required in order to make the PPP projects become viable, bankable and attractive for private sectors. These facilities may include project preparation, viability gap funding, sovereign guarantee for risk, and financing structure through availability payment. Currently, 9 projects are being handled in various stages from reparation to transaction. The projects are mostly in energy, water, and transportation/connectivity areas.
Italy	Coordination effort	Legislative measures taken in 2011 pose the basis for harmonized planning and effective coordination of public investment across all public administration. Each Ministry elaborates a multi-annual (three-year) planning Document, including all investment plans and programs in its field, with ex-ante analysis of infrastructural needs, describing methodological issues and prioritizing results and setting criteria for

Country	Strategic Action	Description
		ex-post evaluation of interventions. The Document is transmitted to the Inter-Ministerial Committee for Economic Planning/CIPE, which is the main body responsible for the coordination and horizontal integration of national policies and is supported by the Department for the Planning and Coordination of Economic Policy (DIPE), established within the Presidency of Council of Ministers. Building on these steps, the Government is considering strengthening the governance of public investment with regard to the involvement of the private sector, including through the establishment of a specialized unit to assess the bankability of sizeable projects, define standards, contract models and public tenders and improve PPPs capability.
South Africa	Office of the Chief Procurement Officer	South Africa identified procurement as an important capacity. Hence in 2013 the Minister of Finance established the Office of the Chief Procurement Officer to: manage and maintain the regulatory environment relevant to government procurement practices; effectively manage government transversal contracts so that cost savings and socio-economic objectives are achieved; oversee and monitor government sector procurement practices to ensure compliance with the regulatory framework; provide advisory services and to implement initiative that will improve the capability of government procurement practitioners; research, develop and implement strategic procurement practices so that cost savings and socio-economic objectives are achieved.
8.2.2 Timeline for project approval		
Australia	Project Evaluation and Assessment	To support the infrastructure investment programme by developing a framework for procurement and cost benchmarking to reduce costs and improve the timeframe for delivery of projects. Australia has commenced development of formal data collection mechanisms to benchmark the performance of infrastructure procurement processes, and the cost of infrastructure procurement for publicly-funded major infrastructure projects in Australia. Procurement process benchmarking work is measuring the timeliness and quality of outcomes of procurement processes. The cost benchmarking work is aiming to provide information about the typical cost range for key elements of transport infrastructure projects. The development of procurement performance benchmarks is reasonably well advanced. Cost benchmarking measures are at an early stage of development.

Country	Strategic Action	Description
Brazil	The Regional Aviation Plan and Airport Infrastructure	The Regional Aviation Plan, introduced in December 2012 as a part of the Logistics Investment Programme – Airports, envisages the investment of BRL 7.3bn in the construction, expansion and renovation of 270 regional airports with the goal to promote the use of domestic air transportation in the country. In July 2014, the Government also unveiled its plan to subsidise the price of airline tickets in regional flights. The subsidy should lower the ticket prices by 10-25%. In August 2014, the Government approved, as well, the rules for auctioning of regional airports, under which the States and the Municipalities will have several advantages in the bidding process. However, Municipalities could only bid for the management of regional airports, provided they have sufficient capacity to operate and maintain the airport infrastructure and their annual GDP exceed BRL 1 bn.
France	Cost-Benefit Analysis (CBA) method used	One of the main indicators used is the socio-economic net present value (NPV), which takes into consideration, beyond investment and operating and maintenance costs, several non-monetary effects generated by the project, assigning shadow prices to them. For the evaluation of transport projects, it includes namely travel time gains, changes in accident risks, costs of mobilizing public money and environmental effects such as the impact of pollutant emissions on air quality, noise pollution and greenhouse gas emissions. In particular, carbon emissions are thus duly valued in the socio-economic calculation, ensuring that the long-term investments contribute effectively to the transition to a low-carbon economy. The cost attributed to public money (due to distortionary taxes) also contributes significantly to identify the best way to finance a project, balancing the pros and cons of mobilizing either the taxpayer or the consumer. The methodology as well as the reference values used for the evaluation are updated on a regular basis. The last report, called "Socio-economic evaluation for public investments", has been elaborated by a working group of experts presided by Emile Quinet, and released in September 2013. For example, in the current socio-economic framework, carbon value is 32 €/tCO2 in 2010, increasing progressively to 100 €/tCO2 in 2030.
Korea	Project implementation	The Korean government plans to introduce "Competitive Dialogue Procedure" to reduce the duration of time consumed for project implementation by undertaking

Country	Strategic Action	Description
		assessment and negotiation at the same time.
	Promoting the proposal on PPP projects	When the Korean government selects implementation institution for PPP project, it gives additional score to the first proposer. It will increase additional score from 1% to 2% or 3% of total score. It will simplify documents for submission to ease the burdens of proposal by the private sector. It has provided reimbursement to the companies not selected, and will raise it from 40% to 50% of the expenses for proposing a project.
Mexico	Optimize infrastructure development processes and develop new methodologies.	Considering the diagnosis of the above mentioned self-assessment exercise, the Federal Government will develop new methodologies according to the best international practices, adapted to domestic legal and institutional framework.
9. Addressing Data Gaps		
9.1 Project availability		
India	Project availability	https://infrastructureindia.gov.in/ http://www.pppinindia.com/
Mexico	Develop or upgrade local agencies to link investors with the projects of the National Infrastructure Program.	Currently some alternatives are being analyzed in order to develop or upgrade local agencies to link investors with the projects of the National Infrastructure Program. An infrastructure investors' relation platform could be developed with the following responsibilities: i. Consolidate a pipeline of greenfield and brownfield projects. ii. Provide information to local and international institutional investors regarding: sectors, regulatory framework, available financing vehicles (capital, debt, and mezzanine). iii. Promote brownfield projects available for sale or refinance.
United States	Reducing information barriers to accelerate investment in resilient energy infrastructure.	The WG recommends the following: establishing an information portal maintained at the Department of Energy to provide data, tools, and best practices to support investment in resilient electricity generation; improving electricity sector data availability and standardization; developing analytical tools to evaluate the potential impacts of climate change in the assessment of electricity sector investments; developing analytical tools to quantify the value of investments in resilience; establishing a resiliency course for state and local stakeholders on best practices for robust decision-making related to new infrastructure.

Country	Strategic Action	Description
9.2 Sharing project information		
India	Sharing project information	Sectoral (Road) Reports available at http://www.nhai.org/mpreport.asp, etc
South Africa	South African Reserve Bank (SARB)	The South African Reserve Bank (SARB) collects data on South Africa's gross savings as a percentage of GDP (i.e., the national saving ratio). The performance of household savings, government savings and corporate savings are all recorded in both annual and quarterly formats. The SARB also collects data on South Africa's Balance of Payments (BoP). The performance of South Africa foreign investment is recorded in the financial account of the BoP on an annual and quarterly basis.
United States	Exploring the potential benefits of "bundling" infrastructure projects.	The scale of many individual infrastructure projects is too small for large institutional investors, creating a funding gap that disproportionately affects smaller, low income, and rural communities. Bundling individual projects – where a single consortium provides several small-scale PPP projects in order to reduce the length of the procurement process and transaction costs – may create opportunities that are more desirable to larger scale investors. The Build America Investment Initiative's (BAII) Interagency Infrastructure Finance Working Group (WG) recommends that USDA begins a broader dialogue with relevant federal agencies on structuring asset bundles and the consequences of transferring these bundled assets. The WG also recommends that relevant agencies highlight instances of successful bundling at the state level (e.g., the Connecticut Green Bank and the State of Hawaii).
	Broadening availability of infrastructure data.	The absence of an infrastructure return benchmark or index reduces the investment community's ability to evaluate PPPs. The WG recommends that the Department of the Treasury convenes financial data providers and infrastructure market participants to explore the possibility of developing a U.S.-centric infrastructure return index for one or more sectors.
10. Facilitating Financial Intermediation		
10.1 Movable collateral laws and registries		
Argentina	Movable collateral laws and registries	Argentina´s priorities is to support the SMEs through a number of measures channeled by tools that enable SMEs the access to financing, quality training, technical and economic assistance, support to entrepreneurship and strengthening of value chains.
Brazil	Competition and Small and	The Brazilian Federal Government competition reforms are aimed at new regulatory

Country	Strategic Action	Description
	Medium Enterprises	frameworks to reduce bureaucratic costs, to facilitate access of small and medium enterprises (SMEs) to capital markets and establish a new facility to provide funding for SMEs engaged in exporting.
China	Movable Property as collateral	Issuing the Measures for Chattel Mortgage Registration, and streamlining the mortgage and registration process for movable property. To improve the system using chattels as collaterals, China has enacted the Chattel Mortgage Registration Measures, in order to facilitate small and micro companies to access financing with chattels as collaterals.
India	Movable collateral laws and registries	Financing to this sector is of critical importance, particularly as it benefits the weakest sections of society. India has taken various measures to increase the financial architecture for this sector. The most important are: 1) Promotion of entrepreneurship and start-up Companies remains a challenge. While there have been some efforts to encourage, one principal limitation has been availability of startup capital by way of equity to be brought in by the promoters In order to create a conducive eco-system for the venture capital in the Micro, Small and Medium Enterprises Development (MSME) sector, the Annual Plan of 2014-15 proposed a USD 1.6 billion fund to act as a catalyst to attract private Capital by way of providing equity, quasi equity, soft loans and other risk capital for start-up companies. 2) The RBI has classified lending to MSMEs under Priority Sector Lending (PSL) norms. Further, to ease liquidity pressures faced by MSMEs, RBI opened the refinance tap of USD 833 million to Small Industries Development Bank of India (SIDBI) for direct as well as on-ward lending to MSMEs. 3) To address the issue of obsolete technology, The Government of India (GOI) has proposed to establish technology centre network to promote innovation, entrepreneurship and agro-industry, with a corpus of USD 33 million. 4) The definition of MSME will be reviewed to provide for a higher capital ceiling. A programme to facilitate forward and backward linkages with multiple value chain of manufacturing and service delivery will also be put in place. 5) A significant part of the working capital requirement of a MSME arises due to long receivables realization cycles. The Government is in the process of establishing an electronic Trade Receivables Discounting System (TReDS) financing of trade receivables of MSMEs, from corporate and other buyers, through multiple financiers. This should improve the

Country	Strategic Action	Description
		liquidity in the MSME sector significantly.
Spain	Modification and simplification of the regime of guarantees for bank credit.	SMEs will be able to use a higher range of collaterals, and the movable property register along with the legal regime of the pledge will be modernized, reducing the administrative costs for SMEs.
Turkey	Secured Transactions Law	In Turkey, most of the financial institutions require immovable property as collateral especially for SMEs to extend credits. Preparing an appropriate legal structure through which movable assets can be effectively used as collateral will significantly improve access to finance.
10.2 Insolvency regimes		
Argentina	Insolvency Regimes	To help firms facing issues of insolvency and to prevent them of entering into bankruptcy, the government of Argentina articulates between two initiatives: Experts in SMEs and the REPRO Program (Program of Productive Recuperation). The first one, provide SMEs with the knowledge of specialized experts who have a wide experience in the different areas that build up the correct functioning of a company. This objective is reached offering SMEs a totally free of charge diagnosis of their current situation carried out by top-level professionals and providing companies with an easy access to the implementation of an Improvement Plan that will receive a 50% subsidy. The second one gives each employee a fix amount of $2,000 for 12 months. Firms can have access to this benefit by proving they are under a stress situation and showing the next steps they are planning to take to recover.
India	Insolvency Regimes	• We are currently in a process of reviewing Bankruptcy statues and revamping provisions in relevant laws and acts. • https://www.rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=8163 • http://www.mca.gov.in/MinistryV2/companiesact.html • Corporate Debt Restructuring Schemes. Details at RBI's website • The Sick Industrial Companies (Special Provisions) Act, 1985. Details of Board for Industrial & Financial Reconstruction (BIFR) can be accessed at http://www.bifr.nic.in/
Italy	Faster and comprehensive restructurings	The Government has approved a decree-law with urgent measures to improve corporates access to credit by allowing faster and more comprehensive restructurings,

Country	Strategic Action	Description
		including measures to reform insolvency regimes; facilitate debt restructuring; increase the flexibility in the sale of assets; expand the possibilities for out-of-court settlements; facilitate interim financing; and, in particular, reform the tax treatment of write-offs by banks and insurance companies to shorten from five years to one the period over which losses are deductible.
	Service Company	The Italian Government is also promoting the creation of a "Service" company aimed to the re-capitalization, corporate restructuring and industrial consolidation of Italian companies in temporary capital and financial distress but characterized by a positive industrial and economic outlook.
Spain	Measures aimed at refinancing and restructuring corporate debt	They seek to foster pre-insolvency agreements and focus on the identification and the preservation of the value of those corporations that are truly viable but at the same time over-indebted. This will help to advance on the deleveraging process required because of the high level of debt of some Spanish non-financial corporations.
	Measures on the revamping of the Bankruptcy Law	Already passed and in force, it improves the features of insolvency agreements and facilitates the transmission of productive units and businesses as a going concern when liquidating a firm. Insolvency agreements are enhanced by introducing four creditor classes (labour, public, financial and others), setting new rules to quantify the value of guarantees and improving majority schemes.
	Second opportunity mechanism, the reduction of financial burden and other social measures	It reforms the Extrajudicial Settlement of Payments (ESP), introduced by Law 14/2013 on Entrepreneurship and Internationalization, and the so called second opportunity. Concerning the ESP, the main changes are: i) the extension of its subjective scope of application to natural persons, with or without economic activity, establishing a shorter procedure and declaring the civil jurisdiction as competent in the insolvency procedure in case the ESP in not reached or fails, ii) the reduction of requirements for the ESP, iii) the elimination of restrictions on the entrepreneurial activity once the ESP is initiated, iv) the regulation of insolvency mediators' remuneration and the incorporation of the Chambers of Commerce in insolvency mediation matters, v) majority rules are lessened and the content of the composition agreement broadened.
10.3 Asset based instruments - Need for alternatives to bank credit / suitable financial instruments		
China	Non-Banking Financing	China has set up and will improve the non-banking financing mechanism for medium

Country	Strategic Action	Description
	Mechanisms	and small-sized companies, China encourages them to obtain financing via issuing stocks, corporate bonds and asset-backed securities at the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the National Equities Exchange and Quotations for SMEs.
India	Asset based instruments	Monetization of infrastructure assets: a) Infrastructure Investment Trust- http://www.sebi.gov.in/cms/sebi_data/attachdocs/1411722495005.pdf b) Real Estate Investment Trust- http://www.sebi.gov.in/cms/sebi_data/attachdocs/1411722678653.pdf c) Infrastructure Debt Fund: NBFC- https://rbi.org.in/Scripts/NotificationUser.aspx?Id=6830&Mode=0 Mutual Funds- http://www.sebi.gov.in/cms/sebi_data/boardmeeting/1360917875498-a.pdf
Italy	Develop non-banking sources of financing	The government has adopted several measures in order to expand non-banking sources of debt financing, including the removal of legal and fiscal barriers to issue corporate bonds by unlisted companies (particularly SMEs), granting access to capital markets and enabling the solicitation of national and international institutional investors. In particular, the policy action has focused on providing an equal tax treatment to banking and non-banking sources of debt finance (deductibility of interest rates and other costs related to the placement of securities) and on the removal of administrative obstacles to direct lending by non-banking institutions: insurance companies, credit funds and securitization vehicles were allowed to provide direct lending to corporates. To offer SMEs a real opportunity to open a new channel for direct financing on capital markets, the sphere of action of the Central Guarantee Fund was extended to mini-bonds (and to funds subscribing them) and the procedures for new investment vehicles (SPVs, Credit funds) were reviewed. Another important action to improve the environment for access to finance is the opening at the Italian Stock Exchange of a trading platform (ExtraMOT PRO) for mini-bonds with simple, fast and low-cost admission procedures. In two years, this market has attracted the listing of a hundred bonds for a total value of around 5 billion euro.

Country	Strategic Action	Description
	Develop equity investment	The Government has pursued the goal of promoting the listing of companies and equity investment, particularly with respect to SMEs, also through regulatory measures, including by reducing the minimum regulatory share capital for joint-stock companies from 120 thousands to 50 thousands euro, by allowing SMEs with a turnover of up to 300 million euro or a capitalization lower than 500 million euro to decide flexibly the thresholds for mandatory public offerings within a range of 25/40 per cent, by raising from 2 to 5 per cent of the share capital the threshold for mandatory notifications to the market authority on qualified equity investment, and by granting double voting to stable (24 months) shareholders. To help enterprises achieve their growth targets Borsa Italiana created ELITE, a unique platform of integrated services. ELITE offers business the industrial, financial and organizational skills they need to address the challenges of international markets and to go public in the Milan stock exchange. The number of companies in the program is to over 200.
Japan	Facilitating financial intermediation	The government is working toward strengthening financial and capital markets to promote the provision of risk money to growing businesses including SMEs. A wider variety of financial products and a broader range of investors can stimulate private investment. In the context of SMEs, a bill was approved by the Diet which promotes the use of security based crowd-funding, aiming to provide risk money to new technologies and ideas. This new means of fundraising enables venture businesses to diversify their financing sources.
Korea	Expanding government support to SMEs	To support financial intermediation for SMEs, the Korean government will expand support in credit guarantee by KRW 1,5 trillion, trade insurance by KRW 0.5 trillion, and policy finance support for SMEs by KRW 0.4 trillion. It will provide more tariff reduction from 30% to 50% to SMEs procurement of automated manufacturing facilities. It is providing R&D tax credit to SMEs which are in early stage and will expand its carry over period from 5 years to 10 years.
Mexico	Implement the Youth Credit Program, which facilitates access to credit for entrepreneurs under the age of 30.	The Federal Government launched in February 2015 the Youth Credit Program, through which NAFIN will provide credits to entrepreneurs between 18 and 30 years old who want to start a business or expand the ones they have already. This program considers 4 products: i. Bank loan to start a business, from 3,300 USD to 10,000 USD.

Country	Strategic Action	Description
		ii. Bank loan to start a business, from 10,000 USD to 33,000 USD. iii. Bank loan to expand existing business, up to 20,000 USD. iv. Bank loan of up to 166,000 USD to expand businesses with at least one year of operation. The Program's information is available at the following link: (http://tuprimercredito.inadem.gob.mx/).
Spain	Measures to promote corporate financing	They aim at facilitating the access to banking credit for SMEs and to set the grounds so that direct funding can have a more important role in the medium term. In order to achieve this goal, a set of measures is foreseen: a specific legal regime for Financial Credit Establishments (Establecimientos financieros de crédito, EFC), revision of the legal framework of securitization, fostering the Alternative Stock Market by facilitating the transition from the Alternative Stock Market to the Stock Exchange, improvement on debt issuances and regulation on Crowdfunding
	Venture Capital	Venture capital SMEs have to invest at least 70% of their assets in SMEs and they are able to assess these SMEs as well as take part in their activity. Also administrative burdens that hurdle the creation of risk-capital vehicles are reduced.
Turkey	Creating New Financial Instruments	Turkey has introduced a new system to encourage angel investments in 2013. It aims to encourage angel investment as a new instrument for SMEs at their early stages, increase professionalism, make angel capital an institutionalized and trustworthy source of finance, and provide state supports.
United Kingdom	Funding for Lending Scheme	The FLS is designed to incentivize banks and building societies to boost their lending to the UK real economy. It does this by providing funding to banks and building societies for an extended period, with the quantity of funding provided linked to their net lending performance. The FLS allows participants to borrow UK Treasury Bills in exchange for eligible collateral, which consists of all collateral eligible in the Bank's Discount Window Facility. The FLS has contributed to a significant fall in bank funding costs and helped support an improvement in credit conditions for households and businesses.
10.4 Securitization		
France	Facilitating SME financing (debt and equity)	Several initiatives, including improving the schemes supporting venture capital and private equity and launching EnterNext, are being implemented in order to improve

Country	Strategic Action	Description
		mid-caps' access to equity markets. To this end, specific measures were announced last September: The framework governing pension funds' asset allocation will be reviewed – the revision could contribute to an extra €5bn being allocated to SME and mid-cap equity – and other similar reforms are under consideration, life insurance reform has now been fully implemented, and could increase funds dedicated to the financing of the economy by up to €200bn owing to the creation of new financial products. The Government intends to think up and implement several initiatives aimed at revitalizing mid-caps' access to debt markets, by providing a clear framework for continuing to support the development of private placement transactions between mid-caps and a small number of institutional investors (Euro PP), while enabling insurers to earmark more of their assets for loans to (unlisted) mid-caps (either directly if they show that they can manage this credit exposure or through dedicated funds). Regarding the former, a standardized framework (French Charter for Euro PP) had been set up in 2014. These works have continued over the recent period with the publication (in January, 2015) of standard contract allowing to facilitate the direct financing of mid-caps and large SMEs by institutional investors which was translated by a rather clear penetration on the market of the companies of smaller size. Regarding insurers, a measure has been adopted in 2015 through the so-called Macron law to grant them (and the asset managers that manage the loan funds in which they invest) access to the French Central Bank database that hosts a large set of corporate financial information. This measure will provide them with key materials to perform adequate credit-risk analysis and in the end facilitate the financing of large SMEs and mid-caps through these channels. In addition the Government is determined to ensure that the rule of law is effectively applied in intercompany (trade) credit, making it easier to control and levy fines on firms imposing excessively long payment terms on their suppliers. For SMEs, the total respect for the law would imply additional financial resource of the order of €14,9bn, these resources benefiting at present essentially in large companies and in public actors. The Government made reduction of the payment delay one of the axes of its policy aiming at improving SMEs' competitiveness.

Country	Strategic Action	Description
India	Securitisation	With a view to developing an orderly and healthy securitisation market and ensuring greater alignment of the interests of the originators and the investors, RBI have developed guidelines for securitisation transactions. More details available at https://rbi.org.in/scripts/NotificationUser.aspx?Id=7184&Mode=0
Spain	Alternative Fixed Income Securities Market (Mercado Alternativo de Renta Fija, MARF)	It was created at the end of 2013 as a platform where professional investors can acquire bonds issued by solvent medium-sized companies.
	Reform of the Covered Bonds Regime	A new Task Force will review aspects such as asset encumbrance and the transparency and liquidity of covered bonds issuances.
10.5 Banking sector competition - Addressing a lack of long term financing		
China	Banking Sector	Large banks are encouraged to make good use of the advantages of the institutions and networks and intensify efforts of building specialized institutions providing financial services to micro and small companies. China guides small and medium banks to combine improvement in financial services for micro and small companies with strategic transformation, make scientific adjustment to credit structure, and focus support for the development of micro and small companies and regional economy; and guides banking and financial institutions to innovate their products and services based on the operational characteristics and financing demand of micro and small companies.
France	Improve cash flow positions for SME and very small businesses	The control of inter business credit is essential for this kind of companies. French authorities took several measures to limit the payment periods, in particular for the public sector. Indeed, the maximum payment time of 30 days to all the command was generalized from 2013. The French government made a commitment to reduce its payment times in 20 days before 2017. The law of March 17th, 2014 relative to the consumption organized a dissuasive administrative penalty regime in case of failure to respect the payment times. The DGCCRF will realize during the year 2015 2 500 controls on the respect for the payment times, among which 70 on large companies. The penalties taken by the DGCCRF will be made public: this announcement will be systematic as soon as the

Country	Strategic Action	Description
		fine will exceed 75 000 € or will concern a large company. Public sector will also be covered by new measures in 2015, by pursuing the policy of advertising the government payment delays. The development of collateral financing, by allowing to facilitate the access to the credit for these companies, remains important for improving financing conditions. However, collateral financing is still not known or easily accessible for SMEs.
India	Banking sector competition	The Banking Laws (Amendment) Act 2012 strengthens the regulatory powers of the RBI and paves the way for grant of new bank licenses by the RBI. Further details at http://pib.nic.in/newsite/erelease.aspx?relid=91116
Indonesia	Digital Financial Service (DFS)	Bank Indonesia promotes Digital Financial Service (DFS) to lower cost of transaction. The DFS is a payment system service conducted by 3rd party and web basis media. Utilization of DFS is expected to expand financial access and facilitate secured and affordable transact ion payment. This program is promoted as part of move toward less cash society and is very relevant in particular for SMEs. The lower cost of transaction is expected to bring competitiveness to SMEs and help them to grow.
Italy	Reform of the banking system	Two key commitments have been taken to push for a structural evolution of the domestic banking system, made more pressing by the transition in Europe to the single banking supervision and the deterioration in the quality of Italian banks' loans caused by the severe recession. First, by mid-2016 the ten largest cooperative banks ("banche popolari", with assets of 8 billion euro or more) will transform into joint-stock companies, so to have increased access to capital markets and broaden the participation by domestic and foreign shareholders. Second, in close cooperation with the Bank of Italy and the European Commission, the Government will propose measures to cope with banks' non-performing loans. In this context, the Government has approved a decree-law with urgent measures to improve corporates access to credit by allowing faster and more comprehensive restructurings, including measures to reform insolvency regimes; facilitate debt restructuring; increase the flexibility in the sale of assets; expand the possibilities for out-of-court settlements; facilitate interim financing; and, in particular, reform the tax treatment of write-offs by banks and insurance companies to shorten from five years to one the period over which losses are deductible. This line of action is complemented by the agreement signed by the

Country	Strategic Action	Description
		Government and bank foundations (key shareholders of banks) to enhance the transparency and effectiveness of bank foundations' governance.
Korea	Expanding technology credit	The Korean Government established the Technology Credit Fund which provides loans without collateral. It will expand the amount of the fund from KRW 100 billion to KRW 325 billion. It will establish the Technology Value Assessment Investment Fund amounting to KRW 300 billion. It will be funded by public and private sectors.
	Expanding financial support to venture business	Strengthening financial support for SMEs by increasing trade insurance amounting to KRW 1 trillion and export factoring amounting to KRW 500 billion. Providing guarantees worth about KRW 1 trillion to a small scale businessman with preferential condition.
Turkey	Emerging Companies Market	With the recent regulations an Emerging Companies Market was established at the Borsa Istanbul where the shares of the SMEs are exclusively traded. Furthermore, Borsa İstanbul, has recently created a new trading platform through which SMEs are enabled to obtain pre-IPO funds from qualified investors and angel investors.
10.6 Tax incentives		
Australia	Tax Incentives	Taxation and regulatory compliance costs are particularly challenging for SMEs because outsourced expertise in this area comes with a high fixed cost. This means that untrained small business owners usually attempt to navigate the tax and regulatory environments themselves, and as a result, bear significant compliance costs. To ameliorate these regulatory costs and provide incentives for SMEs to pursue investment opportunities, Australia has introduced a number of specific policies (including tax cuts for SMEs and simplified depreciation rules). In relation to SME employment, the reform of taxation arrangements of Employee Share Schemes (ESS) provides generous incentives for new start-ups, thus encouraging them to grow and invest in new capacity. The changes are designed to make Australia's taxation of ESS more competitive by international standards, and allow innovative Australian firms to attract and retain high-quality employees.
Canada	Corporate tax relief for small	Canada has recently legislated a gradual reduction of the federal small business tax

Country	Strategic Action	Description
	businesses	rate from 11 per cent to 9 per cent by 2019, which will allow almost 700,000 small businesses to retain more earnings that can be used to reinvest and create jobs.
China	Tax Incentives	Temporary tax exemptions for SMEs (2014-2017), such as VAT, business tax, company tax and stamp duty. For micro and small companies investing in projects encouraged by the state and importing advanced equipment unable to be produced domestically for self-use, they shall be exempted from customs duties in accordance with relevant regulations.
Germany	Tax exemption of the Investment Grant for Venture Capital ("INVEST Zuschuss" introduced in 2013)	In this funding measure, private investors (e.g. business angels) are refunded 20% of their investment into young, innovative companies, provided they stay invested for at least three years. At the end of 2014, the "INVEST Zuschuss" has been retroactively exempted from taxation which makes this funding measure more attractive.
India	Tax incentives	The Central Board of Direct Taxes (CBDT) is a part of Department of Revenue in the Ministry of Finance. The CBDT provides inputs for policy and planning of direct taxes in India, and is also responsible for administration of direct tax laws through the IT Department. The CBDT is a statutory authority functioning under the Central Board of Revenue Act, 1963. More details at http://www.incometaxindia.gov.in/Pages/about-us/central-board-of-direct-taxation.aspx
Italy	Develop equity investment	A key measure is the Aid for Economic Growth (ACE) program, aimed at promoting equity investments, also linked to initial public offerings, which has been strengthened both in terms of beneficiary companies and with respect to the public incentive.
	Promote R&D	A key area within the Government's strategy is represented by research and development, which are very effective levers to boost the competitiveness of Italian companies. R&D is supported through the tax credit introduced by the 2015 Stability Law, which is managed through an extremely simplified mechanism. The tax credit, in force for the period 2015/2019, allows to support the hiring of highly qualified researchers and off –site research that is carried out in collaboration with universities, research centers and other companies. The tax credit is accompanied by a particularly favorable tax regime, for both SMEs and large national and multinational companies, on the income deriving from the exploitation of patents and trademarks and intellectual property ("Patent Box").

Country	Strategic Action	Description
	Support to innovative start-ups	Innovative SMEs, through a user-friendly on-line public register, can benefit for five years from tax incentives, including on seed and early stage investment, reduced fees and public guaranteed on bank loans; have the possibility to raise capital through equity crowdfunding portals; and, in case of non-EU nationality, can obtain an entrepreneurship visa within 30 days. To date more than 3,600 highly-innovative tech startups are registered (average weekly increase by 40) and more than 15,000 partners and employees (2,000 in the last quarter of 2014 only) are involved.
	Promoting investment in capital goods	A 15% tax credit on additional investment in machinery and capital goods above 10.000 euro has been introduced, for a budget allocation of around 1.2 billion, which could be increased if it is not sufficiently large compared to the requests by businesses.
Russia	Tax holidays for SMEs	The regions were given the right to reduce tax rates for SME, which use simplified and patent taxation schemes, up to 0% for two-year period. The tax exemption will apply to new SMEs engaged in manufacturing, services and research. The measure will cover the period from January1, 2015 to January 1, 2021.
South Africa	Income Tax Act	The Ministry of Finance has also introduced tax relief for small businesses through section 12E of the Income Tax Act. Section 12E was created specifically to encourage new business ventures to create jobs, and this encouragement comes in the form of reduced taxation for qualifying small businesses. Graduated tax rates and accelerated depreciation is offered to stimulate this sector.
Spain	Tax incentives	It has unified nominal tax rates and has eliminated deductions that had been mainly used by large companies, favoring an equalization of effective rates regardless of a company's size and mitigating disincentives to growth. The system of fiscal incentives for R&D&I has been modified in order to make it more attractive.
United Kingdom	Business rates	Following on from the £2.7 billion package of measures announced in December 2013, in December 2014 the government announced it would further reduce the burden of business rates by £1 billion to support businesses. The doubling of the Small Business Rate Relief was extended to April 2016, meaning around 385,000 of the smallest businesses will continue to receive 100 per cent relief from business rates, with around 190,000 benefiting from tapering relief. The government also announced an extension of the 2 per cent cap on the RPI increase in the business rates multiplier

Country	Strategic Action	Description
		to April 2016, and additional support for the retail sector by increasing the £1,000 business rates discount for shops, pubs, cafes and restaurants with a rateable value of £50,000 of below, to £1,500 in 2015-16, benefiting an estimate 300,000 properties.
	Employment Allowance increase	The Employment Allowance currently gives businesses and charities across the UK an annual reduction of up to £2000 on their Employer National Insurance contributions liability. To further support small businesses and charities with the costs of employment, the government will increase the employer National Insurance contributions Employment Allowance from £2000 to £3000 from April 2016. Since April 2014 over 1 million employers already claimed the allowance. This has reduced the cost of employment for businesses and charities across the UK by over £1 billion.
11. Mobilizing MDB Resources and Role of NDBs		
11.1 Role of National Development Banks - Addressing need for balance sheet repair		
Argentina	Banking sector competition	The National Bank of Argentina (BNA) and the Investment and Foreign Trade Bank (BICE), both public banks, have a predominant role in funding the private sector, especially SMEs. In this regard, the BNA has awarded 75% of the Bicentennial Productive Financing Program (which is further explained in the subsection on SMEs). The BICE, which provides medium- and long-term loans for production investment and foreign trade, has channeled 70% of its loans to less developed regions, where traditional funding is limited and difficulties faced by business sector are higher than in the more advanced regions. These banks will continue in the next years focusing its financing to sectors with limited access to credit by private banks or capital markets.
		The BICE grants medium and long-term loans with the goal of fostering production investment and foreign trade. In this line, there are several credit lines destined to SMEs; the line of investment financing of SMEs and Cooperatives which is destined to investment projects and purchase of new movable capital goods either subject to registration or not, within a framework which favors investments intended for different economic activities in the sector of goods production and service provision. The amount finance is up to eighty per cent (80%) of the total value of each project, excluding value added tax.
China	Role of National Development	China’s domestic development banks and policy banks cooperate with other banking

Country	Strategic Action	Description
	Banks	financial institutions in the form of re-lending, they have established a mutual beneficial and risk-sharing cooperation mechanism to guide resources to support the development of the medium and small-sized companies.
France	Establishing a public investment bank	Government intervention is required when there are financing market failures, for instance when private returns are less than social returns or when there are asymmetric information problems. France has therefore introduced targeted public schemes to address these identified market failures and unlock private financing.
India	Role of National Development Banks	See 6.3
Italy	CDP	The mission of the National Development Bank (Cassa Depositi e Prestiti) has been expanded, in order to finance, directly or through agreements with the banking sector, private companies, particularly SMEs, in Italy and abroad at market terms.
Korea	Introducing GAP model into Young Entrepreneur Fund	The Korean government established Young Entrepreneur Fund worth about KRW 100 billion (KRW 70 billion from public, KRW 30 billion from private). It plans to apply GAP Fund model which allocates loss to the public first but the benefit to the private first.
	Expanding Facility Investment Fund	The Korea Development Bank and Industrial Bank of Korea decided to raise a total of KRW 3 trillion for "Facility Investment Fund" to offer financing support for SMEs last August. It has provided financial support amounting of KRW 1.5 trillion to 1,340 projects.
Mexico	Strengthen the National Entrepreneur Fund, which provide grants and guarantees for SMEs financing	The Ministry of Economy developed the Entrepreneur National Fund in order to foster productivity and innovation in micro, small and medium enterprise. The National Entrepreneur Fund provides grants to financing micro, small, and medium enterprises, including for training programs, consulting services, quality certifications, product design, technology transfer, equipment acquisition among others. The amount of the grant could reach from 10% to 100% of the total cost of the project.
Russia	Support of SMEs through development of national guarantee	To promote investments for SMEs, in May 2014 a special joint-stock company Agency for Credit Guarantees was established in Russia. The Agency is engaged in providing counter-guarantees to regional credit guarantee organizations and direct guarantees to medium enterprises. The Agency is coordinating activity of all regional

Country	Strategic Action	Description
		credit guarantee organizations created under the state support for SMEs and collaborating with international organizations. According to the updated development strategy of the national guarantee SME support system, the total amount of guarantees and other risk enhancements by the Agency is expected to reach 281bn rubles ($5,282bn) by 2018.
	Support from SMEs Bank	SME Bank, subsidiary of Russian National Development Bank – Vnesheconombank is specially established to support SMEs. In 2015-2020 support will be provided using two tier mechanism: i) on-lending through the network of partner credit organizations, and ii) risk-sharing with borrowers. The amount of resources channeled to SMEs is expected to reach 125bn rubles ($ 2.349bn) in 2020.
Spain	ICO's Activities	ICO's activities in the field of SMEs can be summarized as follows: ICO's second-floor facilities offer enterprises and the self-employed financing schemes to enable them to undertake their investment projects and meet their liquidity needs. Fond ICO Global was launched aimed at promoting venture capital and private equity in Spain. Since its inception, it has reinvigorated the Spanish capital market. Fond-ICO Pyme supports SMEs in their expansion plans through participative loans and equity. Isabel La Católica Fund. It provides equity to business angels and other non-institutional investors for the financing of innovative companies in the form of co-investments.
Turkey	Public Credit Guarantee Scheme	Started in 2009, Public Credit Guarantee Scheme aims to support SMEs. Within the system, the Treasury committed to transfer funds up to TL 2 billion to Credit Guarantee Fund.
	Mobilizing NDB Resources	Turkish national development banks has laid out their strong ambition to support SMEs in renewable energy and energy efficiency, manufacturing industry, tourism, health and education sectors in their medium term strategic plans.
11.2 Technical assistance and experience sharing - Capacity building		
Argentina	Entrepreneurship	The Ministry of Industry, through the National Directorate Entrepreneur Support

Country	Strategic Action	Description
		Young promotes and encourages young entrepreneurs and businessmen, through three actions: specific training in business plan and digital tools related to social economy through programs Learning to Entrepreneur, and My PC mobile program; soft financing and technical assistance through programs such as Seed Capital and My PC program and link with consolidated companies as sponsor companies program. These tools focused on entrepreneurship and targeted at young allowed the Ministry of Industry, to place youth at the base of the transformation process faced by our country for a decade.
Brazil	International Trade for SMEs	The bulk of international trade remains concentrated in a relatively small number of large companies and one of our priorities is to increase the participation of SMEs. While this involves actions in many areas – improvements in the business environment, workforce training, innovation, infrastructure -, experience has shown that, in a large country, SMEs are reluctant to incorporate foreign trade as a central element of their business plans.
India	Technical assistance and experience sharing	Available on the respective websites
Indonesia	The micro credit program (Kredit Usaha Rakyat/KUR)	The micro credit program (Kredit Usaha Rakyat/KUR). KUR is a financing that provided by banks to feasible SMEs but not yet bankable. SMEs that are expected to access KUR are engaged in productive business sectors including agriculture, fishery, industry, and forestry. SMEs can directly access to the banks which have been appointed by government or can indirectly access through KUR micro finance institutions.
Korea	Expanding support to SMEs' export	The Korean government will expand loans for SMEs' export from KRW 25.5 trillion to KRW 26.5 trillion. The SMEs which have a lack of experience in exporting or high technology will be benefited from lower interest rate (maximum 0.5%p) of the loans. It will provide financing directly to local SMEs which implement ODA projects in their countries.
12. Enabling Appropriate Legal and Institutional Settings		
12.1 Product development		
Argentina	Micro- finance	In order to develop a net of micro finance, Argentina has established through the

Country	Strategic Action	Description
		Ministry of Economy and Public Finances, a public-private organization (FONCAP) that is committed to help micro finance institutions through financial and non-financial services such as technical assistance and training. The goal is to strengthen these institutions and improve the financial conditions that the entrepreneurs face.
	Enabling Appropriate Legal and Institutional Settings	The National Government has undertaken a number of programs, having in mind that one of the main challenges that SMEs have to face is the lack of suitable financing instruments. Programs related to overcoming these challenges are: the National Fund for the Development of micro, SMEs that lends at an interest below market rate. The program My SMEs (MiPyMEs) the Ministry of Industry assume part of the financial costs of the loans taken by SMEs to facilitate access and credit terms and conditions for SMEs. The Fund for financing the improvement of competitiveness of SMEs (FONCER) will finance investment projects and working capital. The Guarantee Fund for Small and Medium Enterprises (FOGAPYME) framed in the Law No. 25.300 aims at providing guarantees to back the ones provided by Mutual Guarantee Societies and also offer guarantees up to the 25%. Guarantees are a traditional way of improving access to finance for SMEs. The Central Bank will implement additional policies to spur investment by SMEs and less developed regions, with the aim of increasing funding for business investment and infrastructure projects. The significance of these alternative mechanisms to traditional intermediation is planned to keep increasing in the future. This involves two key credit programs: a) The Credit Line for Productive Investment, which requires financial institutions to allocate a percentage of their deposits to finance capital expenditures by SMEs, with a tenor of at least three years and a cap on interest rates at 19%. b)The Bicentennial Productive Financing Program, provides loans to the private sector for investment projects that have a positive impact on job creation and output through commercial banks at subsidized rates (funded by BCRA financing), of which around two thirds have been channeled to the industrial sector.
Australia	Peer-to-peer lending and crowd-sourced equity funding (CSEF)	New forms of innovative finance, such as peer-to-peer lending and crowd-sourced equity funding (CSEF), can increase the funding options available to SMEs. A peer-to-peer lending sector has been emerging under existing regulatory arrangements, and the Australian Government is currently developing legislation for a regulatory framework

Country	Strategic Action	Description
		that will reduce the compliance costs for small businesses seeking to raise funds through CSEF.
Canada	Kick-start investment in innovative firms	The Government of Canada will take steps to help innovative businesses to grow and create jobs. This includes: providing resources for a new Innovation Agenda that will: (1.) Strengthen the emerging national network for business innovation, including through clusters, incubators and accelerators, research facilities, financing, and other support for successful small companies wanting to grow and export, (2.) Enhance the Industrial Research Assistance Program, which has a proven track record of helping SMEs to innovate and become world leaders. The Government will monitor the progress of Canada's Venture Capital Action Plan as fund managers are making investments, increasing the availability of venture capital financing for innovative firms.
Germany	Expand SMEs Financing	In order to make possible large-scale financing of up to €40 million per expansion-stage company, Germany will, via its European Recovery Programme (ERP) special fund, set up together with the European Investment Fund (EIF) an expansion facility comprising €500 million, which will act as a co-investor providing expansion financing to firms.
India	Product development	For SMEs, the Government has enacted MSMED Act, 2006, in terms of which SME is defined an entity engaged in production of goods and rendering services, subject to limiting factor of investment in plant and machinery. In spite of this, there has been a steady growth registered in SMEs in the last six years Many micro and small business operate outside the formal sector and therefore the sector is dominated by unregistered enterprises that do not file business information with the relevant State Authorities. One of the major challenges to governments in designing institutional, organizational and regulatory frameworks is, therefore, to encourage entrepreneurs to engage in SMEs activity.
Italy	Access to Finance – Guarantee	In order to support SMEs access to finance public action aims both at responding to

Country	Strategic Action	Description
	Fund	the need to have access to bank loans by SMEs and at complementing traditional form of credit with alternative financing channels, encouraging a more direct link between savings and investments. A key instrument is represented by the Central Guarantee Fund for SMEs, which continues to be an effective tool for SMEs access to credit: last year over 85,000 applications were received for a guaranteed amount of over 8 billion euro. The Fund guarantees up to 80% of the loan for a maximum amount of 2.5 million euro. The Government commits by the fall of 2015 to review its model of credit and corporate evaluation, in order to better determine the portfolio risks and focus on the SMEs hardest hit.
	Access to Finance – Investment in capital goods	A key instrument, aimed at incentivizing investment in capital goods, was introduced in 2013 ("New Sabatini law”). It improves access to financing for micro, small and medium enterprises for the purchase of new machinery, plant and equipment, through funding accompanied by public support in the form of a contribution on interests, for a budget allocation of about 400 million euro. As of March 2015, about 4,000 companies has benefited from the measure, mobilizing over 1.3 billion euro of new investment. As the funding plafond of 2.5 billion euro granted through the National Development Bank (Cassa Depositi and Prestiti) was fully utilized, the Government has decided to raise it to 5 billion and to allow banks to use their own funds before the NDB’s intervention, in order to accelerate the availability of funds (banks loan may be supported, with priority access, by the Guarantee Fund).
	“Made in Italy” and FDI	To support “Made in Italy” in international markets and to attract foreign investment, the Italian Government has launched an Action Plan with specific targets to be reached by 2016 – increasing the export flows of goods and services by about EUR 50 billion; increasing the number of the Italian firms steadily exporting (around 45,000 at present) by about 20,000; generating EUR 20 billion in additional foreign investment – and concrete measures, including the strengthening of the Italian Trade Agency, supported by a budgetary line of 260 million euro.
Korea	Supporting small retailer	The Korean government will run a pilot program named ‘Capacity Jump-UP’. There will be consultation with small retailers facing management problems and then the government will provide package support including financing and training.
Mexico	Reduce informality through the	The Federal Government created the Growth Together Program through which

Country	Strategic Action	Description
	"Growth Together Program" (Programa Crezcamos Juntos), which benefits include tax exceptions, housing loans, inclusion to health and social security programs and financing for SMEs	different Government agencies linked their programs in order to foster formality. To be register in this program, enterprises must fulfil their obligations relating to the payment of taxes. The program provides different tax exceptions for the first ten years; a 50% discount in health and social security fees; and, housing loans and consumer credits for employees. Likewise, by registering in this program SMEs are able to access bank financing to increase its productive capacity.
Russia	Expansion of support for SMEs	Existing eligibility criteria for SMEs support are revenue based. This creates bias against dynamically growing enterprises. This will increase number of companies eligible for state and municipal support. The newly introduced measure addresses this issue by doubling revenue threshold and thus lengthening the eligibility period. This will increase number of companies eligible for state and municipal support. The new revenue thresholds are the following:• For microenterprises – 2.353 mln. USD (previously 1.176 mln. USD) • For small enterprises – 15.686 mln. USD (previously 7.843 mln. USD) • For medium enterprises – 39.215 mln. USD (previously – 19.608 mln. USD) Timeline for introduction of this measure is August, 2015.
Saudi Arabia	Simplification of litigation proceedings	Accelerate, enhance and simplify litigation proceedings and commercial disputes and bankruptcy settlement mechanisms.
South Africa	National Gazelles initiative	The National Gazelles initiative launched on 01 September 2015 is an SME support and development programme that aims to accelerate the competitiveness, growth and performance of chosen high potential SME's over the next 10 years. Every year 200 SME's will be selected through an open credible online process, the selection process will be done in partnership with credible stakeholder such as: EY, KPMG and Sizwe Ntsaluba Gobodo.
Spain	Other measures	Improvement of the functioning of the Mutual Guarantee Funds. At the same time, the "fit and proper" rules imposed on the members of the board of credit institutions are extended to the members of the board of mutual guarantee funds.
	Reducing Administrative Barriers	Their aim is to reduce administrative barriers in the creation of companies as well as improving the single stop shop system that provides services linked to the birth,

Country	Strategic Action	Description
		development and death of enterprises.
Turkey	Fostering Entrepreneurship and SME Development	SMEs' capacity for further integration to global markets is aimed by improving their R&D, innovation and export capacities. SMEs will be supported by structures help in forming clusters among themselves and with larger enterprises, universities and research centers.
United Kingdom	British Business Bank (BBB)	The British Business Bank, which become fully operational in 2014, aims to make finance markets work better for smaller businesses, by increasing and diversifying the supply of finance available to SMEs. The BBB aims to facilitate up to £10 billion of finance by 2019. Its programmes are already delivering significant results. The BBB is supporting £2.3 billion of finance to over 40,000 small businesses and is participating in a further £2.9 billion of finance to small mid-caps.
12.2 Non-bank SME financing settings		
12.2.1 Insufficient risk capital instruments and markets (includes venture capital)		
Canada	Capacity building and increasing access to financing for SMEs	In 2015, Export Development Canada (EDC) launched the following initiatives to further its support to SMEs including: (1.) The creation of an online self-service product that provides selective sales coverage primarily for small businesses, particularly at the very small end of the SME spectrum; (2.) The extension of EDC's risk appetite in specific areas to support SME business opportunities; and, (3.) The establishment of an SME mentoring program for high-growth businesses, which provides customized assistance for market expansion.
		In 2015, the Business Development Bank of Canada (BDC) is developing new initiatives: (1.) Address the unique needs of high-growth firms (companies with annualized growth of 20 per cent for three consecutive years) with ambitions to pursue growth through an acquisition-based strategy. BDC will increasingly make available quasi-equity solutions in the C$2 million to C$10 million range to such entrepreneurs; (2.) Help small and medium-sized enterprises improve productivity and sales by financing the development and application of information and communication technologies (ICT). BDC is committed to providing C$200 million per year in ICT loans and C$300 million in venture capital investments in ICT firms as part of Digital

Country	Strategic Action	Description
		Canada 150; and, (3.) Provide targeted support to women entrepreneurs by making available C$700 million over three years to finance women-owned businesses through the Action Plan for Women Entrepreneurs. BDC will also provide a national forum to bring together women entrepreneurs and provide them with the tools, networks and connections they need to reach their full growth potential.
China	Non-Banking Financing Mechanisms	Encouraging SMEs raise funds through direct financing channels such as equities, bonds and asset-backed securities. China has setup and will improve the non-banking financing mechanism for medium and small-sized companies, China encourages them to obtain financing via issuing stocks, corporate bonds and asset-backed securities at the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the National Equities Exchange and Quotations for SMEs. In 2015 January, the China Securities Regulatory Commission (CSRC) enacted the Administrative Measures on Issuance and Trading of Corporate Bonds, expanding the issuers of corporate bonds from listed companies to all companies, allowing qualified medium and small-sized companies to issue bonds not only by private placement, but also public offering.
Germany	KfW as an anchor investor	KfW intends to recommit itself as a fund investor (anchor investor) in the German venture capital market, with a programme volume of €400 million in the coming years. The investments are to go directly to private venture capital funds that invest in technology-oriented enterprises during their early and expansion stages.
Korea	Promoting to start and restart business	The Korean government will establish technology bank to facilitate transfer of technology from large firms to SMEs and start-up companies. Educational program for business (bizcool program) which has been provided to elementary, middle and high school students will be expanded. The youth who have brilliant idea or excellent technology will be selected as Youth Dream CEO.
Saudi Arabia	Encouraging establishment of joint venture capital companies	Organizing awareness campaigns, by relevant agencies in collaboration with chambers of commerce and industry, for businesspersons to acquaint them with the importance and advantages of venture capital companies. Enhancing the role of joint Saudi international committees in encouraging establishment of joint venture capital companies between Saudi businesspersons and

Country	Strategic Action	Description
		their counterparts in other countries, which succeeded in this field.
	Funds for investment in venture capital	Encouraging and supporting joint public and private initiatives to establish funds for investment in venture capital and promotion of such initiatives in the media such as the initiatives of Riyadh-Taqnia Fund.
	Promoting investment	Organizing symposia and meetings to promote investment opportunities available in the Kingdom in collaboration with the chambers of commerce and industry.
South Africa	Venture Capital Companies (VCC) tax incentive	The government promotes long-term investment by institutional investors through the Venture Capital Companies (VCC) tax incentive, which is similar to the Venture Capital Trusts (VCT) regime in the United Kingdom. Since its introduction in 2008, there has been limited take up of the incentive, with only 5 VCC's registered overall.
12.2.2 Addressing legal & regulatory environment		
Argentina	Federalization of programs to empower regional development	In line with this, the Ministry of Finance has launched the Program of Competitiveness of Regional Economies (PROCER). This program aims at fostering the productivity of value chains located in provinces outside Pampean region. It includes activities of institutional coordination, logistics for competitiveness and competitiveness of value chains.
China	Rule of Law and Public Governance	Issuing the Opinions on Supporting the Sound Development of Small and Micro-sized Enterprises in 2014
France	Increase labour demand of very small enterprises (VSEs) and small or medium entreprises (SMEs)	The "Tout pour l'emploi" plan includes measures aiming at eliminating obstacles and uncertainty surrounding hiring and the streamlining of procedures for VSEs and SMEs. Among these measures, there is (1) the temporary introduction of a hiring bonus for individual entrepreneurs hiring their first employee, (2) the flexibility increase of fixed-term contracts and the improvement of apprenticeship contracts (review the definition of trial period), (3) the freeze, over the 3 next years, of the social contribution and tax obligation related to the expansion of small businesses (up to 50 employees) into the next size class, and (4) the combat against fraud related to posted workers.
India	Non-bank SME financing settings	Small Industries Development Bank of India (SIDBI), set up on April 2, 1990 under an Act of Indian Parliament, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME)

Country	Strategic Action	Description
		sector and for Co-ordination of the functions of the institutions engaged in similar activities. The business domain of SIDBI consists of Micro, Small and Medium Enterprises (MSMEs), which contribute significantly to the national economy in terms of production, employment and exports. http://www.sidbi.com/
Italy	Integrate productions chains	A particular attention, given the structure of the Italian economy, is given to clusters, value chains and aggregation of companies, in order to overcome the limits linked to the small dimension of firms and to better integrate production chains. Support and regulatory measures for networks of SMEs has thus been developed since 2009. Network contracts are voluntary agreements that allow companies to carry out jointly some activities, such as purchasing, R&D and internationalization, while maintaining their legal subjectivity and autonomy. As of March 2015, 2,012 network contracts have been signed, involving 10,099 enterprises. Further support for 2015 in support of networks and consortia includes strengthening tax benefits and simplifying access to credit, incentivizing network contracts promoted by companies that are able to manage more complex projects and measures for the mobility of workers between partner companies.
Korea	Putting an end to unfair practices between large firms and SMEs	The competition authority will enhance reward system for whistle-blowing on unfair business conducts against sub-contractors including unfair discounts, usurping technology and unfair cancellation of purchase. The competition authority makes an overhaul on unfair business practices in distribution industry. The Government will conduct written investigation on business practices every year and announce results to the public. Further, standard lease contract form between distributor and tenant will be revised in 2014.The authority will overhaul unfair practices in franchise businesses by conducting on-site investigations. It will promote the use of standard franchise agreement provided by the government when making a contract between franchisors and franchisees.
Saudi Arabia	Simplify procedures of investors	Continuing with the development of the domestic investment environment and simplify procedures of investors who observe resolutions along with boosting efforts to curb concealment acts.
South Africa	Ministry of small business	The objective of the Ministry is to create a favorable environment for SMEs to thrive and to support the goals of the National Development Plan. To achieve this, the newly

Country	Strategic Action	Description
		established Ministry will focus its work addressing a number of issues including: lack of a favorable legal and regulatory environment; lack of access to markets and procurement; lack of access to finance and credit; low skills levels; Lack of access to information and, Shortage of effective supportive institutions.
Spain	The Financial System Reform	Boosts non-bank financing channels and diversifies financing sources for enterprises.
United Kingdom	Social Investment Tax Relief	The UK has a thriving social enterprise sector: social enterprise has three-times the start-up rate of mainstream SMEs. In July 2014, the government introduced Social Investment Tax Relief (SITR), responding to particular difficulties these organizations face in obtaining finance, and putting them on a more equal footing with other small businesses. The scheme allows investors to claim back 30% of the value of an eligible social investment against their income tax liability. In December 2014, the government announced that it would expand SITR, increasing the number of eligible investments and raising the amount of SITR investment an individual social enterprise may receive to £5 million per year up to a maximum of £15 million, subject to agreement by the EU that this is an allowable State aid.
12.3 Incentives to formality		
Argentina	Reducing informality	In this sense, in order to promote and protect formal employment, the Ministry of Labour, Employment and Social Security, counts with the new Law 26,940 which is the centerpiece of the strategy to fight informality and has as its main objective to significantly expand incentives in order to increase employment formalization by a combination of benefits for compliance and sanctions for those not complying with the law. This comprehensive plan also extends actions of the Ministry of Labour, Employment and Social Security to control working conditions and child labor at the national level, in coordination with the employment services of the local jurisdictions.
13. Addressing Data Gaps		
13.1 Information sharing (standardized data set)		
Australia	Monitoring SMEs’ access to finance	Australian Government authorities regularly monitor developments in SMEs’ access to financing. For example, the Reserve Bank of Australia (RBA) annually hosts a ‘Small Business Finance Advisory Panel’, and the RBA and Australian Treasury regularly speak with Australian banks about business financing conditions.

Country	Strategic Action	Description
China	SMEs Data: Establishing public information service platform for SME	China has set up a national SMEs information website and established a SMEs information-sharing mechanism. China will rely on the enterprise credit information disclosure system to establish a directory of micro and small companies. China facilitates one-stop credit information query for market entity via the CREDITCHINA website.
India	Information sharing (standardised data set)	https://infrastructureindia.gov.in/ http://pppinindia.com/ http://msme.gov.in/mob/home.aspx
	SME data gap dissemination	http://msme.gov.in/mob/home.aspx
Korea	Innovating SMEs support framework	The Korean government will give registered identification number to each policy based on competent and executive authorities, and industries. It plans to innovate in SMEs support framework by using integrated management system.
	Providing information on support policies to SMEs	The Korean government will use in various way such as online, mobile and single window to share information with SMEs.
	Sharing Information on Startups	The Korean government will establish a Market Information System, which measures and publicizes the level of market concentration by region and by sector. With these data, startup companies can recognize whether a market is over-crowed with these data.
Mexico	Generate credit information for SMEs	Taking into consideration the different NDBs' programs to support SMEs, including the Youth Credit Program. This information could be incorporated in credit bureaus.
South Africa	South African 'Credit Providers' Association	There is generally dearth of available information on which to base credit decisions. To address this a committee comprising of the South African 'Credit Providers' Association' (CPA), as a project leader and other industry players in credit provisioning, are currently working on establishing a small enterprise credit information service which is envisaged to collect, maintain and share credit information on SME's. This project is also still at its initial stage and no formal law or policy has been promulgated yet.
Spain	Measures to address data gaps and reduce international asymmetries	In order to guarantee that SMEs have enough time to find alternative sources of funding when their credit line is being cancelled or significantly reduced, credit institutions shall notify the SME three months in advance. SMEs are also entitled to

Country	Strategic Action	Description
		receive free of charge the “SME- credit information” when their credit line is being cancelled or significantly reduced, which includes the credit history of the SME.
United Kingdom	SME Credit Data	This year the government will lay final legislation requiring major UK banks both to share SME credit information with other lenders and to offer to share the details of SMEs rejected for a loan with online platforms that can match them to alternative finance providers.
	Employment Allowance increase	The Employment Allowance currently gives businesses and charities across the UK an annual reduction of up to £2000 on their Employer National Insurance contributions liability. To further support small businesses and charities with the costs of employment, the government will increase the employer National Insurance contributions Employment Allowance from £2000 to £3000 from April 2016. Since April 2014 over 1 million employers already claimed the allowance. This has reduced the cost of employment for businesses and charities across the UK by over £1 billion.

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