



# **Infrastructure Governance: What is it, and why is it important?**

***STRENGTHENING GOVERNANCE OF  
PUBLIC INFRASTRUCTURE***

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# What is Infrastructure Governance (IG)?

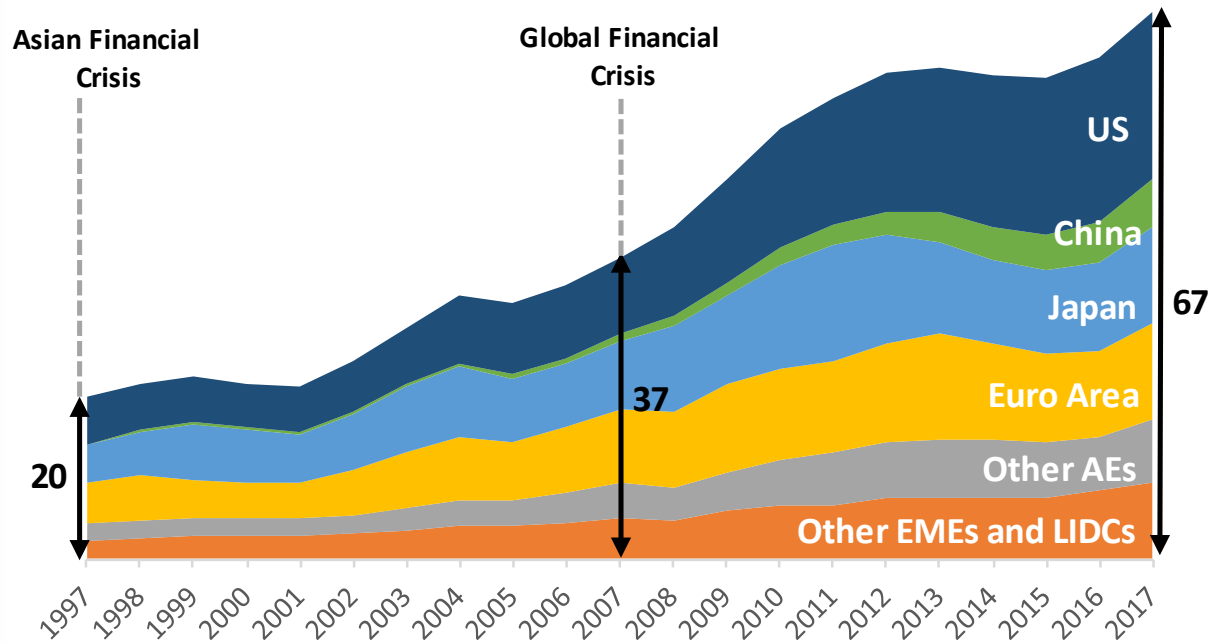
## Definition

- ◆ **Infrastructure governance covers institutions that govern decisions on planning, allocation and implementation of public investment**

# Why is Infrastructure Governance Important?

## IG is macro-critical...

- Global public debt has more than tripled in the past 20 years

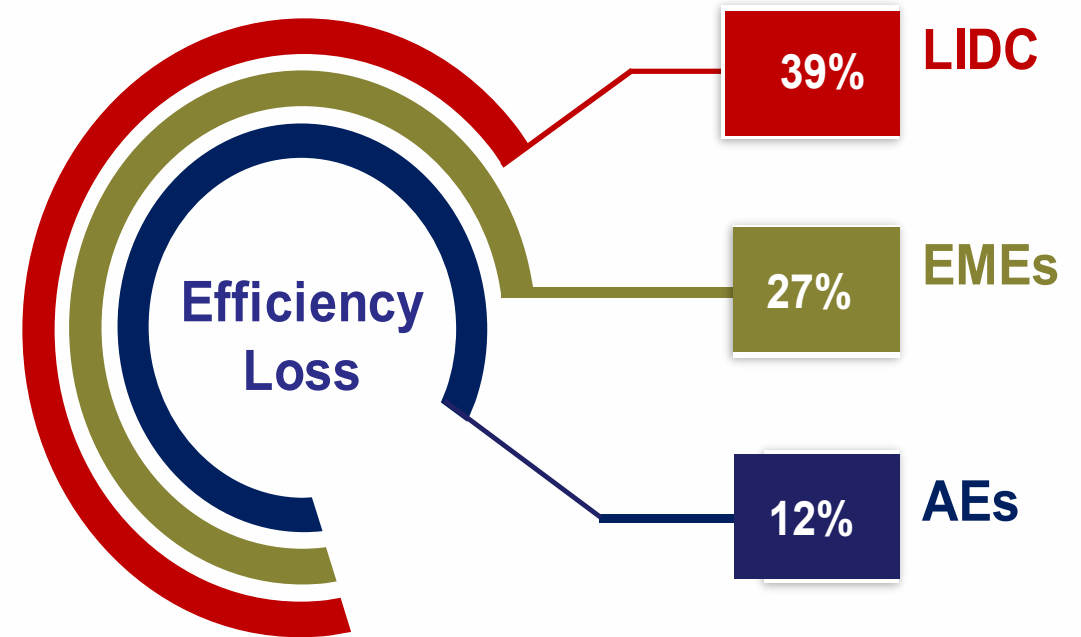


Source: IMF Global Debt Database (2018).

Gross public debt aims to cover all debt instruments owed by the nonfinancial public sector, general or central government, based on data availability. In some cases, coverage may be incomplete. SOE debt is included in cases where nonfinancial public sector debt data are available.

## ...and improving it is urgent!

- About 30% of public investment value is lost due to inefficiencies due to poor IG



Source: IMF 2015, "Making Public investment More Efficient"

<https://www.imf.org/external/np/pp/eng/2015/061115.pdf>

# What can be done?

**Spending more needs to go hand in hand with spending better**

## Comprehensive

- Macro-fiscal framework
- Investment planning
- Medium-term budgeting
- Project management



## Practical

- Concrete recommendations
- Tailored to country context
- Sequenced prioritized action plan



**PIMA**

## Accessible

- Effective summary charts
- Peer comparison
- Clear distinction among design, effectiveness and importance



## Facilitates coordination

- Catalyst for follow-up support
- Improve coordination among development partners to achieve results



# What can be done?

## Infrastructure risks should be assessed and managed



- PPPs entail potential benefits and risks for governments
- Governments can manage infrastructure risks through:
  - Good projects
  - Good institutions
  - Good laws
  - Good accounting and reporting
- All these results in good infrastructure governance!

# What can be done?

- **Good fiscal institutions are essential for supporting economic growth and fiscal sustainability**
- **Strengthening infrastructure governance will allow**
  - more efficient public investment with higher economic growth dividends
  - proper use of PPPs (incl. fiscal risk management)
  - meeting infrastructure spending needs within a sustainable budget envelopes
- **Sharing country experiences and promoting peer-learning is essential**
- **Infrastructure Governance European Regional network**



## European Regional Network



### Welcome to the European Infrastructure Governance Regional Network

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This site serves as the primary location for knowledge sharing of best practices in infrastructure governance. This regional network aims at enabling practitioners to share documents, data, methodologies and experiences to help strengthen the institutions of infrastructure governance and to catalyze economic growth both in their home countries and within their region.

### Latest Events:

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#### **Regional Network Kick-off**

Date: 2019-11-15  
Location: Slovenia

### Resources

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- [Making Public Investment More Efficient \(2015\)](#)
- [Public Investment Management – Review and Update \(2018\)](#)
- [PFRAM Brochure](#)
- [PFRAM 2.0 User Manual](#)