

The Asia-Pacific Infrastructure Partnership (APIP) *Promoting Public-Private Dialogues in Infrastructure Finance*

A Report to the 18th APEC Finance Ministers Meeting
10 November 2011
Honolulu, Hawaii, USA

This report has been prepared on behalf of the APEC Business Advisory Council (ABAC) and the Advisory Group on APEC Financial System Capacity Building, the joint convenors of the Asia-Pacific Infrastructure Partnership (APIP). For further information on this report, please contact the Advisory Group Coordinator, Dr. Julius Caesar Parreñas (c/o The Bank of Tokyo-Mitsubishi UFJ, Ltd., 2-7-1, Marunouchi, Chiyoda-ku, Tokyo 100-8388, Japan - Tel 81-3-3240-5279; Fax 81-3-3240-3879; Email jc_parrenas@mufg.jp).

The Asia-Pacific Infrastructure Partnership (APIP) Promoting Public-Private Dialogues in Infrastructure Finance

A forum¹ convened in 2010 by the APEC Business Advisory Council (ABAC), the Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC), in collaboration with the Ministry of Finance of Japan, confirmed that infrastructure finance is a central issue for the region. There is huge demand for infrastructure investment necessary for continued economic growth, which public sector investment alone cannot meet. The forum yielded the following key messages:

- Despite recent improvements in infrastructure-related policies, key constraints impeding private investment remain – lack of capital market depth, dearth of good quality projects, inadequate regulatory frameworks and concerns about transparency and political, country, exchange and interest rate risk.
- Given the complexity of infrastructure PPPs, overcoming these constraints requires improved understanding and greater trust among relevant parties involved. Structures enabling parties to frankly and objectively discuss and consider complex matters facing each economy can contribute to better understanding of the issues and risks they face and conducive environments for private financing of infrastructure.

In 2010, ABAC proposed a model for such a regional structure – an Asia-Pacific Infrastructure Partnership (APIP) – bringing together high-level officials, MDB experts and private sector advisory panelists from a wide range of relevant fields. This model, which draws from successful experiences in the region, utilizes ABAC's private sector network.

In 2011, ABAC proposed to undertake activities, in collaboration with the APEC Finance Ministers' Process (FMP), to demonstrate the effectiveness of this model. ABAC invited collaboration from APEC finance ministries, the Asian Development Bank, the Inter-American Development Bank and the World Bank. The following activities were undertaken under this initiative:

Formation of the APIP Private Sector Panel. ABAC invited senior private sector experts selected for their knowledge of and experience and active engagement in infrastructure projects from a wide range of relevant fields, including the asset management, commercial banking, investment banking, engineering, property development, information technology, legal and consulting sectors. To date, the panel has 32 members, including current and former ABAC members, chief executives and chairmen of major companies, and other senior executives, legal practitioners and consultants with extensive experience in infrastructure. (See Annex A.)

Dialogues with individual governments. These are direct dialogues among relevant

¹ This was the Private Infrastructure Finance Forum convened on 7 November 2010 in Yokohama, Japan by the APEC Business Advisory Council (ABAC), Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC), in collaboration with the Ministry of Finance, Japan.

high-level officials, the APIP advisory panel and experts from MDBs. The agenda are tailored to meet specific needs of individual governments and determined after consultations with concerned ministries and agencies. Dialogues were held with Mexico and Peru on 24 August 2011 in Lima, followed by a dialogue with the Philippines, held on 5 October 2011 in Manila. (*See Annexes B and C for highlights.*)

Forum on Promoting Private Financing for Infrastructure in APEC. This is a forum co-organized by ABAC and the World Bank to discuss the outcomes of the Dialogues and the way forward for public-private collaboration to promote infrastructure finance in 2012 and beyond. The forum took place on 9 November in Honolulu. (*See Annex D for the program.*)

ABAC thanks the APEC Finance Ministers, Finance Deputies and Senior Finance Officials for their support in undertaking this initiative, and looks forward to collaborating with them and MDBs in 2012 to further support economies' efforts to promote infrastructure finance in the region, through dialogues and follow-up activities.

ANNEX A
Asia-Pacific Infrastructure Partnership
Private Sector Panel Members

(As of 4 October 2011)

Chair:

Mr. Mark Johnson, Gresham Partners Limited (*Senior Advisor*)

Members:

Mr. Hans Bayaborda, Hewlett Packard Philippines Corp. (*ESSN Country Manager, Enterprise Business*)

Mr. Garry Bowditch, SMART Infrastructure Facility (*Director*)

Mr. Duncan Caird, HSBC (*Head of Project Finance Americas*)

Mr. James Cameron, HSBC (*Head of Project Finance, Asia-Pacific*)

Mr. Michael Cooper, HSBC Bank Malaysia (*Director, Project Finance*)

Mr. Mikhail Davydov, Summa Capital (*Advisor to Chairman*)

Mr. Juan Carlos Domínguez, BBVA Pensions and Insurance (*Global Alternative Investment Manager*)

Mr. Raphael Dumas, HSBC (*Regional Project Finance Sector Head, PPP/infrastructure Americas*)

Mr. Alfonso Garcia Miro, IPN Investments (*Chief Executive Officer*)

Mr. Darrin Grimsey, Ernst & Young (*Partner, Project Finance Advisory*)

Ambassador Takuma Hatano, Toyo Engineering Corporation (*Executive Vice President*)

Mr. Gary Judd, *Queen's Counsel* and ASB Bank (*former Chairman*)

Mr. Sunil Kaul, The Carlyle Group (*Senior Director*)

Mr. Jonathan Ling, Fletcher Building Ltd (*Chief Executive Officer*)

Mr. Hiroshi Maeda, Nishimura & Asahi (*Partner*)

Mr. Mauricio Millan, Coraza Corporacion Azteca S.A. de C.V. (*Vice President*)

Mr. Arthur M. Mitchell, White & Case Law Offices (*Senior Counselor*)

Prof. Ryan J. Orr, Zanbato (*Co-Chairman*)

Mr. Vijay Pattabhiraman, JP Morgan Asset Management (*Chief Investment Officer and Managing Director, Global Real Assets*)

Mr. Robert Prieto, Fluor Corporation (*Senior Vice President*)

Ms Carmen Pérez de Muniain, BBVA Pensions and Insurance (*Global Chief Investment Officer*)

Mr. Steve Plunkett, GE Healthcare Asia-Pacific (*Leader, Hospital & Healthcare Solutions and GE Japan Board Member*)

Mr. Rafael Alberto Rodriguez Arancibia, Banco de Chile (*Head, Concessions Division*)

Mr. José San Martín Romero, National Institute of Public Administration, Mexico (*Professor*)

Mr. William Streeter, Westpac Banking Corporation (*Infrastructure Debt Adviser*)

Dr. Ahmad Tajuddin Ali, UEM Group Berhad (*Chairman*)

Mr. John Walter, Corrs Chambers Westgarth (*Partner*)

Mr. Yoshihiro Watanabe, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (*Advisor*)

Dr. Twatchai Yongkittikul, The Thai Bankers' Association (*Secretary General*)

Mr. Roland Yap, GE (*Director, Global Government Affairs & Policy, ASEAN/Global Growth & Operations*)

Mr. Jaime Augusto Zobel de Ayala, Ayala Corporation (*Chairman and Chief Executive Officer*)

Coordinators:

Dr. J.C. Parrenas, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (*Advisor on International Affairs*)

Mr. Kenneth Waller, Australian APEC Study Centre at RMIT University (*Director*)

ANNEX B
Asia-Pacific Infrastructure Partnership Dialogue with Mexico and Peru
24 August 2011, Lima, Peru

HIGHLIGHTS²

Members of the panel met with the Minister of Economy and Finance of Peru, senior officials from Peruvian and Mexican agencies and the Inter-American Development Bank (IADB).

The Minister and officials strongly endorsed the dialogue with the private sector panel members and the IADB. The Minister noted the importance of investment in infrastructure as a key aspect of policy to maintain high growth and low inflation and that private sector investment is a critical component of policy. Public private partnerships contributed to efficiency and helped reduce the cost of capital to government.

While the focus had been on roads, airports and water, PPPs in social infrastructure would contribute to social inclusion. He recognised the role of PPPs in regional economic integration and noted that Peru was willing to act as a platform for Latin America in building links with Asia.

The dialogue confirmed the importance of PPPs in infrastructure to the development of both Peru and Mexico. Both are deeply committed to PPPs and for the same reasons: the financing gap between government financial sources and the needs for infrastructure financing are large and will continue to be so for the foreseeable future.

Attracting private finance to contribute to those needs is therefore a critical aspect of government policy in both economies. Peru and Mexico encourage the role of private investment in the development process and value the efficiencies gained by involving private sector expertise and finance.

Both encourage the private sector through public guarantees and the investment of public funds related to risk sharing in the construction and operational phases of PPPs. Both have established public funding mechanisms to this end. Peru has established a tax for infrastructure scheme which provides tax offsets to the private sector for investments in approved projects in remote areas of the economy.

Both Peru and Mexico have innovative approaches to promoting PPPs. Specialist government agency representatives provided useful data on their approaches to PPPs. The IADB provides guarantees, financial support and technical advice to governments and private parties to PPPs throughout Latin America. IADB has already participated in the financing of several PPP transactions in the region. It has developed a most useful comparative tool, "Infrascop: An Innovative Learning Tool for Evaluating Country Capacity for PPPs".

The dialogue considered a range of topics vital to promoting confidence in PPPs. They included the scope of PPPs, risk sharing from government and a private sector perspectives, political risk, contractual responsibilities, the protection of lenders' interests in contract variation and termination, government information to promote bidding interests, municipal and sub - national level of government involvement in PPPs, government management of contingent liabilities and preferred bidding arrangements, the relevance of common standards and regulation throughout the region and the need for human capital training. Similarities and contrasts between Latin American and Asian experiences were considered.

² The report was prepared on behalf of the Asia-Pacific Infrastructure Partnership by Mr. Kenneth Waller, Director, Australian APEC Study Centre at RMIT University, Equitable House, Level 3, Suite 10, 343 Little Collins Street, Melbourne, Victoria 3000, Australia – Tel 61 03 9605 1805; Email wallerk@apec.org.au.

KEY POINTS

Widening the scope of PPPs. Clever packaging of public and private sector interests would create opportunities for private sector investors in Peru. Pro Inversion, the investment and promotion agency, would contribute by deepening its promotional activities.

Apart from PPP investments in hard infrastructure – roads, energy and communications – other opportunities will be explored including privatization and PPPs in health and education. Packaging investments in rural areas would involve multidisciplinary approaches. Improving the management and the level of skills in PPPs is an important challenge in Peru.

Private sector experiences in health and education sectors in Mexico were shared. Pension funds invest in both sectors in Mexico and focus on long-term financing of the operational aspects of such projects; banks are involved in leveraging funding for the construction phase. Pension funds are comfortable with risk taking in the provision of services in the health and education sectors, including building and equipment maintenance, secured by payments for services by the government.

In both sectors in Mexico, the government has the responsibility to provide core functions - teaching and curriculums, in education - and in medical treatment of patients in the health sector. This division of responsibilities is critically important as a means of risk sharing and the allocation of responsibilities to those best equipped to bear risk. Essentially this relates to political risk sharing. Such a division of responsibilities could help minimize resistance to performance indicators in the educational sector by teachers' unions and facilitate the involvement of private capital in the sector.

Further work could usefully be undertaken to compare ways in which economies handle the division of responsibilities as described above with a view to minimizing political risk. There are examples in Latin America where students and patients pay for services they receive and the framework for this in the PPP context are matters to be negotiated politically and between the relevant parties.

Risk sharing – what the government can do. Approaches to risk sharing may differ among economies although funds/guarantees of various structures are provided in both Peru and Mexico to support private investment in PPPs as noted above. Because project structures change over time, changing approaches to risk sharing are to be expected.

Mexico considers risk sharing on a case by case basis. There is considerable flexibility available to relevant agencies in their relationships with the private sector. Good project design, consultation between the government and the private sector, land acquisition by the government are essential ingredients to risk sharing.

The broad approach is open dialogue with the private sector to understand what the private sector can and can't do in respect of a particular project. The government benefits from knowing what is the financial appetite of the market – whether prospective projects are too large or too small – and these are factors in ensuring a high level of confidence in PPPs, combined with reputable and transparent bidding processes .

The flexibility in this approach has much to commend it in attracting private investors into the PPP space. Regional economies could usefully encourage private sector specialists to promote the design of potential projects; there may be advantages in design and development not being the sole preserve of the public sector.

Opportunities could also be explored to develop revenue producing activities beyond those of the immediate core service provided by a PPP. For example, a school might also be utilised for the provision of other services such as child minding or youth centres.

Risk sharing – what the private sector seeks. Pension fund investors require security of payment over the long-term of a project, guaranteed by a government. The preference is to fund operational

activities where the long-term payment streams accord with business models. It is fundamental to pension investment that there is a secure legal framework in place to adequately protect the investor against changes in government or changes in policies .

Where municipal or state/local levels of government are involved, the private sector requires a clear understanding of the relationships between relevant levels of government and the responsibilities for guarantees and warranties.

Bidding processes are enhanced where detailed data – for example forecasts of traffic flow in a road project – is available for all parties to a PPP. Investing in good data acquisition is commended to governments.

The capacity to make variations to a contract over the long - term of a project lifecycle is important – these may reflect physical changes to the capital stock or to services.

It is recognised that a government must have the right to undertake changes and to recover costs arising from an adjustment either from a concessionaire or from its own resources. Rigorous administration over the life - cycle of a contract helps avoid “modification creep”.

A transparent approach by government in dealing with adjustments is highly relevant.

Concluding suggestions/recommendations. Important concepts, experiences and ideas were exchanged in a frank and highly constructive manner. Further work was identified to be undertaken by APIP and which could involve on - going dialogue with Mexico and Peru and which would also be of considerable value to the APEC community broadly.

Specifically, APIP should consider:

- A review of the IADB's Infrascopes Learning Tool to consider its value to the APEC region more broadly. Such a review should take into account any similar work that might be undertaken by other multilateral development banks.
- A comparative study of the examples of legal frameworks aimed at protecting the long-term investor interests of pension funds in PPPs should be usefully pursued.
- A comparison of contractual clauses to provide for the smooth adjustment of physical infrastructure and services through the life of a project would usefully contribute to ways to enhance the confidence of both the public and private sectors in PPPs.
- A comparison of best practice taxation measures in regional economies to support PPPs

It is hoped that this initial phase of work of APIP will contribute to building confidence in PPPs in the region and will supplement the work being undertaken by APEC officials aimed at supporting regional economic development and integration.

ANNEX C
Asia-Pacific Infrastructure Partnership Dialogue with the Philippines
5 October 2011, Manila, Philippines

HIGHLIGHTS³

Members of the panel met with the Secretary of Finance, the Secretary of Trade and Industry, the Undersecretary of Transport and Communications, the Executive Director of the PPP Center and other senior government officials, together with experts from the Asian Development Bank, the International Finance Corporation and the World Bank.

For the Philippines, an archipelago of many islands, infrastructure is a critical factor for growth. The Philippines' underinvestment in infrastructure has been largely a function of fiscal constraints. However, private savings have been growing as a result of a continued increase of overseas remittances. Recent improvements in the Philippines' global competitiveness rankings are attracting renewed foreign investor interest.

The Philippine government is now banking on PPPs as a key supplement to public resources in developing infrastructure. President Aquino has assigned a key role to PPP in the government's development strategy, not only to supplement the government's limited infrastructure budget, but also to harness private sector technology and expertise in developing high quality and cost-effective infrastructure. Several major projects have been announced for roll-out.

KEY CHALLENGES

Seizing the opportunities. With a view to ensuring continued public and investor confidence in Philippine PPPs through successful initial projects, the government is taking much care in developing projects, with officials working with various aid agencies to upgrade public sector skills in undertaking such studies. At the time of the dialogue, a project has been rolled out, several were at various stages of feasibility study, and the government expects to launch more projects in 2012.

There is concern that the window of opportunity to attract foreign investments may be closing, as the worsening global financial and economic situation rapidly erodes the emerging market premium and the market becomes more risk averse. This consideration argues for extraordinary efforts to expedite the process in order to maintain the momentum and capture opportunities, while ensuring that projects are properly studied and prepared. The private sector strongly supports the objective of ensuring the viability of projects before being offered to investors to build public and market confidence. In the current global financial context, a healthy balance between speed and proper preparation and a good pipeline of projects are key.

Improving regulatory consistency. Consistency of the regulatory environment is a paramount consideration for private sector firms and investors looking to invest in PPPs. The enforceability of long-term contracts is a major concern for the private sector, which expects that covenants in such contracts are honored through leadership transitions at the national, local and agency levels. Greater regulatory transparency and certainty, such as through minimizing reviews of already approved projects and amendments to already agreed terms and conditions, have important bearings on investors' risk perceptions and the level of returns they will require.

With only a few exceptions, most PPPs in the Philippines have proven to be successful and profitable. Examples are the privatization of water utilities and the various toll road and energy projects. A clear master plan can help the private sector get a better sense of strengths, viability and

³ The report was prepared on behalf of the Asia-Pacific Infrastructure Partnership by Dr. Julius Caesar Parreñas, Advisor on International Affairs, The Bank of Tokyo-Mitsubishi UFJ, Ltd., 2-7-1, Marunouchi, Chiyoda-ku, Tokyo 100-8388, Japan - Tel 81-3-3240-5279; Fax 81-3-3240-3879; Email jc_parrenas@mufg.jp.

potential impact of projects, and to gear up internal resources, including people, research, training and funding, and can increase the Philippines' attractiveness. The private sector will be able to more effectively participate in infrastructure development if it is regularly updated on the projects lined up for PPP and how each project fits into the larger plan and given an updated timetable.

Funding the viability gap. One challenge is dealing with substantial components of projects that are not commercially viable. The government is looking at a two-step hybrid concept that involves the government building the commercially unviable component and bidding out the rest to the private sector. The hybrid concept works well where line agencies have the technical capacity to prepare and position projects that are attractive to the private sector. An alternative that may also be considered is to factor in public subsidies into the bidding process. In successfully addressing the viability gap, it is important for the government to get sufficient inputs from industry, such as by holding pre-proposal, pre-bidding and pre-structuring conferences with the private sector. In addition where low-cost funding is to be introduced to the project it is important that such funding and its terms is brought to the attention of the private sector early so that complementary terms and structures can be bid by interested private sector parties.

Designing well-structured projects. A good understanding of the risks that parties are able to bear is essential for designing well-structured projects. Understanding that the private sector is capable of dealing with pure commercial risks but ill-equipped to deal with others, such as inability of the public sector to comply with obligations due to government or political actions or inaction, for example, is important for designing solutions, such as creating a guarantee fund that can expeditiously provide direct compensation to the private sector in such an event. Introducing incentives for both parties to avoid a default, such as through partial guarantees, can also be helpful.

Among other ways by which projects can be made bankable and risks shared in a balanced manner are: (a) continually re-assessing the risk profile of projects in reference to traditionally acceptable infrastructure risks carried by global banking institutions; (b) continually reviewing risk allocation to ensure risks are carried by entities that are in the best position to manage and mitigate them; (c) formulating clear terms of reference for each project as a basis for further assessment of risks by private sector partners and financial institutions; and (d) reviewing the timetable for the bidding process and benchmarking it to global best practices.

Attracting long-term investments. Long-term investors play an important role in the development of infrastructure. There are opportunities to tap capital looking for long-term yields, as the population ages and yields disappear in many developed economies. Attracting such funds will require a robust pipeline of projects and secondary markets. Multilateral institutions can also facilitate the entry of long-term investors, for example by lending the first tranche and inviting the private sector to invest in the second tranche, providing long-term loans with repayment schedules to meet specific requirements and combined with private finance to make projects viable, or offering a currency swap facility for financing projects to address currency risks.

The Philippine Government is working to further develop its growing debt market, and particularly private issuance. Among measures being undertaken are the launch of benchmark long-term bonds, credit enhancements and promoting access to bilateral and multilateral funds for priority projects. Consideration is being given to the issuance of inflation-linked bonds and the merger of the local stock and bond exchanges. Development of capital markets where funds can be raised in local currency can enable foreign banks to play a larger role by addressing exchange rate risk.

Governments can best design ways of attracting such investments by talking directly to debt and equity investors. The Philippine Government is open to such discussions to help it create the instruments that can attract investments and is willing to further improve existing incentives for PPP projects, which now already include duty free importation of operating equipment and income tax holidays. The Philippines can also benefit from experiences elsewhere in designing infrastructure

funds that provide equity, debt and/or guarantees. Such funds have been useful in catalyzing private investment where they have been designed to focus on priority sectors or to mitigate risks that the private sector finds difficult to assume, such as demand risk in toll road projects.

Improving legal and institutional frameworks. The government is currently working on amendments to the existing Build-Operate-Transfer (BOT) law. A key issue being considered is giving the president the power to designate certain infrastructure projects as “projects of national significance.” which will enjoy various tax and regulatory incentives and will be protected from becoming the subject of judicial reliefs. The inclusion of this provision in the amendments to the law will significantly improve the environment for PPPs.

Changes to improve the procedure for unsolicited proposals are currently being considered as part of the amendment. Another idea that needs to be explored is how to ensure value for money, for example, through an interactive bidding process, using a baseline for comparison to determine whether the private sector can provide higher quality and lower price for the same service compared to the public sector. Expansion of contractual arrangements could also be considered to expressly include joint ventures, management or service contracts and lease or the hybrid model to offer more options for private sector involvement without subjecting them to unnecessary legal risks.

Global or regional firms that seek out opportunities across a number of markets can be attracted to the Philippines if provided adequate and detailed information that can allow them to undertake due diligence for bidding on projects. In 2010, the government reorganized the former BOT Center as the PPP Center and transferred under the National Economic Development Council. The government also provided an enhanced project development and monitoring facility to be managed by the PPP Center as a revolving fund to support implementing agencies in structuring, preparing and competitively tendering PPP projects that are bankable.

Improving capacity. Building institutional capacity to enable the public sector to deliver well-structured projects is an important concern. Preparing complex infrastructure projects require technical expertise in addition to sufficient budget allocation. It is necessary to further build on existing skills and capacities in public agencies managing these transactions. A number of ongoing technical assistance projects are expected to enhance the capacity of the PPP Center and other relevant agencies. There is an existing wealth of knowledge and expertise on PPPs within both public and private sectors around the world that can be readily made available. Given its diversity and strong links to the private sector and multilateral institutions, APEC can be an effective platform for the sharing and dissemination of such knowledge and expertise to member economies.

Third parties such as international financial institutions play important roles in balancing the interests of public and private sectors. Voluntary advisory bodies, including the APIP private sector panel, can also be helpful to the government. The PPP Center is being assisted by a panel of advisers to help develop properly studied projects, and is continually seeking inputs from the private sector. There is room to further develop strategies with the private sector, MDBs and other relevant entities to provide appropriate capacity building and advisory services, particularly in assessing financial viability to help advance the evaluation and approval processes for projects.

CONCLUSION

Foreign investors see the Philippines as a good location offering good opportunities in a region with a long-term economic growth story, and are encouraged by the government’s stated desire to attract more private engagement in infrastructure and efforts to improve the PPP environment. However, as the global financial and economic situation continues to deteriorate, the importance of moving quickly to seize opportunities is growing.

Stable fundamental regulatory frameworks enhance the private sector’s confidence in the market and make markets attractive. The private sector understands that for such a stable environment to be created and maintained, the general public must be convinced of the benefits of PPPs. Both

public and private sectors want a balanced framework that allows the private sector to obtain reasonable returns over the life of a project while providing the public with more efficient and affordable services. Sensible and well-structured initial projects followed by an attractive project pipeline will ensure strong public and market support for the Philippines' PPP program.

The private sector is an important supplement to government in infrastructure development, providing capital, technology and expertise. Effectively harnessing private sector engagement through well-designed projects can help the Philippines achieve its ambitious infrastructure development goals. Non-commercial dialogues with the private sector can help the government design such projects, based on reliable information about the market and how the market views the opportunities and risks, and provide a more attractive environment for PPP. The APIP seeks to provide a vehicle for such dialogues and hopes to continue the collaboration with the Philippines and the other economies to build an efficient infrastructure for the Asia-Pacific region.

ANNEX D

Promoting Private Financing for Infrastructure in APEC

9 November 2011
Regency Ballroom, Royal Hawaiian Hotel
Honolulu, Hawai'i, USA

- 10:00-10:30 **Registration (Brunch buffet opens at 10:00 am)**
- 10:30-10:35 **Welcome Remarks**
Mr. Charles Collins, Assistant Secretary for International Finance, US Department of the Treasury
- 10:35-11:30 **Session One: APEC's Work in Promoting Infrastructure Finance: Review of 2011 Outcomes and Prospects for 2012**

Session Chair: Dr. Kamran Khan, Head, East Asia Infrastructure Finance Practice Group, The World Bank
- Introduction by the Session Chair
 - Outcomes of the *APEC Workshop on Framework and Options for Public and Private Financing of Infrastructure*
Mr. Michael Kaplan, Chair, APEC Senior Finance Officials' Meeting
 - Update on the *Pilot PPP Mentoring Scheme*
Mr. Bill Brummitt, General Manager, International and G20 Division, Australian Treasury
 - Updates on the *Asia-Pacific Infrastructure Partnership (APIP) Dialogues*
Mark Johnson, Chair, APIP; Chair, Advisory Group on APEC Financial System Capacity Building; and Member, ABAC Australia
 - Prospects for APEC's work in promoting infrastructure finance in 2012
Mr. Sergei A. Storchak, Deputy Minister of Finance, Russian Federation
 - Private sector perspectives on the 2011 APIP Dialogues with Mexico, Peru and the Philippines and open discussions
- Session Chair's Concluding Summary**
- 11:30-12:45 **Session Two: Defining the Private Sector's Role in Infrastructure Finance: What can APEC Do to Help?**

Session Chair: Mr. Mark Johnson, Chair, APIP; Chair, Advisory Group on APEC Financial System Capacity Building; and Member, ABAC Australia
- Introduction by the Session Chair
 - Moderated open discussion focused on:
 - ❑ Clarifying key issues as seen from the perspective of pension funds, equity investors, commercial banks, engineering firms, major developers, service providers and legal experts
 - ❑ Key issues from the government perspective and what governments need from the private sector
 - ❑ Supporting public-private collaboration in promoting private financing for infrastructure in APEC
- Session Chair's Concluding Summary and Closing Remarks**
- 12:45 **End**