

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Source: Australian APEC Study Centre – RMIT University

Date: 18 January 2013

Meeting: Manila, Philippines

First Meeting 2013

22 January 2013

2:15 PM – 4:15 PM

Manila Room, Makati Shangri-La Manila Hotel
Makati City, Philippines

Meeting Paper 4-B

Agenda and Participants of the Asia Pacific Infrastructure Partnership (APIP) Follow-Up Dialogue with the Government of the Republic of the Philippines

Australian APEC Study Centre at RMIT University

<i>PURPOSE</i>	For information
<i>ISSUE</i>	Agenda and participants of the APIP Dialogue with the Philippines, as well as agenda of the preparatory meeting
<i>BACKGROUND</i>	This dialogue follows up on the outcomes of the previous APIP dialogue with the Philippines that was held in 2011.
<i>PROPOSAL</i>	N.A.
<i>DECISION POINT</i>	Note the agenda and list of participants.

ASIA PACIFIC INFRASTRUCTURE PARTNERSHIP (APIP) DIALOGUE IN INFRASTRUCTURE FINANCE

23 January 2013

Paranaque AB Function Room, Makati Shangri-La Hotel
Ayala Avenue corner Makati Avenue, Makati City, Manila

12 Noon – 2pm

DIALOGUE ANNOTATED AGENDA

12.00 Item 1: Welcome Remarks

Welcome remarks, Mr. Guillermo M. Luz, Co-chair, National Competiveness Council
Opening remarks by APIP Chair Mr. Mark Johnson AO

12:15 Item 2: Update of developments on issues relating to PPPs, Ms. Cosette Canilao, Executive Director, Public Private Sector Partnership (PPP) Center

A draft of the report of the meeting was circulated on 28th October 2011. The report noted, inter alia, the transfer of the PPP Center to the National Economic Development Council in 2010, with enhanced powers for project development and monitoring as a revolving fund to support implementing agencies in structuring, preparing and competitively tendering viable and bankable PPP projects. Other important matters discussed in October included measures that would assist in building business confidence, funding to eliminate the viability gap on projects, risk allocation and measures to improve the legal and regulatory frameworks.

At this second dialogue, officials could inform the panel of developments since the October 2011 meeting, and identify any additional matters that APIP partners (the government and the private sector) might wish to bring to the table.

Item 3: Further consideration to major specific issues arising from the 5th October 2011 dialogue are:

Improving capacities

- Officials might like to discuss any measures that are being developed to enhancing the role and influence of the PPP Center staff and to improve skills and technical capacities?
- The panel could consider ways to involve the Center in experience sharing with other centers in the region, taking advantage of technical assistance available from regional and multilateral agencies in enhancing the Center's performance. What more should APIP and APEC do to provide tangible support to the Philippines?

Regulatory consistency

- The private sector identified a number of issues that if addressed would improve the regulatory and legal and environment: these are worth noting – i) the need for government to assess at the onset of a project, completion risks that may be involved, ii) clear information on the form and risks involved related to government subsidies; iii) protection for the private sector incase promised subsidies are withdrawn; iv) adequate protection for continuity of contracts over the long-term, and how the master plan can be utilized to improve the attractiveness of PPPs in the Philippines.
- The panel could discuss measures that may have or are being considered to manage these specific private sector concerns.

Funding the viability gap

- The October report suggested that to address viability gap funding, the government could consider pre-proposal, pre-bidding and pre-structuring discussions with the private sector to ensure private sector inputs are taken into account in bidding processes. APIP members may wish to outline any recent experiences with PPPs which demonstrate the benefits of greater flexibility in putting funding proposals together - including the involvement of regional and international agencies and ODA. What further measures ought to be considered?
- The panel could explore further the idea that a guarantee fund or partial guarantees would be most useful in encouraging private sector involvement for certain risks. Ways and means of developing and implementing guarantees and the role of public and private sector financial institutions could be explored.
- Officials might like to inform the dialogue on any progress with the debt and equity investors (as well as with investment banks) to promote investment funding arrangements that would mitigate against certain risks – such as demand risks on toll roads. Is there a role that APIP could play in promoting regional discussions?

Improving legal and institutional frameworks

- The concept of designating “projects of national significance” would likely be of significant value to private investors and to the government alike. Similarly, ideas to enhance the bidding process through amendments to the BOT Law in relation to unsolicited proposals by providing opportunities to the private sector to put forward proposals should be beneficial if trust in the process can be established. Such arrangements would necessarily involve deep consultation between government and the private sector.
- Interactive bidding processes such as those in place in Australia and Canada should aim to enhance the concept of “value for money” and utilize public sector comparators. Again, these processes would involve close cooperation between public sector agencies and the private sector. Officials might like to outline their thinking on this matter.

- Sustainable disaster and emergency relief measures may well requires massive infrastructure investment to supplement immediate relief measures. At issue is whether the private sector is suited to play a partnership role with government through a PPP framework which would need to include risk allocation and the mix of funding and guarantees that would encourage private sector participation. The panel could seek to draw on experiences in the APEC region and consider drawing up some useful best practice guidelines.

13:30 Item 5: Open Forum

- Identified and introduced by the Chairman, Mr. Mark Johnson AO

13:45 Item 6: Calendar of APIP panel meetings 2013 and links with this dialogue

Introduced by Dr. J. C. Parrenas, Co-convenor APIP

13:50 Item 7: Concluding remarks

- Mark Johnson AO, APIP Chair
- Senior representative of the Philippines Government

14.00 End of Dialogue

Asia-Pacific Infrastructure Partnership (APIP)
Private Sector Panel Members and Collaborators
Dialogue Participant List – Manila 23 January 2013
(As of 17 January 2013)

CHAIR:

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

MEMBERS:

2. Mr. Ivan Arota, GE Healthcare Asia-Pacific (Country Manager)
3. Mr. Hans Voltaire Bayaborda, Hewlett-Packard Philippines Corporation (IFO and Public Sector Strategist)
4. Ambassador Takuma Hatano, Toyo Engineering Corporation (Advisor to the Board)
5. Prof. J. Ryan Orr, Zanbato (Co-Chairman)
6. Tan Sri Dr. Ahmad Tajuddin Ali, UEM Group Berhad (Chairman)
7. Mr. John Walter, Corrs Chambers Westgarth (Partner)
8. Mr. Yoshihiro Watanabe, The Bank of Tokyo-Mitsubishi UFJ Ltd (Advisor)
9. Dr. Yang Yunsong, XY Group International (President)
10. Mr. Naoki Nishida, The Bank of Tokyo-Mitsubishi UFJ Ltd Structured Finance Division (Deputy General Manager)
11. Mr. Satoshi Ota, The Bank of Tokyo-Mitsubishi UFJ Ltd Structured Finance Division (Asian Origination Team)
12. Mr Colin Chen, The Bank of Tokyo-Mitsubishi UFJ Ltd Asia Investment Banking Division (Regional Head of Project Finance)
13. Mr Tetsuya Nakao, The Bank of Tokyo-Mitsubishi UFJ Ltd Manila Branch (General Manager)

COORDINATORS:

14. Mr. Kenneth Waller, The Australian APEC Study Centre at RMIT University (Director)
15. Dr. Julius Caesar Parrenas, The Bank of Tokyo-Mitsubishi UFJ Ltd. (Advisor on International Affairs)

MDBs

16. Mr. Kamran Khan, The World Bank (Program Director, Global Infrastructure Finance Centre of Excellence, Singapore Urban Hub)
17. Mr. Freddy Saragih, Fiscal Policy Office of the Indonesian Ministry (Director of the Center for Fiscal Risk Management)

ABAC STAFF

18. Mr. David Dodwell, Strategic Access Limited (CEO)
19. Ms. Pearly Chen, HTC-Via Group (Lead Staffer, ABAC Finance and Economics Working Group)
20. Mr. Kunihiro Watanabe, The Bank of Tokyo-Mitsubishi UFJ, Ltd (ABAC Japan Staffer)

ASIA PACIFIC INFRASTRUCTURE PARTNERSHIP (APIP) PANEL MEETING

23 January 2013

**Paranaque AB Function Room, Makati Shangri-La Hotel
Ayala Avenue corner Makati Avenue, Makati City, Manila**

11.15am – 11.45am

APIP PANEL MEETING AGENDA

- 11.15** **ITEM 1: Welcome Remarks**
Welcome remarks by APIP Chair, Mr. Mark Johnson
- 11.20** **ITEM 2: Review of the Annotated Agenda for the APIP Dialogue**
- 11.35** **ITEM 3: Identifying speakers for specific topics**
- 11.40** **Closing remarks by Chairman**
- 11.45** **Lunch will be served in the room**