

# THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

Document: AGFSCB 33-047  
Draft: **FIRST**  
Source: AGFSCB Chair  
Date: 5 July 2013  
Meeting: Kyoto, Japan

## **Third Meeting 2013**

10 July 2013

7:30 AM – 9:30 AM

Gyoun Room, Kyoto Hotel Okura

Kyoto, Japan

## **Meeting Paper 4-A**

### **Asia Pacific Infrastructure Partnership (APIP)**

### **Update of Activities**

Office of the Advisory Group Chair

<b><i>PURPOSE</i></b>	For information.
<b><i>ISSUE</i></b>	APIP update of activities
<b><i>BACKGROUND</i></b>	In 2010, ABAC proposed a model for such a regional structure – an Asia-Pacific Infrastructure Partnership (APIP) – bringing together high-level officials, 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.
<b><i>PROPOSAL</i></b>	N.A.
<b><i>DECISION POINT</i></b>	Note the update.

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

A forum<sup>1</sup> 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 concluded that despite recent improvements in infrastructure-related policies, key constraints impeding private investment remain. These include lack of capital market depth, dearth of good quality projects, inadequate regulatory frameworks and need for better understanding of how to allocate various types of risk between public and private sectors.

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, 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.

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 over 40 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.*)

In 2011, ABAC began undertaking activities under the APEC Finance Ministers' Process (FMP) with the collaboration of APEC finance ministries, the Asian Development Bank, the Inter-American Development Bank, the International Finance Corporation, the World Bank and the ASEAN Infrastructure Fund. The following activities have been undertaken under this initiative:

***Dialogues with individual governments.*** These are direct dialogues among relevant high-level officials, the APIP advisory panel and experts from MDBs and regional infrastructure-related organizations. The agenda are tailored to meet specific needs of individual governments and determined after consultations with concerned ministries and agencies. The following dialogues have been held so far:

- 24 August 2011, Lima, Peru: Dialogue with the Governments of Mexico and Peru.

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<sup>1</sup> 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.

- 5 October 2011, Manila, Philippines: Dialogue with the Government of the Philippines
- 20 July 2012, Hanoi, Vietnam: Dialogue with the Government of Vietnam
- 22 October 2012, Jakarta, Indonesia: Dialogue with the Government of Indonesia
- 23 January 2013, Manila, Philippines: 2nd Dialogue with the Government of the Philippines
- 22 February 2013, Bangkok, Thailand: Dialogue with the Government of Thailand

***Collaboration and Participation in Regional Discussions on Infrastructure.*** Members of the APIP panel and its multilateral partners actively collaborated and participated in the following events:

- 9 November 2011, Honolulu, USA: Forum on Promoting Private Financing for Infrastructure in APEC – co-organized by ABAC and the World Bank in conjunction with the APEC Finance and Central Banks Deputies Meeting.
- 2 October 2012, Bali, Indonesia: International Conference on Scaling Up Infrastructure Investment in Asia-Pacific hosted by the Ministry of Finance of the Republic of Indonesia.
- 12-13 October 2012, Moscow, Russian Federation: The Second Asia-Pacific Forum organized by the Russian International Affairs Council and the Russian APEC Study Centre – Collaborated in the sessions on energy cooperation and opportunities for integration of transport, logistics and infrastructure in Northeast Asia.
- 21-22 October 2012, Jakarta, Indonesia: Roundtable and Public Forum on APEC’s Regional and Global Opportunities.
- 22-23 April 2013, Makassar, Indonesia: APEC Workshop on Infrastructure: Toward a Common Framework of Project Readiness to Increase Infrastructure Investment in APEC Region
- *Upcoming: 28 August, Palembang, Indonesia: APEC Workshop on Infrastructure Finance*

***Future collaboration with APEC Multi-Year Plan on Infrastructure Development and Investment (MYPIDI).*** The latest draft of the MYPDI mentions the following:

*“APEC cooperation on infrastructure development and investment will take advantage of regional expertise, experience and funding sources, including from multilateral and regional development banks, and the private sector. The Asia-Pacific Infrastructure Partnership (APIP) and ABAC’s PPP checklist are particularly relevant.”*

**ANNEX A**  
**Asia-Pacific Infrastructure Partnership**  
**Private Sector Panel Members and Multilateral/Regional Partners**  
*(As of 5 July 2013)*

**CHAIR:**

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

**MEMBERS (*new members in bold italics*):**

2. ***Mr. Nelson Ahn, Kim & Chang (Partner)***
3. Mr. Gautam Banerjee, PricewaterhouseCoopers LLP (Executive Chairman)
4. Mr. Hans Voltaire Bayaborda, Hewlett-Packard Philippines Corporation (IFO and Public Sector Strategist)
5. Mr. Garry Bowditch, SMART Infrastructure Facility, University of Wollongong (Executive Director and Chief Executive Officer)
6. Mr. Matthew Bubb, Ashurst LLP (Partner)
7. ***Mr. Donald Campbell, Davis LLP (Senior Strategy Advisor and Co-Chair, PECC)***
8. ***Mr. Yong-Jae Chang, Lee & Ko (Partner)***
9. ***Mr. Michael Chang, Shin & Kim (Partner)***
10. ***Mr. Myung Hyun Cho, Hyundai Engineering and Construction Co., Ltd. (VP, International Investment)***
11. Mr. Thomas M. Clark, GE Capital (Vice President, Government Relations)
12. ***Mr. Mark Delaney, AustralianSuper (Deputy Chief Executive and Chief Investment Officer)***
13. Mr. Juan Carlos Poo Domínguez, BBVA Pensions and Insurance (Global Alternative Investment Manager)
14. Mr. Alfonso Garcia Miro, IPN Investments (Chief Executive Officer)
15. Mr. Mark Greenberg, Jardine Matheson Group (Group Strategy Director)
16. Ambassador Takuma Hatano, Toyo Engineering Corporation (Advisor to the Board)
17. Mr. Hidetoshi Kamezaki, Mitsubishi Corporation (Corporate Advisor)
18. Mr. Sunil Kaul, The Carlyle Group (Senior Director, Asia Buyout Fund)
19. ***Mr. David Kim, Samsung Engineering Co., Ltd. (EVP and Head, Strategic Marketing Division)***
20. Mr. Daizo Koda (Director, Business Development - ASEAN India / ASEAN)
21. Mr. Yoshinori Komamura, Komatsu Ltd. (Representative Director and Executive Vice President)
22. ***Mr. Yong Uk Kye, LG International Corporation (VP and Head, Project Business Division)***
23. Mr. Hiroshi Maeda, Nishimura & Asahi (Partner)
24. Mr. Mauricio Millan, Coraza Corporacion Azteca S.A. de C.V. (Vice President)
25. Mr. Arthur M. Mitchell, White & Case Law Offices (Senior Counselor)
26. Mr. Seigou Mizunuma, J Power (Executive Director)
27. Mr. Georgy Oganov, Basic Element (Adviser to the CEO)
28. Prof. J. Ryan Orr, Zanbato (Co-Chairman)
29. Mr. Vijay Pattabhiraman, JP Morgan Asset Management (CIO and Managing Director, Asian Infrastructure)
30. Ms Carmen Pérez de Muniain, BBVA Pensions and Insurance (Global Chief Investment Officer)
31. Mr. Steve Plunkett, GE Healthcare Asia-Pacific (Leader, Hospital & Healthcare Solutions)
32. Mr. Robert Prieto, Fluor Corporation (Senior Vice President)
33. Mr. Rafael Alberto Rodriguez Arancibia, Banco de Chile (Head, Concessions Division)

34. Mr. José San Martín Romero, National Institute of Public Administration (Professor)
35. **Mr. Hojoon Shin, Samsung Corporation (VP, Plant and Machinery Business Unit)**
36. Mr. William Streeter, Westpac Banking Corporation (Infrastructure Debt Adviser)
37. Mr. Amin Subekti, PT. Indika Energy Tbk (Senior Vice President)
38. Tan Sri Dr. Ahmad Tajuddin Ali, UEM Group Berhad (Chairman)
39. Ms. Lynn Tho, Ernst & Young Solutions LLP (Partner, Infrastructure Advisory)
40. Mr. Allan Wain, Hastings Fund Management (Head of Middle East, Emerging Markets, Asia)
41. Mr. John Walter, Corrs Chambers Westgarth (Partner)
42. Mr. Yoshihiro Watanabe, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Advisor)
43. Mr. Dennis Wright, Peregrine Economic Development International Inc. (Chief Executive Officer)
44. Dr. Yang Yunsong, XY Group International (President)
45. Mr. Roland Yap, GE (Director, Global Government Affairs & Policy)
46. Dr. Twatchai Yongkittikul, The Thai Bankers' Association (Secretary General)
47. Mr. Jaime Augusto Zobel de Ayala, Ayala Corporation (Chairman and Chief Executive Officer)
48. BTMU Team
  - Mr. Makoto Kobayashi, The Bank of Tokyo-Mitsubishi UFJ (Executive Officer & General Manager, Global Head of Structured Finance)
  - Mr. Naoki Nishida, The Bank of Tokyo-Mitsubishi UFJ (Deputy General Manager, Structured Finance Division)
  - Mr. Colin Chen, The Bank of Tokyo-Mitsubishi UFJ (EVP and Regional Head of Project Finance, Asia)
  - Mr. Masayuki Fujiki, The Bank of Tokyo-Mitsubishi UFJ (Head of Asian Origination Team,, Structured Finance Division)

*General Managers of Branches/Subsidiaries in each economy hosting a dialogue.*
49. HSBC Team
  - Mr. Duncan Caird, Hongkong and Shanghai Banking Corporation (Head of Project Finance Americas)
  - Mr. James Cameron, Hongkong and Shanghai Banking Corporation (Head of Project Finance, Asia-Pacific)
  - Mr. Michael Cooper, HSBC Bank Malaysia (Director, Project Finance)
  - Mr. Raphael Dumas, Hongkong and Shanghai Banking Corporation (Regional Project Finance Sector Head for PPP/infrastructure Americas)
  - Ms. Audra Low, HSBC Singapore (Director, Project Finance)
  - Mr. Gilles Pascual, The Hongkong and Shanghai Banking Corporation Limited (Head of Power and Renewables Asia, Project Finance)
  - Mr. Marat Zapparov, Hongkong and Shanghai Banking Corporation (Associate Director, Project Finance, Asia-Pacific)

#### **COORDINATORS:**

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

#### **MDBs**

1. Mr. Kamran Khan, The World Bank (Program Director, Global Infrastructure Finance Centre of Excellence, Singapore Urban Hub)
2. Ms. Rachel Freeman, International Finance Corporation (Principal, Advisory Services East Asia and the Pacific)

3. Mr. Jinchang Lai, International Finance Corporation (Principal Operations Officer, and Lead for Financial Infrastructure, Advisory Services East Asia and the Pacific)
4. Mr. Jo Yamagata, Asian Development Bank (Head, Working Group on PPPs, Private Sector Operations Department)
5. Mr. Christophe S. Bellinger, Asian Development Bank (Lead Guarantees and Syndications Specialist, Private Sector Operations Department)
6. Mr. Trevor Lewis Asian Development Bank (Secretariat Coordinator, PPP Community of Practice, Regional & Sustainable Development Department)
7. Prof. Bambang Brodjonegoro, ASEAN Infrastructure Fund (Chairman)