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**APEC Business Advisory Council**

**ABAC 2015**

**Asia Pacific Infrastructure  
 Partnership (APIP)**

**The Advisory Group on APEC Financial System Capacity - Building**

Hong Kong, China  
 27 January 2015

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## The 3<sup>rd</sup> APIP Dialogue with the Government of Indonesia 24 November 2014



Agenda items:

- Seaports and related public transportation
- Metropolitan transport systems
- Rail and related linkages to other transport, and energy





## Summary of the main APIP suggestions

- Transport infrastructure should be constructed in the context of a plan that links connecting infrastructure, whether that is road, rail or ports; the components should be part of an integrated national strategy that links the country, and the country to the region and globally.
- The private sector will require political stability, transparency, robust legal systems and clearly articulated long-term policy objectives as prerequisites for investment.
- The scope of government guarantees and viability gap funding should be clearly articulated.
- The use of contemporary management tools such as outcome based performance management, partnership models and delivery frameworks would be conducive to attracting private sector investment.
- The establishment of PPP mechanisms should also require that the benefits of such investment to Indonesia are sustainable through the implementation and operations phases, rather than simply focusing on achieving closing a number of PPP transactions.

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## Outcomes from previous APIP Dialogues with the Government of Indonesia

The introductory overview by Finance Minister, Mr Bambang P.S. Brodjonegoro, also highlighted the positive impact that recommendations from previous APIP dialogues have had on infrastructure policy development in Indonesia, which include:

- *The importance to have a clear institutional framework for PPP arrangements*
- *To develop short/medium and long term infrastructure strategies and plans*
- *Improve the way that various infrastructure agencies cooperate and coordinate with each other*
- *Deeper engagement in regional and multilateral infrastructure meetings*

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