

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Meeting Paper 6-B

Contribution to the Future Agenda: Infrastructure Public-Private Partnership

The Australian APEC Study Centre/Melbourne APEC Finance Centre at RMIT University

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY BUILDING

Future Agenda: Infrastructure Public-Private Partnership

Contribution to the agenda by the Australian APEC Study Centre/Melbourne APEC Finance Centre at RMIT University.

The Centre is delighted to be invited to this meeting and to advise the Group of its forthcoming capacity building activity in support of the promotion of Public Private Partnerships in infrastructure financing and development in the APEC region, and to provide some thoughts on additional activities.

At Attachment A is a short note on the establishment and development of the Australian APEC Study Centre, for the information of the Advisory Group.

A major forthcoming activity is a training program that the Centre will convene in Melbourne on $21^{st}/28^{th}$ October for around 30 policy makers from the APEC region and from India and possibly from Cambodia and Laos. The program will be funded by the Australian AusAID Public Sector Linkages Program and we are currently in negotiation with the Asian Development Bank Institute about the terms of funding from the Institute.

At Attachment B is a copy of the latest draft of the program.

The program is designed to address financing and managing risk in PPPs at national and sub-national government levels and builds on workshops on PPPs organized in 2007 and 2008 by the Australian Treasury in cooperation with agencies from Indonesia and Vietnam. The program will involve presentations from public and private sector specialist from the APEC region and it will include an ADBI specialist, a former UNCTAD investment expert and we are awaiting confirmation of World Bank participation. Mr. Mark Johnson will participate in the program.

As regards possible future activities, the Centre has been invited to tender for work being commissioned by APEC to develop guiding principles on common aspects of PPP infrastructure projects with a view to promoting private sector financing in an environment of diminished private sector appetite for risk taking in long-term infrastructure projects and pressure on public budgets arising from the global financial crisis. If we are successful in this tender, the Centre would wish to invite ABAC – this Advisory Group – to provide its views and a critique of the draft of the report we prepare.

The Centre would also be delighted to support and associate with any capacity building activity that ABAC and the Advisory Group may consider appropriate to be convened in the margins of the ABAC meeting in Melbourne in February 2010.

The Centre would anticipate strong support from the Victorian Government through its support for the funding of the Melbourne APEC Finance Centre. An activity which furthered APEC work on the development of PPPs for infrastructure – perhaps in the form of a business roundtable or forum – might be particularly suitable for consideration/development.

Australian APEC Study Centre and the Melbourne APEC Finance Centre at RMIT University

21st August 2009.