



# THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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**Third Meeting 2009**  
25 August 2009  
Da Nang Halls 1 & 2, International Convention Plaza  
Furama Resort Da Nang  
Da Nang, Vietnam

## **Meeting Paper 6-B Attachment B**

### **Financing and Managing Risks in PPPs: Training Program ~ 21 – 28 October 2009 Melbourne, Australia**

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



**ATTACHMENT B**  
***Financing and Managing Risks in PPPs at national  
and sub-national Government levels***

**Training Program ~ 21 – 28 October 2009  
Melbourne, Australia**

**Mr Ken Waller**  
**Project Leader and Academic Coordinator**  
***DRAFT – AT 21<sup>st</sup> AUGUST 2009***

**Participation**

It is intended that the program would include 3 officials from each of the People's Republic of China, Vietnam, Indonesia, Philippines, Thailand, Papua New Guinea and India, as well as 1 official from each of Russia, Malaysia, Peru, Chile and Mexico. Officials from Cambodia and Laos will also be considered.

Participants will come from the Ministries of Finance, Economic Development and Infrastructure, as well as Treasuries and agencies responsible for managing, promoting and arranging funding for public / private sector infrastructure projects and relevant sub-regional levels of government involved in PPPs.

**Capacity Building Objectives**

The objective of this program is to enhance the capacity of policy officials to understand the policy choices and mechanisms in the development and delivery of Public Private Partnerships in infrastructure in national and sub-national development. It will also support measures to enhance investment flows in the region.

The financing and provision of infrastructure is a significant issue amongst APEC members. If the private sector is to be encouraged to invest in infrastructure projects, improvements in the regulatory framework in a number of economies will be required. Australia is a leader in the field of PPPs, thus Australian representatives are well placed to share their experiences and best practice proposals.

**Faculty**

The Director of the Australian APEC Centre at RMIT will coordinate the activity in cooperation with a specialist from Partnership Victoria. The other presenters and panellists will also be experts in some or all of the components of infrastructure reform. Aside from local private sector participants representing major infrastructure management and financing groups, presenters will come from government agencies, the Australian Treasury, Partnerships Victoria, Commonwealth and state governments, specialist infrastructure departments, as well as from the region, {the Asian Development Bank Institute, the World Bank } and a former UNCTAD investment specialist. ADBI is considering providing funding for the program.

**Organisation of the Training Program**

Each day of the program, chaired by the Academic Coordinator, will have a specific theme that will underpin all the sessions of that day. The sessions themselves will be arranged to reflect the theme and to fit in with the overall objective of the program. The program below lists the proposed topics that will be discussed in each session. Discussions, moderated by the Academic Coordinator, will provide an opportunity for participants to share experiences and explore concepts in a highly interactive way. Dialogue on policy design, implementation and evaluation will be encouraged. Participants will also highlight the issues that are prevalent in their economies by making presentations throughout the program as directed by the Academic Coordinator. These will involve working group presentations, including on

ways to develop a regional register of PPP activities.

## **DRFAT COURSE PROGRAM**

<b>DAY ONE ~ Wednesday 21 October 2009</b>		
<b>Venue: TBA</b>		
<b>Theme of the Day ~ <i>Overview and Key Concepts</i></b>		
	<b>8:30 – 9:00</b>	Registration and Administration Matters – Centre Staff
<b>Session 1.1</b>	<b>9:00 – 9:30</b>	Welcome and Outline of the Program
	<i>Presenter</i>	Academic Coordinator
<b>Session 1.2</b>	<b>9:30 – 10:30</b>	The international model of infrastructure development
<i>PPPs often allow the greatest number of people to benefit from essential services, through sustainable partnerships. International finance and development agencies have identified elements necessary for this to occur: a) transparency; b) strong contractual relationships; c) the understanding of governments; d) mobilisation of supporting entities e) sharing risk and mobilising capital.</i>		
	<i>Presenters</i>	<ul style="list-style-type: none"> <li>- Rory Allan, former UNCTAD investment specialist</li> <li>- World Bank specialist/(tbc)</li> <li>- ADB specialist (tbc)</li> </ul>
	<i>Panel</i>	Discussion
	<b>10:30 – 10:45</b>	Coffee Break
<b>Session 1.3</b>	<b>10:45 – 12:30</b>	Discussion Session
<i>Moderated discussion aimed at discerning some key principles that would inform a policy framework for infrastructure management and risk management and financing.</i>		
	<i>Moderator</i>	Elaine Glennie, Asian Development Bank Institute (tbc) <ul style="list-style-type: none"> <li>. Rory Allan</li> <li>. World Bank (tbc)</li> <li>- ADB specialist (tbc)</li> </ul>
	<b>12:30 – 14:00</b>	LUNCH
<b>Session 1.4</b>	<b>14:00 – 15:30</b>	Presentations by five APEC participants from different economies discussing the infrastructure issues in their regions
<i>Participants will be asked prior to the commencement of the program to develop presentations on issues and challenges confronted in their respective economies in promoting, managing and financing PPPs. They will be asked to consider these in the context of sub-regional levels of government. They will also be invited to provide input on ways to develop a register of activities in their economy and regionally.</i>		
	<i>Presenters</i>	Participants
	<b>15:30 – 15:45</b>	Coffee Break
<b>Session 1.5</b>	<b>15:45 – 17:00</b>	Moderated discussion about participants' presentations to discern common issues, challenges and possible resolutions
	<i>Moderator</i>	Academic Coordinator

## DAY TWO ~ Thursday 22 October 2009

**Venue: TBA**

**Theme of the Day ~ *Public Private Partnerships; Financing and Contribution to Development***

	<b>8:45 – 9:00</b>	Welcome and administration matters – Centre Staff
<b>Session 2.1</b>	<b>9:00 – 9:45</b>	Defining PPPs, and their contribution to economic development
<i>PPP definitions may vary, but many follow the IMF definition:- The partial transfer to the private sector of infrastructure projects that have traditionally been financed and delivered by the public sector. They are increasingly becoming the model for meeting infrastructure investment requirements globally. APEC and the World Bank are cooperating on measures to enhance PPPs in infrastructure in the region.</i>		
	<i>Presenters</i>	<ul style="list-style-type: none"> <li>- Roneel Nair, International Division, Australian Treasury</li> <li>- World Bank (tbc)</li> </ul>
<b>Session 2.1a</b>	<b>9:45 – 10:30</b>	Panel discussion with presenters and participants moderated by the Academic Coordinator
	<b>10:30 – 10:45</b>	Coffee Break
<b>Session 2.2</b>	<b>10:45 – 11:45</b>	The Economics of PPPs
<i>Exploring the various financing options, as well as infrastructure funds and their impact, and the efficiency of PPPs in achieving desired results.</i>		
	<i>Presenters</i>	<ul style="list-style-type: none"> <li>- Darrin Grimsey, Partner, Ernst and Young</li> <li>- ADB specialist (tbc)</li> </ul>
<b>Session 2.2a</b>	<b>11:45 – 12:30</b>	Panel discussion with presenters and participants moderated by the Academic Coordinator
	<b>12:30 – 13:45</b>	LUNCH
<b>Session 2.3</b>	<b>13:45 – 14:30</b>	Linking PPPs with Capital Market Development
<i>Well-functioning capital markets are important in the success of PPPs. The long-term investment involvement of PPPs also helps to develop capital markets and other financial system development. The role of long-term investors and prudential framework will be considered.</i>		
	<i>Presenters</i>	<ul style="list-style-type: none"> <li>- Geoff Daley, Executive Director, Structured Finance, Royal Bank of Scotland</li> <li>- ASIC (tbc)</li> </ul>
<b>Session 2.3a</b>	<b>14:30 – 15:15</b>	Panel discussion with presenters and participants moderated by the Academic Coordinator
	<b>15:15 – 15:30</b>	Coffee Break
<b>Session 2.4</b>	<b>15:30 – 16:30</b>	The framework for successful national and sub-national PPPs
	<i>Presenters</i>	Rory Brennan, Infrastructure Australia Representative from Partnerships Victoria ) tbc Representative from a regional economy )
<b>Session 2.4a</b>	<b>16:30 – 17:15</b>	Panel discussion with presenters and participants moderated by the Academic Coordinator
	<b>17:15 – 17:25</b>	Group Photo

## DAY THREE ~ Friday 23 October 2009

**Venue: TBA**

**Theme of the Day ~ *National and Sub-regional Level Relationships in PPPs and Managing Risk in Developing PPPs***

	<b>8:45 – 9:00</b>	Welcome and administration matters – Centre Staff
<b>Session 3.1</b>	<b>9:00 – 10:15</b>	Commonwealth / state responsibilities and relationships — with a focus on the transport sector
	<i>Presenters</i>	- Mr. Rory Brennan, Infrastructure Australia - Partnerships Victoria
<b>Session 3.1a</b>	<b>10:15 – 11:00</b>	Panel discussion*
	<b>11:00 – 11:15</b>	Coffee Break
<b>Session 3.2</b>	<b>11:15 – 12:15</b>	Asia – Regional perspectives on national and sub-regional relationships
	<i>Presenters</i>	Representative from the Philippines/Vietnam (tbc)
<b>Session 3.2a</b>	<b>12:15 – 12:45</b>	Panel discussion*
	<b>12:45 – 13:30</b>	LUNCH
<b>Session 3.3</b>	<b>13:30 – 14:30</b>	Perspectives on national / sub-regional level PPP management
	<i>Presenters</i>	- Representatives from NDRC, Shanghai government (tbc) - Representative from Indonesia (tbc) - ADB specialist (tbc)
<b>Session 3.3a</b>	<b>14:30 – 15:00</b>	Panel discussion*
	<b>15:00 – 15:15</b>	Coffee Break
<b>Session 3.4</b>	<b>15:15 – 16:15</b>	– Perspectives on national / sub-regional level PPP management
	<i>Presenters</i>	Representatives from Mexico (tbc) Representative from Peru (tbc)
<b>Session 3.4a</b>	<b>16:15 – 16:45</b>	Panel discussion*
<b>Session 3.5</b>	<b>16:45 – 17:30</b>	A discussion about lessons learned, and preparation for group case studies
	<b>19.00-21.30</b>	Group Dinner – Guest speaker: Mr. Mark Johnson, Australia ABAC Member

- **Panel discussions : involving Presenters, ADB specialist; ADBI and academic coordinator.**

## DAY FOUR ~ Saturday 24 October 2009

**Venue: TBA**

**Theme of the Day ~ *Putting Theory into Practice***

	<b>9:15 – 9:30</b>	Welcome and administration matters – Centre Staff
<b>Session 4.1</b>	<b>9:30 – 11:00</b>	Four cross-economy groups will each consider a case study presented in pre-course reading materials, and will then discuss how they would handle major challenges. Each group will be supported by a facilitator and will have guidance from the Academic Co-ordinator and Elaine Glennie, ADBI.
	<b>11:00 – 11:30</b>	Coffee Break
<b>Session 4.2</b>	<b>11:30 – 13:00</b>	The four cross-economy groups present their preliminary findings and discuss with the whole group. Facilitated discussions involving presenters and group facilitators.

## DAYS FOUR & FIVE ~ Saturday & Sunday

Weekend – The rest of Saturday and all of Sunday are an opportunity for participants to prepare for their cross-economy group presentations on key issues that will be delivered on day 7

## DAY SIX ~ Monday 26 October 2009

**Venue: TBA**

**Theme of the Day ~ *A Framework for Effective PPPs***

	<b>8:45 – 9:00</b>	Welcome and administration matters – Centre Staff
<b>Session 6.1</b>	<b>9:00 – 9:45</b>	The broad political, economic and financial environment required for effective PPPs
<p><i>A partnership with the private sector can deliver extra resources and greater efficiency of operations. An effective PPP involves investment in infrastructure that ultimately improves economic conditions in society. What are the political, economic and financial challenges and the broad measures needed to promote the development of local financing markets in order to optimise the financial structure of projects. ( This encourages local savings and creates more funds for long-term development.)</i></p>		
	<i>Presenter</i>	Jim Miller, Macquarie Bank
<b>Session 6.1a</b>	<b>9:45 – 10:30</b>	Panel discussion*
	<b>10:30 – 10:45</b>	Coffee Break
<b>Session 6.2</b>	<b>10:45 – 11:30</b>	Effective PPP relationships – covering both financial and technical credibility over the long-term of a PPP contract
<p><i>Relationships in successful PPPs can last 30 or 50 years and it is important that the roles of all stakeholders</i></p>		

<i>are clearly defined, with transparent procedures. Consumers and the general population also need to trust that the government and private operators know what they are doing. This requires regular reporting.</i>		
	<i>Presenter</i>	James Tetlow, Amber Infrastructure (tbc)
<b>Session 6.2a</b>	<b>11:30 – 12:00</b>	Panel discussion*
<b>Session 6.3</b>	<b>12:00 – 12:45</b>	Developing a sustainable bidding market Accountability and Transparency
<i>The commitments and long economic life of the relationships must be recognised by all parties. Risks need to be transferred to the best managers, and rewards and penalties should be issued accordingly. Policies need to ensure that the engagement of effective private partners are nurtured and sustained</i>		
	<i>Presenter</i>	John O'Rourke, Principal, Plenary Group
<b>Session 6.3a</b>	<b>12:45 – 13:15</b>	Panel discussion*
	<b>13:15 – 14:15</b>	LUNCH
<b>Session 6.4</b>	<b>14:15 – 15:30</b>	Accountability and Transparency
<i>To sustain community confidence, there must be effective oversight mechanisms in place and measures to provide effective interaction with consumers and the general public. There must also be a stable macro-economic environment; a consistent legal framework; an effective stance against corruption; and developed financial markets.</i>		
	<i>Presenter</i>	Partnership Victoria (tbc) Representative of a regional economy (tbc)
<b>Session 6.4a</b>	<b>15:30 – 16:00</b>	Panel discussion*
	<b>16:00 – 16:15</b>	Coffee Break
<b>Session 6.5</b>	<b>16:15 – 17:30</b>	Risk management
<i>The effective management of risk and risk sharing between the public and private sectors is critical to efficient PPPs and to the integrity of the concept in supporting regional development into the future. Openness and confidence in processes to arrive at mutually acceptable ways of managing risk over changing circumstances over long periods of time are necessary, based on fair and equitable principles</i>		
	<i>Presenter</i>	Stan Stavros, Partner, KPMG
<b>Session 6.5a</b>	<b>17:30 – 18:00</b>	Panel discussion *

- **Panel discussions: involving presenter; ADB specialist; ADBI and academic coordinator**

## DAY SEVEN ~ Tuesday 27 October 2009

**Venue: TBA**

**Theme of the Day ~ *Conclusions and Summation***

	<b>8:45 – 9:00</b>	Welcome and administration matters – Centre Staff
<b>Session 7.1</b>	<b>9:00 – 10:30</b>	Groups A and B with cross-economy representation will make a presentation drawing on the course materials, discussions and case studies. Each will address a specific topic – assigned to them in Session 4.1. The presentation will be followed by a whole group discussion.
	<i>Presenters</i>	<b>Group A</b> <b>Group B</b>
	<i>Panellists</i>	Representatives from ADB, private sector, Partnerships Victoria, Prof Mervyn Lewis (tbc), former UNCTAD specialist and Academic Coordinator/ moderated by Elaine Glennie, ADBI
	<b>10:30 – 10:45</b>	Coffee Break
<b>Session 7.1</b> Cont...	<b>10:45 – 12:15</b>	Groups C and D with cross-economy representation will make a presentation drawing on the course materials, discussions and case studies. Each will address a specific topic – assigned to them in Session 4.1. The presentation will be followed by a whole group discussion.
	<i>Presenters</i>	<b>Group C</b> <b>Group D</b>
	<i>Panellists</i>	Representatives from ADB, private sector, Partnerships Victoria, Prof Mervyn Lewis (tbc) former UNCTAD specialist and Academic Coordinator/moderated by Elaine Glennie, ADBI
	<b>12:15 – 13:45</b>	LUNCH
<b>Session 7.2</b>	<b>13:45 – 14:30</b>	Developing a regional register of PPPs – concept, management and location.
	<i>Presenters</i>	Prof Mervyn Lewis, University of Adelaide (tbc)
<b>Session 7.2a</b>	<b>14:30 – 15:00</b>	Panel discussion*
<b>Session 7.3</b>	<b>15:00 – 15:45</b>	Summation of key messages
	<i>Presenters</i>	Representatives of UNCTAD, Australian Treasury and Partnerships Victoria
<b>Session 7.3a</b>	<b>15:45 – 16:15</b>	Panel discussion*
	<b>16:15 – 16:30</b>	Coffee Break
<b>Session 7.4</b>	<b>16:30 – 17:00</b>	Final conclusions
	<i>Presenter</i>	Academic Coordinator
	<b>17:00 – 17:45</b>	Graduation and cocktails – including presentation of certificates

- Panel discussions: Presenters; ADB; ADBI and moderated by academic coordinator.