

THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY-BUILDING

A Public-Private Sector Initiative

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Second Meeting 2011

26 April 2011

14:00 – 16:00

Crystal Ballroom, Lotte Hotel
Seoul, Republic of Korea

Meeting Paper 3-B

First Asia-Pacific Infrastructure Partnership Dialogue, Tokyo

Office of the Advisory Group Chair

PURPOSE	For consideration.
ISSUE	Holding of the First Asia-Pacific Infrastructure Partnership Dialogue, Tokyo
BACKGROUND	As mentioned in Paper 4-A, the Advisory Group agreed to hold closed-door dialogues on selected individual developing economies (one economy per session): an Asian dialogue to be held in Tokyo (date still to be confirmed), and a Latin American dialogue to be hosted by ABAC in Lima, Peru in late August.
PROPOSAL	To hold the first dialogue as described in the attached program
DECISION POINT	Endorse the program for the first dialogue.



The 1st Asia-Pacific Infrastructure Partnership Dialogue

(Date still to be confirmed)

Tokyo, Japan

Draft as of 30 March 2011

A recent forum¹ convened 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 PPP 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 yielded the following key messages:

- Despite recent improvements in infrastructure-related policies, key constraints impeding private investment remain – lack of capital market depth, dearth of good quality projects, inadequate regulatory frameworks and concerns about transparency and political, country, exchange and interest rate risk.
- 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.

In 2010, ABAC proposed a model for such a regional structure – an Asia-Pacific Infrastructure Partnership – involving key high-level officials engaged in infrastructure PPP, experts from MDBs and ECAs, and a pool of senior private sector experts from a wide range of fields relevant to infrastructure PPP. This closed-door dialogue is based on this model, where the agenda of sessions are tailored to the specific needs and priorities of member economies. This is the first of a series of dialogues that ABAC, through the Advisory Group on APEC Financial System Capacity Building, is convening to help enhance the effectiveness of policy frameworks to expand private participation in PPPs.

PROGRAM

08:00-08:30	REGISTRATION
08:30-09:00	OPENING SESSION Welcome and opening remarks
09:00-10:30	SESSION ONE INDONESIA
10:30-11:00	COFFEE BREAK
11:00-12:30	SESSION TWO THE PHILIPPINES
12:30-14:00	LUNCH
14:00-15:30	SESSION THREE THAILAND
15:30-16:00	COFFEE BREAK
16:00-17:30	SESSION FOUR VIETNAM
17:30-17:45	CLOSING SESSION Closing remarks

¹ 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.