



**APEC Seminar on Mobilizing Long-Term and Stable Financing
for Infrastructure Development in the Asia-Pacific Region**

Hosted by

Ministry of Finance, People's Republic of China

Co-organized by

Organization for Economic Co-operation and Development (OECD)

Co-sponsored by

Asia-Pacific Finance and Development Center (AFDC) Beijing Office

APEC Business Advisory Council (ABAC)

Asian Development Bank (ADB)

Department of the Treasury, Australia

Ministry of Finance, Indonesia

Ministry of Finance, Russia

Ministry of Finance, Singapore

Dalian, China

26-27 June 2014

Note:

Cooperation on infrastructure investment and financing has been identified as an important policy theme for the APEC Finance Ministers' Meeting (FMM) in 2014. It is proposed to showcasing demonstrative infrastructure PPP projects and formulating an implementation roadmap as concrete deliverables to the FMM, to guide APEC member economies' future work in developing infrastructure PPP projects.

This seminar is one of the activities to promote discussions and experience sharing on infrastructure investment and financing. To better serve for the proposed deliverables, the format of the seminar will be case study focused. Under sessions 1-4, key speakers are expected to present their views and insights by analyzing 1-2 infrastructure PPP cases which are relevant to the topic of the respective session. Each presentation is expected to be around 20 minutes. After presentations, commentators will be invited to make comments for about 10 minutes each. Session 5 will be a brainstorming on the implementation roadmap, in which each speaker is expected to speak for around 10 minutes. The case studies and insights shared at the seminar will be useful references for the concrete deliverables of the APEC FMM this year.

As of 16 June 2014

Draft Agenda

Wednesday, 25 June 2014

18:30–20:30 **Welcome Dinner**

Thursday, 26 June 2014

8:00–8:30 **Registration**

8:30–9:00 **Opening Session**

Opening Remarks:

Mr. Shi Yaobin, Vice Minister, Ministry of Finance, China

Nicolas Pinaud, Senior Advisor to the Secretary General, Sherpa Office, OECD

Ms. Cao Aihua, Executive Vice Mayor, Dalian Municipal Government.

Session Moderator: Ms. Zheng Quan, Deputy Director General, International Department, Ministry of Finance, China

9:00–9:15 **Photo Session**

9:15–10:45 **SESSION 1: Managing Risk and Return of Long-term Infrastructure Investment**

To mobilize long-term and stable financing into infrastructure, it is necessary to understand the characteristics of risk and return of infrastructure investment and their implications on risk appetite and return expectations of different investor classes in the first place. Based on this knowledge, effective institutional arrangements, operational models as well as financing mechanisms can be developed to diversify risks, maximize returns and attract long-term investors. For infrastructure projects in low-income economies, innovative financing mechanism needs to be developed in which MDBs have a role to play. This session will focus on the risk types and potential benefits of infrastructure investment, their implications for financing options and contractual approaches, and suggestions for APEC member economies.

Session Moderator: Mr. Zhou Qiangwu, Executive Deputy Director General, AFDC Beijing Office, Ministry of Finance, China

Key speakers:

1. Mr. Seethapathy Chander, Special Senior Advisor (Infrastructure and PPP), VPKM, ADB
2. Mr. Binyam Reja, Country Sector Coordinator, Lead Transport Specialist, China and Mongolia Sustainable Development Unit, East Asia and Pacific Region, World Bank

Commentator 1: Mr. Colin Chen, Executive Vice President/Regional Head of Project Finance, Asia, Asian Investment Banking Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Commentator 2: Yang Ping, Deputy Director, professor, Investment Institute, National Development and Reform Commission

Discussion

10:45–11:00

Coffee Break

11:00–12:30

SESSION 2: The Challenges of Infrastructure Investment—from Investors' Perspective

To attract private investment into infrastructure, the public sector must have a good understanding on the private sector's perspective on challenges they face in investing into infrastructure. This session will discuss government and market based incentives to attract long-term finance into infrastructure, development of market instruments for a wider range of investors, pooling platforms for efficient regional marketing of infrastructure project bonds, promoting institutional and retail investment and collection and provision of regional data on risk profile of infrastructure projects.

Session Moderator: Dr. J.C. Parrenas, Senior Advisor, Nomura Securities Co., Ltd.(confirmed)

Key speakers :

1. Ms. Vanessa Wang, Managing Director and Head of Pension Services, Asia-Pacific, Securities and Fund Services, Citi
2. Raffaele Della Croce , Lead Manager OECD Long Term Investment project
3. Mr. Ivan Chung , Vice President, Senior Credit Officer, Project and Infrastructure Finance, Moody's Investors Service

Commentator 1: Mr. Charles Lawrence Greenwood, Jr., Senior Managing Director, Metlife

Commentator 2: Mr. Makoto Okubo, General Manager, International Affairs, Nippon Life

Commentator 3: Lina CHUA, Deputy Director, International Relations, Ministry of Finance Singapore

Commentator 4: Mr. Hirofumi Kasai, Senior Vice President and Head of Investment, Tokio Marine Asia Pte. Ltd.

Discussion

12:30–14:00

Lunch

14:00–15:30

SESSION 3: PPP Center/Unit's Role in Infrastructure Development

PPP center/unit plays a key role in promoting infrastructure development through the PPP modality in many APEC economies. This session will discuss PPP center/unit's role in developing bankable infrastructure PPP projects to attract long-term and stable financing through well-coordinated project planning, preparation, financing, and monitoring. Capacity building and coordination between central and local PPP centers/units will also be discussed. Relevant guidelines and principles developed by international organizations including OECD and ADB will be shared as references of discussion.

Session Moderator: Mr. Binyam Reja, Country Sector Coordinator, Lead Transport Specialist, China and Mongolia Sustainable Development Unit, East Asia and Pacific Region, World Bank

Key speakers:

1. Paul Horrocks, Principal Adviser, Infrastructure, Industry, Environment and Defence Division, Treasury, Australia
2. Soojin Park, International Cooperation Team Leader, Public and Private Infrastructure Investment Management Center (PIMAC), Korea Development Institute

Commentator 1: Mr. Kenneth Waller, Director, Australian APEC Study Centre at RMIT University

Commentator 2: Mr. Hiroshi Maeda, Partner, Nishimura & Asahi

Commentator 3: Mr. Freddy Rikson Saragih, Director, Risk Management Unit, Fiscal Policy Agency, Ministry of Finance, Indonesia

Discussion

15:30–15:45 **Coffee Break**

15:45–17:15 **SESSION 4: Cultivating Financial Market to Promote Infrastructure Development**

A well-developed and sound financial market can help raising funds, cultivating institutional investors, allocating risks and strengthening supervision for regional infrastructure development. This session will focus on financial market development including local currency bond market development, innovation of financial tools, as well as concrete measures to develop financial market and nurture institutional investors for infrastructure investment and financing. Some initiatives and recommendations by OECD on pooling of resources to finance infrastructure projects and the role of institutional investors in long-term financing will be presented to facilitate discussion.

Session moderator: Stephen Lumpkin, Senior Economist, Financial Affairs Division, OECD

Key speakers:

1. Cao Honghui, Deputy Director General, Research and Development Department, China Development Bank
2. Ms. Gloria Lu, Standard & Poor's

Commentator 1: Mr. Mark Austen, Chief Executive Officer, Asia Securities Industry & Financial Markets Association

Commentator 2: Mr. Cary Chan, Managing Director, Head of Portfolio Management, Asia, Manulife Asset Management

Commentator 3: Mr André Roux, Investec Asset Management

Discussion

18:30–20:30 **Dinner**

Friday, 27 June 2014

8:30–9:00 **Registration**

9:00–10:30 **SESSION 5: Brainstorming on the Implementation Roadmap for
Infrastructure PPP in the APEC Region**

APEC is an important platform for economic cooperation in the Asia-Pacific region. Promoting infrastructure development through PPP modality is a prioritized area of cooperation under the APEC Finance Ministers' Process in 2014. Concrete deliverables to showcasing demonstrative infrastructure PPP projects and formulating an implementation roadmap are proposed. This session will discuss lessons and experiences that can be drawn from member economies' case studies, as well as key elements that can be included in the implementation roadmap.

Session Moderator : Mr. Seethapathy Chander, Special Senior Advisor (Infrastructure and PPP), VPKM, ADB

Speaker 1: Paul Horrocks, Principal Adviser, Infrastructure, Industry, Environment and Defence Division, Treasury, Australia

Speaker 2: Department of Finance, Canada

Speaker 3: Youngsob YOO, Deputy Director, Public-Private Partnership Policy Division, Ministry of Strategy of Finance, Republic of Korea

Speaker 4: Ministry of Finance, Japan

Speaker 5: Dr. J.C. Parrenas, Senior Advisor, Nomura Securities Co., Ltd.

Speaker 6: Mr. Kenneth Waller, Director, Australian APEC Study Centre at RMIT University

Discussion

10:30–10:45 **Closing Remarks**

Speakers:

Mr. Raffaele Della Croce, Lead Manager Long Term Investment project OECD
Ms. Zheng Quan, Deputy Director General (DDG), International Department, Ministry of Finance, China

11:30–13:30 **Lunch**