



# Completion Report

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Project Number: 47378-001  
Technical Assistance Number: 8602  
April 2017

## Supporting the Asia-Pacific Economic Cooperation (APEC) in Public–Private Partnership for Infrastructure Financing

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TA Number, Country, and Name:			Amount Approved: \$225,000	
TA 8602-REG: Supporting the Asia-Pacific Economic Cooperation (APEC) in Public-Private Partnership for Infrastructure Financing			Revised Amount: Not applicable	
Executing Agency: Asian Development Bank (ADB)		Source of Funding: TASF-V	Amount Undisbursed: \$70,704	Amount Utilized: \$154,296
TA Approval Date: 19 Dec 2013	TA Signing Date: N/A	Fielding of First Consultants: 22 Mar 2014	TA Completion Date Original: 31 Jan 2015	Actual: 31 Oct 2016
			Account Closing Date Original: 31 Jan 2015	Actual: 22 Feb 2017
<b>Description</b>				
<p>ADB has been a strong supporter and close development partner of the Asia-Pacific Economic Cooperation (APEC) since the first APEC Finance Ministers' Meeting which was held in Honolulu, USA in 1994. ADB senior management has participated in the annual APEC Finance Ministers' Meeting (FMM) and provided insights on APEC regional economic development and policy recommendations to better address issues on economic cooperation and development in the region.</p> <p>In 2013, the APEC Economic Leaders committed to cooperate in developing, maintaining and renewing physical infrastructure through a Multi-Year Plan on Infrastructure Development and Investment to improve the investment climate, provide public-private partnerships (PPP), and enhance government capacity and coordination in preparing, planning, prioritizing, structuring and executing infrastructure projects. As a first step under the Plan, the APEC Finance Ministers committed in September 2013 to establish an APEC Public-Private Partnership (PPP) Experts Advisory Panel and a pilot PPP Center in Indonesia, and encouraged efforts to promote efficient allocation of global capital and explore and improve infrastructure financing, involving government, the private sector, and international institutions. The APEC Finance Ministers called on the World Bank, ADB, and OECD to provide appropriate support.</p> <p>The objective of the small-scale policy and advisory technical assistance (TA) was to support the APEC Finance Ministers' Process (FMP) in promoting PPP for infrastructure financing for the APEC economies through exploring the establishment of PPP centers in urban towns/cities (such as through supply-chain linkage) and knowledge-sharing among the public and private sectors in effectively promoting urban infrastructure financing.</p>				
<b>Expected Impact, Outcome, and Outputs</b>				
<p>The expected impact of the TA was improved infrastructure development among the APEC economies through assistance to the APEC FMP in undertaking regional cooperation activities on infrastructure finance. The outcome of the TA was improved infrastructure financing in the APEC region—for both domestic and regional infrastructure projects in APEC. The outputs of the TA included (i) seminar/workshop on PPP financing for infrastructure, (ii) public and private sector dialogue on urban infrastructure financing, (iii) knowledge sharing among the PPP centers in urban towns/cities in the APEC economies, and (iv) support to the APEC chair including policy advice and other requested support to facilitate the APEC FMP.</p>				
<b>Delivery of Inputs and Conduct of Activities</b>				
<p>Eight resource persons were engaged to share their experiences and made presentations in various APEC seminars and workshops on specific topics that required expertise on PPP, financial inclusion, disaster risk finance, trade facilitation, and capital markets development. Actual consulting services inputs utilized were around 27 person-months for national consultants, and close to 1 person-month for resource persons. The TA financed 16 government officials and middle management officials from PPP Centers of PRC, Indonesia, Philippines, and Thailand to participate in two PPP capacity building workshops organized by the Australian APEC Study Centre.</p> <p>ADB utilized staff and in-house consultants to conduct research on PPP for urban infrastructure financing and prepare policy notes to be presented during the workshop and knowledge sharing events. The TA made use of ADB staff resources in the preparation of presentations and background papers for the events. National consultants were engaged continuously as research assistants through individual consultants system (ICS) in accordance with ADB's Guidelines on the Use of Consultants to assist in activities related to the APEC PPP for infrastructure financing. The consultants satisfactorily provided research, technical, and administrative support in the implementation of APEC activities supported under the TA, as well as in assisting the ERCI project manager in administering the TA, including coordinating</p>				

both within ADB and with external partners. In sum, ADB performed satisfactorily as executing agency, and the consultants and resource persons performed satisfactorily as well.

Due to strong demand from APEC host economies for ADB to support the FMP, the TA's completion date was extended three times, with cumulative extension reaching 21 months, original completion date of 31 January 2015 to 31 October 2016. This allowed continuous support to APEC initiatives, including initiatives and deliverables under the Cebu Action Plan. A minor change in implementation arrangements was required for the following: (i) undertake additional APEC events in 2015, (ii) increase the number of national consultants inputs from 12 to 23 person-months, (iii) add ten resource persons with 1 person-month total, (iv) change in financial plan, and (v) provide for a TA extension, dated 4 February 2015. A second extension of TA completion date was provided, dated 9 December 2015 to continuously provide support to APEC initiatives, while a third extension was approved on 11 July 2016 to support the Finance Ministers' Meeting scheduled in October 2016.

### **Evaluation of Outputs and Achievement of Outcome**

The TA financed three APEC PPP related activities: (i) APEC Seminar on Public Sector's Role in PPP Modality held in the People's Republic of China (PRC) on 21–22 May 2014 with 100 participants, (ii) APEC Capacity Building Program: Delivering Successful PPP—Transaction Skills and Capabilities for Public Officials and Agencies in APEC Economies held in Australia on 2–5 September 2014 with 34 participants, and (iii) Capacity Building Program on Establishing Best Practices in the Operations of a PPP Agency held in Australia on 9–12 June 2015 with 30 participants.

The TA supported five meetings related to the FMP and initiatives, and co-organized and funded resource persons in the following APEC activities: (i) Asia-Pacific Forum on Financial Inclusion: Developing the Lending Infrastructure for Financial Inclusion held in Tagaytay, Philippines in March 2015, (ii) Disaster Risk Finance – APEC Roadmap for Resilient Economies held in Bacolod, Philippines in April 2015, (iii) WTO-WCO Roundtable Discussion: Multilateral Trade for Inclusive Growth, held in ADB headquarters (HQ) in May 2015, (iv) Asia-Pacific Financial Forum (APFF) Insurance and Retirement Income Work Stream Meeting held in ADB HQ in July 2015, and (v) APFF Workshop on Key Issues in Developing the Philippines' Repo and OTC Derivatives Markets held in ADB HQ in November 2015. ADB staff provided substantive inputs and gave presentations in the meetings of the FMP leading to the annual Finance Ministers' Meeting.

Private sector participation and contribution to APEC events have provided practical experiences in PPP partnership. The establishment of PPP Centers in the PRC in 2014, was an outcome of the 21st APEC Finance Ministers' Meeting. ADB helped design and arrange the ensuing seminar which covered a range of PPP issues. It is an important milestone in the PRC's PPP institutional capacity building.

The TA co-sponsored participants in the PPP training programs organized by the Australia APEC Study Centre thus providing more participation in knowledge sharing activities among the APEC economies' PPP centers.

The number of resource persons provided through the TA contributed in better representation in knowledge sharing among APEC member economies.

### **Overall Assessment and Rating**

The TA is rated less than successful. While all outputs mentioned above have been delivered, they did not necessarily lead to improved infrastructure financing in the APEC region, particularly in urban infrastructure financing. As PPP is increasing in importance as an infrastructure project financing modality in Asia and the Pacific in view of the huge infrastructure demand, the TA was able to contribute in promoting and facilitating PPP projects in the region through the capacity building workshops financed by the TA. Beyond these capacity building workshops, it is not clear if they have directly influenced an increase in PPP transactions. While the extension of the TA helped continuously provide support to activities under the APEC initiatives, there still remain about 31% in unutilized funds. It may be noted that cost-conscious arrangements were implemented, e.g., the APEC PPP Seminar in 2014 was held soon after the APEC Senior Finance Officials' Meeting which was held at the same venue, thus majority of the resource persons were already there, doing away with airfare costs, leading to savings of about \$45,000 at that time.

### **Major Lessons**

Collaboration and coordination work with APEC host economies and APEC working groups have played vital roles in ADB's contributions to various APEC trainings and seminars. It is useful to dialogue with APEC working groups and host economies for a more focused dialogue on activities and initiatives for potential ADB support. Also, there is a need

to coordinate within ADB on PPP related topics as a stand-alone TA without benefiting from ADB's overall institutional strength usually can't do much.

While the TA has an approved budget, cost-saving arrangements should still be encouraged in the name of cost-effectiveness and implementation efficiency.

#### **Recommendations and Follow-Up Actions**

It is recommended that ADB continue its support to the APEC FMP but with a different approach. While the meetings and related events have provided opportunities for ADB to share its knowledge, improved its international visibility, and carried out mutually beneficial initiatives in areas such as infrastructure finance, regional financial market development, SME finance, and disaster risk finance (e.g., establishment of Asia Pacific Project Preparation Facility, ADF donors agreement in May 2016 to allocate up to \$200 million in grants for disaster risk reduction to ADB's concessional assistance-only countries), it may be better if the assistance would be more research-oriented. Research-oriented approach will better link the TA outputs to ADB regional operations and relevant regional initiatives. Dissemination activities would still be useful as platform for disseminating research findings.

APEC = Asia-Pacific Economic Cooperation, FMP = finance ministers' process, OTC = over-the-counter, PPP = public-private partnership, repo = repository, TA = technical assistance, WCO = World Customs Organization, WTO = World Trade Organization.

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