



Annual Activity Report

(From April 2019 to March 2020)



Asia PPP Institute (APPPI)
TOYO University

Organization of Asia PPP Institute (APPPI)

Honorary Advisors

Dr. Mahathir bin Mohamad, the fourth and the seventh Prime Minister of Malaysia

Dr. Yasuko Fukuda, the ninety-first Prime Minister of Japan

Evaluation Committee Members

Dr. Frank Schnidman, the former professor at Florida Atlantic University (FAU) in the United States

Dr. Khairuddin Abdul Rashid, the former professor at International Islamic University in Malaysia (IIUM)

Staff

Director: Prof. Sam Tabuchi, Professor of Toyo University, Chair of Working Party on PPP under the United Nations Economic Commission for Europe (UNECE)

Senior Staff: Ms. Fumiyo Takai (Until November 2019)

Senior Staff: Mr. Yoji Ishii (From February 2020)

APPPI Members (FY2019)

<In Japan>

- Chodai Co., Ltd.
- Daiwa Lease Co., Ltd.
- Kitakyusyu City, Fukuoka Prefecture
- Eight-Japan Engineering Consultants Inc.
- Toyama City, Toyama Prefecture

<Overseas>

- Butuan City, the Philippines
- Iriga City, the Philippines

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I. Executive Summary

Since its establishment in 2011, APPPI has been continuing to grow as a global driver to promote PPP frameworks and PPP-based business development across Asia. Its activities have been broadening steadily among APPPI targeted countries. The main activities in FY2019 are as follows.

- Prof. Tababuchi, the director of APPPI, participated in the International PPP Conference in Geneva, chairing working party on PPP under UNECE.
- Through Regional Development Advisory Program (RDAP) in Luang Namtha Province, Laos, the recommendation report for the development was prepared and was submitted to the relevant parties.
- In cooperation with Daiwa Lease Co., Ltd., JICA`s project named as "SDGs Business Model Formulation Survey with the Private Sector for Earthquake Resilient Houses with Japanese Prefabrication System for Low Income Communities" was conducted.
- Short-term PPP seminars such as the seminar for staff of the Ministry of Finance for the Central Government of the Republic of South Africa and the seminar for the local government officers and the faculty of the universities around Butuan City in the Philippines were conducted.
- The APPPI Open Seminar was held three times a year, and the final seminar was attended by International PPP experts invited from UNECE.

II. APPPI Activities from April 2019 to March 2020

1. Regional Development Advisory Program (RDAP) / PPP Applicability Study

1) RDAP in Luang Namtha Province, Laos

This study was based on a request from Luangpaseuth Tourism Co. Ltd. (LCC), which was commissioned to develop 35ha of public land from Luang Namtha Province, Laos. The study has been conducted from August 2019 to January 2020 based on study contract. The objectives of this study are: (1) to conduct study and make proposals on optimal regional economic and social development for Luang Namtha Province, and (2) to consider how China's advanced development can be linked to local benefits, and (3) to conserve environments. We made proposals on the utilization of 35ha public land, including the development of tourism bases, and capacity building on PPP. In accordance with these objectives, nine people from Toyo University and consultancies visited the site in November 2019 to conduct a field study to prepare a report for the development in English, and to submit the report to LCC in February 2020.

<Overview of field survey>

A field survey was conducted from November 3 to 9, 2019. In the field survey, we visited 35ha of public land where LCC will develop, and also visited the town of Luang Namtha and Bouten bordering with China. Furthermore, we were split into two teams. One team took part in trekking in Ham Har Conservation Forest, which occupies most of Luang Namtha Province, and the other team visited three ethnic minority groups. In addition, we visited 10 departments of the Luang Namtha Provincial Government to hear about policies and business issues in each department. In Vientiane, we visited the World Bank and UNICEF to hear about educational issues and the related projects for ethnic minorities. We also interviewed with the Forestry Bureau of the Ministry of Agriculture and Forestry to hear about domestic policies for forest conservation. Furthermore, we

visited JICA Laos office to share the knowledge on this study. Based on the results of these field surveys, PPP training program for Luang Namtha Province and proposals for the development plan of the province were finally made.

From February 8 to 11, 2020, a debrief meeting in terms of the use of public land was held. There was a total of 25 participants, including the governor of Luang Namtha Province, Deputy Governor of the Province, and CEOs of LCC. Prof. Tabuchi advised about the land development plan based on the report. In addition to the development of tourist facilities on the land, the proposals of the development aimed at making the land a comprehensive regional development center. Those ideas were well received by local stakeholders. We visited the JICA Laos office in Vientiane and explained about the RDAP project being carried out in Luang Namtha by Toyo University. We also visited the Embassy of Japan in Vientiane to hear about development issues in Laos.



Group shot at PPP seminar



Planned development site

<Summary of the report>

Luang Namtha Province needs to lead future development based on its unique characteristics, taking into account available natural resources, and cultural diversity, etc. Specific policies are needed in order to promote the development. In addition, the project has value beyond just tourism development and will enhance other areas, including easy access to education for ethnic minorities. This is a great opportunity to improve various sectors at all the level. Under the principles of sustainable development, a clear vision, its related strategy, and its action plan are needed to collaborate between LCC and the province. Luang Namtha is currently at a critical crossroads for the future development.



Report session at Luang Namtha



Elementary school for the ethnic minority

2) JICA's project "SDGs Business Model Formulation Survey with the Private Sector for Earthquake Resilient Houses with Japanese Prefabrication System for Low Income Communities"

The study has been conducting with Daiwa Leasing Co., Ltd. under a contract with JICA from May 17, 2019 to September 30, 2020. The purpose of the study is to understand the necessity to develop the housing more secure and reliable by the Indonesian government and the relevant parties involved in the housing construction projects in Indonesia, and to make proposals for additional studies on housing laws and regulations and to conduct temporary construction in the event of natural disaster like an earthquake.

The aim is to develop housing products for low-income communities that can also be provided as housing for long-term residence, and to develop PPP business model for housing for low-income communities, including the development of public housing by local governments. This project is based on experiences and findings of previous JICA's project "Policy Research for Promoting PPP Projects in Indonesia" conducted by Toyo University from 2016 to 2019. The role of Toyo University in this current project is to (1) examine a proposed PPP business model, (2) develop a logic for contributing to the SDGs, and (3) check consistency with our ideas proposed for existing disaster recovery policies in Indonesia. Two field studies in Indonesia have been completed so far. The outline is as follows.

<Field study in June 2019>

The first field study of this project was conducted from June 23 to 28, 2019. We inspected public housings in Jakarta. There are two types of housings. One is developed by the standard of (RISHA) of the research institute for the Ministry of Public Works and Housing (PUSKIM), and the other is developed by the National Housing Supply Corporation (PERUMNAS).

We visited the World Bank Indonesia office to interview with the case officers with regards to housing for low-income communities and housing for recovery against the earthquake and tsunami in Central Sulawesi in 2018. We visited Bandung city to interview with the research institute of the Ministry of Public Works and Housing, the Bandung Institute of Technology (ITB), and the West Java Development Planning Bureau (BAPPEDA) to collect significant information on housing for disaster recovery and low-income communities.



Inspection tour for RISHA`s house



Low-cost house made of bamboo by ITB

<Field study in February 2020>

The second field study of this project was conducted from February 23 to 28. We had a meeting with representative for Japanese companies and local companies in Indonesia to exchange opinions on the Indonesian domestic marketability for housing for low-income communities. We visited the JICA Indonesia office to report on the progress of the study. We visited PUSKIM to exchange opinions on technical aspects such as the structure and specifications of house for low-income communities. We visited Bandung Branch office for the Ministry of Public Works and Housing (PU) to exchange opinions on PPP schemes related to the housing development in Bandung City. We visited Bank Negara Indonesia (BNI) to hear about the investment and finance strategies and the current status of dealing with Japanese companies operating in Indonesia. We visited a private construction company to hear about the building standards and the significant points in the construction sector in Indonesia. We had a meeting with the local developers of the Jakarta Real Estate Association (HIMPERA) and interviewed for local situation for the development of real estate sector in Indonesia.



Technical Meeting at PUSKIM



Dialogue meeting at Bandung PU

2. PPP short-term seminars

1) PPP seminar in Shiwa, Iwate for the officials for Ministry of Finance from South Africa in November 2019

The development of 10.7 hectares of public land in front of Shiwa-Chuo Station requires minimum financial burden or without financial burden on the development. We introduced the history of constructing and operating daycare center, library, restaurant, supermarket, café, hospital, and lodging facilities, and gave a lecture on the usefulness of PPP schemes in the development projects with the limit of the budget.

2) PPP seminar for the officials and the people interested in Butuan city, Philippines in February 2020

The National PPP Conference including PPP training for the local participants was held in Butuan City. The conference had more than 120 attendees, including the Mayor of Butuan, the central government officials of the Philippines, local government officials inside and outside Butuan City, and local university officials. We introduced 1) RDAP projects implemented by Toyo University and give several lectures on sustainable development towards SDGs for local communities. They were given by Prof. Tabuchi, Assoc Prof. Namba, and Mr. Pedro Navas, a PPP expert from the United Nations Economic Commission for Europe (UNECE), invited by Toyo University from overseas.

As a part of this National PPP conference, the field trip to visit several sites for RDAP was held. We visited several pilot sites, such as a small hydropower station, an eel farm (with an eel processing facility), a water supply facility, and a rice milling facility, which are being implemented on the outskirts of Butuan City. Then we exchanged the opinions with the mayor and the city officials.



Opening at National PPP Conference



Over 120 attendees at the conference



Small hydropower facility



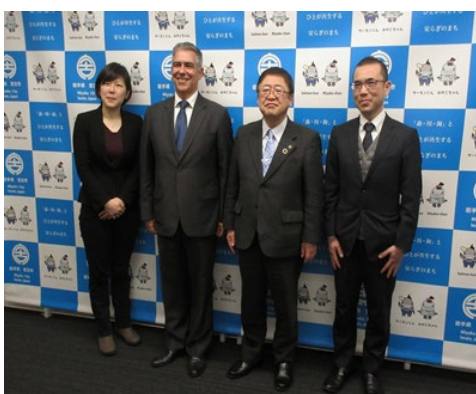
Rice milling facility

3) Study tour for Miyako City and SDGs and PPP seminar for Shiwa Town in Iwate Prefecture in February 2019

We visited Miyako city and exchanged opinions with the city officials. As one of the recovery plans after the Great East Japan Earthquake 2011, the priority area for the plan to use of renewable energy from natural resources was raised in this city which is promoting smart community projects as a significant component of recovery plan. Then

the self-reliant power supply system was developed with a capable system of supplying necessary energy in the event of disaster.

We visited at Shiwa Town, which is preventing population decline and developing a local community through the promotion of public-private partnerships for the use of public land in front of Shiwa central railway station. We exchanged opinions with the town officials, including the town mayor, and gave a lecture on community projects in terms of SDGs (Sustainable Development Goals) to the officials in the town.



Group shot with Mayor of MIYAKO City



Lecture for SDGs at Shiwa town hall

3. Other Activities

1) Attending the International PPP Forum at UNECE (May and December 2019 in Geneva) :

In November 2018, the director of APPPI, Prof. Sam Tabuchi, became the chair of the UNECE working party on PPP. In response, he chaired at the International PPP forum held in May and December in 2019 and proceeded with these meetings. At that time, he explained the necessity of “People First PPP” through the explanation of activities related to PPP promoted by Toyo University. In addition, Mr. Satoshi Kato, a graduate of the PPP School at Toyo University, who was appointed as a visiting researcher at APPPI, was sent to UNECE's PPP Technical Committee in November 2019 for a year period.

For this reason, we would like to further contribute to improving APPPI's presence and promoting PPP projects worldwide through the introduction of Japan's PPP projects and the initiatives by Toyo University.

2) Attending the PPP workshop organized by Korean Architecture and Urban Research Institute in Seoul and Sejong, South Korea (August, 2019) :

We visited at South Korea from August 19 to 23, 2019 to interview with organizations related to PPP in South Korea. In the first visit to Busan, we had a meeting with the Korea Asset Management Corporation (KAMCO) and visited Busan Port Authority to see the redevelopment project in North Busan Port. Afterwards, we visited Ulsan University of Science and Technology, which was developed using the BTL method. In Sejong City, we visited the Institute of Land and Housing Corporation of South Korea (LHI), Institute of Architectural and Urban Space (AURI), and PIMAC which is the central institution of PPP in South Korea. Finally, in Seoul, he interviewed two construction companies participating in the PPP business (Hyundai Construction Co., Ltd. and the EGA Group), and visited the site of Cheonggyecheon Stream Restoration Project.

In South Korea, 724 projects of PPP have been implemented in various sectors during 23 years from 1995 to the end of 2018, with a total investment of about 118 trillion won (about 11.8 trillion yen). The strengths of the South Korean PPI are easy to understand legal system, the process, and various guidelines exist. The feasibility for business is secured for each project, and the verification system is set especially for large-scale projects. The central government is also highly committed. In addition, international communication capabilities involving joint research and publishing with international organizations such as ADB are far superior to Japan. One of its strengths is to use of pension funds other than the governmental budget for public infrastructure development and redevelopment. On the other hand, one of the issues facing PPP in South Korea is

that the number of projects has been declining since 2011. This was due in part to a decline in the willingness of private companies to participate due to the abolition of the Minimum Revenue Guarantee (MRG) system in 2009, and to the social reaction against additional fiscal expenditures under the MRG.

Also, local residents might not be able to agree with social values and the purpose of large-scale infrastructure development projects.

It seemed to raise public distrust for the PPP business. In the near future, a decline in the birthrate and aging speed in South Korea would be even faster than in Japan. Most public infrastructures built during the high growth period of the 1980s and 1990s need to be renewed simultaneously. We hope that PPP projects in South Korea will be developed in terms of a bird's-eye view of how infrastructure development needed will be carried out within a declining budget.

3) APPPI Open Seminars (July and October 2019, and February 2020)

APPPI open seminars were held in July and October in 2019 and February in 2020. At the first seminar in July, we explain the outline of RDAP in Luang Namtha Province and China's Belt and Road Initiative in Laos. We also reported the outline regarding the Asia Future Conference in May and the summary interviewed with Dr. Mahathir bin Mohamad, Prime Minister of Malaysia, APPPI Honorary Advisor.

At the second seminar, two guests (Dr. Ron Carlee from Old Dominion University, and Mr. Roger Munter from Citizens' Cooperation Director, Arlington County, Virginia) were invited from the United States at the International PPP Forum. We openly discussed what public participation and consensus building should be.

At 3rd APPPI seminar, Pedro Navas (PPP Advisor for UNECE) and Claudio Meza (Deputy Director-General for PPP Promotion, UNECE) were invited as guest speakers. We discussed the significance of Toyo University's RDAP and its relevance to the

People First PPP Program and SDGs promoted by the United Nations. Through several inspection tours for RDAP projects supported by APPPI, we exchanged views on evaluation of the projects in terms of "Sustainable Regional Development".



3rd APPPI Open seminar



Group shot with guest speakers
from UNECE

III. APPPI Evaluation Committee Members and APPPI Visiting Researchers

1) APPPI Evaluation Committee Members

The following two experts kindly accepted to be members of the APPPI Evaluation Committee, which provided advice and suggestions on APPPI's activities.

- Dr. Frank Schnidman, the former professor at Florida Atlantic University in the US
- Dr. Khairuddin Abdul Rashid, the former professor at International Islamic University Malaysia in Malaysia

2) APPPI Visiting Researcher

From November 2019, the following three people have been appointed as APPPI visiting researchers to promote APPPI activities widely. Mr. Kato has been seconded to the UNECE's PPP Technical Committee since November 2019 to work through the United Nations. Mr. Oura contributes to the promotion of PPP projects in the Philippines, as the head of the development project in Butuan City in the Philippines, which implemented RDAP projects in 2011. Mr. Fujiki contributes to the promotion of the PPP schemes through various writing activities, as well as teaching at PPP School at Toyo University as a visiting professor on financial analysis of the PPP business.

- Dr. Kato Satoshi (6th graduate of PPP School at Toyo University, Chodai Co., Ltd.)
- Mr. Masayuki Ohura (6th graduate of PPP School at Toyo University, Chodai Co., Ltd.)
- Mr. Hideaki Fujiki (3rd graduate of PPP School at Toyo University, Visiting professor of PPP school at Toyo University)

IV. APPPI Activity Plan for the 2020

The table below shows activity plans from April 2020 to March 2021.

Date	APPPI Research/Study	APPPI Activity
April 2020	- Study on the reduction of UN vehicle management costs under a contract with UNHCR (Budapest, etc.)	
May		- International PPP Forum (Addis Ababa) by UNECE PPP Technical Committee
June		- 1 st APPPI Open Seminar
September	- Submission of the Final report for JICA`s project "SDGs Business Model Formulation Survey with the Private Sector for Earthquake Resilient Houses with Japanese Prefabrication System for Low Income Communities". - Field study of Omiya bicycle racing track in Saitama	- 2 nd APPPI Open Seminar
October		- International PPP Forum (Toyo University)
December		- International PPP Forum (Geneva) by UNECE PPP Working party
January 2020		- 3 rd APPPI Open Seminar
February	- Follow-up study in the Butuan city in the Philippines	- PPP seminar in the Philippines
March		- Development of Annual Report

Appendix 1: Major Activities from September 2011 to March 2020

Date	APPPI Activity
2011	
September	RDAP/PPP Applicability Study in Butuan City, the Philippines
November	<ul style="list-style-type: none"> - Establishment of APPPI - Dr. Mahathir and Chancellor Shiokawa inaugurated as APPPI honorable advisors
2012	
January	PPP seminar held in International Islamic University Malaysia (IIUM) and Karjasama Awam Swasta (UKAS) in Malaysia
February	Prof. Tabuchi named Vice Chair of the Executive Board to UN PPP Team of Specialists
March	PPP seminar held in Butuan, the Philippines
August	RDAP/PPP Applicability Study in the Republic of Kyrgyz
September	RDAP/PPP Applicability Study in Mandaue City, the Philippines
2013	
February	PPP seminar held in Manila, the Philippines
April	PPP research conducted for rehabilitation of Palais des Nation (PdN)
September	PPP seminars held in the MPI and NUCE in Hanoi, Vietnam
November	PPP seminars held in Bandung and Surabaya, Indonesia
2014	
February	TOYO PPP held International Academic Competition for TOUHOKU recovery
September	PPP seminar held in Japan for government officials from the Republic of Kyrgyz
2015	
February	RDAP/PPP Applicability Study in Cebu Province, the Philippines
March	PPP seminar held in Hanoi, Vietnam (MPI and NUCE)
August	RDAP/PPP Applicability Study in Surigao del Norte, the Philippines

2016	
February	- RDAP/PPP Applicability Study in the State of Kedah, Malaysia - PPP seminar held in Ho Chi Minh, Vietnam
May	PPP seminar held for the officials of the Ministry of Finance, South Africa
June	RDAP/PPP Applicability Study findings reported to the State of Kedah officials at the 34 th JAMECA-MAJECA Joint Conference
August	The 1 st field visit to Indonesia on JICA Policy Recommendation Research
2017	
February	PPP seminar held in Pretoria and Cape Town, South Africa
March	- RDAP/PPP Applicability Study in Iriga City in the Philippines - The 2 nd field visit to Indonesia on JICA Policy Recommendation Research
June	- Meeting between Dr. Mahathir bin Mohamad and Mr. Yasuko Fukuda, APPPI Honorary Advisors
September	- The 3 rd field visit to Indonesia on JICA Policy Recommendation Research
December	- PPP training and site visits for the government officials from Indonesia in Japan
2018	
February	- The 4 th field visit to Indonesia on JICA Policy Recommendation Research
March	- Follow up visit of RDAP/PPP Applicability Study in Cebu province and Mandaue city, the Philippines
May	- The 5 th field visit to Indonesia on JICA Policy Recommendation Research
June	- PPP seminar held for South African central government officials in Tokyo
August	- PPP seminar held for local government officials in Cebu, the Philippines
September	- The 6 th field visit to Indonesia on JICA Policy Recommendation Research
November	- The director of APPPI, Prof. Sam Tabuchi, became the co-chair of UNECE PPP Working Party - The 7 th field visit to Indonesia on JICA Policy Recommendation Research
2019	
February	The 8 th field visit to Indonesia on JICA Policy Recommendation Research

March	Submission of the final report for JICA Policy Recommendation Research
May	Attendance for the International PPP Forum (Geneva) by the UNECE PPP Technical committee
June	<ul style="list-style-type: none"> - Preliminary study on local regeneration support program in Luang Namtha Province, Laos - 1st field survey on JICA's project "SDGs Business Model Formulation Survey with the Private Sector for Earthquake Resilient Houses with Japanese Prefabrication System for Low Income Communities in Indonesia"
August	Study tour for PPP in South Korea
September	Study tour for PPP in the United States
November	<ul style="list-style-type: none"> - Implementation of field survey on local revitalization support program in Luang Namtha Province, Laos - Conducted PPP seminars for the officials of Central Government of South Africa
December	Attended for the International PPP Forum (Geneva) by the UNECE PPP Working party
2020	
February	<ul style="list-style-type: none"> - PPP seminar (National PPP Conference) was held in Butuan City, Philippines, and the inspection tour for local pilot sites was conducted. - The debrief meeting on development plan for the public land and Luang Namtha Province was held. - The study tour for Miyako City and Shiwa Town in Iwate Prefecture was conducted. - APPPI Open seminar (The relationship between RDAP projects by Toyo University and SDGs in the United Nation) was held. - 2nd field survey on JICA's project "SDGs Business Model Formulation Survey with the Private Sector for Earthquake Resilient Houses with Japanese Prefabrication System for Low Income Communities in Indonesia"

Appendix 2: APPPI's Network

