



Co-honorary advisors; Dr. Mahathir bin Mohamad, former Prime Minister of Malaysia and Dr. Shiokawa, Chancellor of Toyo University celebrated APPPI's 1st anniversary with guests from Kyrgyz Republic and Mandaue City, Philippines (Nov. 16, 2012)

Spring 2013 Newsletter

The first year of APPPI activities marked significant success. We have earned strong recognition and reputation from international PPP community.

In May 2012, we officially launched membership programs. For our members, we provided series of lectures, visit opportunities to countries of their interests, case studies and potential projects they might be able to participate.

During the summer, APPPI conducted two research trips in Asia, one in the Kyrgyz Republic and the other in Mandaue City, Philippines. In both studies, we found some possibilities to enhance economic growth through PPPs. In Kyrgyzstan, we found it possible to implement PPP in Bishkek City parking lot. Some other possibilities can be street lighting combined with the parking lot and agricultural logistics centers. In Mandaue, we proposed PPPs in their three major problems; solid waste management, road congestion, and seasonal flooding. Some other possibilities can be improvement of tax collection, school renovations, and industrial development.

In November, we celebrated our first anniversary with before Dr. Mahathir and Dr. Shiokawa.

Top Headline

Gearing UP for the Second Year

During the first year of activities, APPPI has caught interests from many Asian nations. Several of our earliest partnering countries are Malaysia and the Philippines, and we expand our activities to Kyrgyz Republic, Indonesia, Vietnam and more.

Featured Article

Improving Legal Frameworks in Public-Private Partnerships an inside look at how Asian jurisdictions are improving PPP systems.

by Gary Miller

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Highlights of **APPPI's** Activities in the Year One

by Yu Namba

[read more on page 4...](#)

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Improving Legal Framework In Public-Private Partnerships



By Gary Miller

The Asia and Pacific region requires infrastructure investment of at least \$8 trillion through 2020. The public sector alone, even with financing from multilateral development banks, cannot meet the growing demand for new infrastructure and rehabilitation of existing assets. Public-private partnerships (PPP) are one of the solutions to this huge challenge. PPPs are a way of mobilizing not just financial but also managerial and technical resources of the private sector to provide efficient and optimized public services.

The Importance of Clear PPP Guidelines and Policy Framework

Most governments have developed PPP laws and legislation on the management of government activities with regard to the use of PPP methods to develop and implement projects. Without clear guidelines or legal framework, the private-sector is simply not capable or willing to assume the substantial risk burden that results from large-scale, long-term PPP investments that lack transparency and clarity.

Countries Are Improving PPP Legislation to Promote Private-Sector Investment

Throughout the Asia-Pacific region and around the globe, countries are improving their legal framework for

PPPs in order to promote private-sector investment. Lessons learned from the past two decades are being used to enact laws and legislation that create greater risk sharing, fair competition, and balanced contracts. Industry experts are consistently striving to make important changes and improve the PPP landscape that will encourage expanded use of PPPs in developing solutions to meet the rising infrastructure gap. Below are five (5) critical elements most countries are addressing through new legislation:

Providing clear definition of competitive bidding and unsolicited proposal processes.

Providing fair and balanced government contract terms and conditions.

Establishing credit guarantee structures that will facilitate private financing.

Providing guidelines for project legal structures (BOT, concessions, F/DBO, management contracts, and privatization).

Ensuring transparency and fairness in competitions.

The table on the following page provides a comparison and review of selected countries with mature PPP framework and those with emerging economies and programs.

Improving Legal Framework in PPP (cont'd)

By Gary Miller

Country	PPP Law	Law Name	Date Enacted	Highlights
Australia	N	-	-	No specific law but very advanced PPP Policies and Guidelines in place
China	Y	Government Procurement Law	2002	Provides PPP policy and guidelines for private-sector participation and ownership
Philippines	Y	RA7718	2006	Government-sponsored PPP Center in place along with improved legislation
Japan	Y	PFI Law	-	Have use older PFI framework but need to enact greater PPP policies and promotion
Indonesia	Y	Law No. 13	2010	Early Asia region pioneer of PPPs using the concession model – advanced stage
Malaysia	Y	PPP Guideline	2000	Provides policy framework and guidelines for public-private partnerships
Thailand	Y	B.E. 2535	1992	Early PPP participant that is now revamping legislation after several failed projects
Vietnam	Y	Decree 108	2009	New legislation developed and PPPs being heavily promoted
India	Y	PPP Guidelines	2006	Booming PPP market with government legislation developed by each State
Korea	Y	PFI Act	2008	Private Participation in Infrastructure developed but requires improvement and expansion

Conclusions

There is no doubt that PPPs will be a key strategy in the development of infrastructure projects and programs in the years and decades to come. The Asian Development Bank has made a strong commitment to encourage private sector participation in the development of the Asia Pacific region and has also identified various legislative and legal framework changes necessary to accelerate the use of PPPs. Recent studies show an increasingly open environment for PPPs, though with

individual countries at different stages of development as highlighted above. Developing and implementing enabling legislation and framework for complex PPP arrangements is no easy task. However, by using the lessons learned during the past two decades on some of the very first PPP projects, we can encourage continuous improvements to PPP laws and guidelines that will facilitate a “win-win” scenario for both the public and private sectors.

Highlights of APPPI's Activities in the Year One

By Yu Namba

(Visit our Website <http://www.apppi.net/> for details)

During the course of its first year, APPPI proved its presence in Asian PPP networks. It has organized two major research trips in Asia; Kyrgyz Republic in August and Mandaue City, Philippines in September.

Kyrgyzstan Research—For the country of Kyrgyzstan and other public sectors such as City of Bishkek, APPPI conducted a research trip to evaluate PPP legislation and 7 project possibilities as well as holding a two days seminar program. In this research, the team found many obstacles in the country to implement PPPs, but few projects have possibilities to proceed to F/S studies. Some other projects can be executed through supports from international aid organizations such as JICA.

(This research and seminar was sponsored by JICA)

Mandaue Research—Locating in Metro Cebu, Mandaue City is one of the largest industrial cities in the country. The city intended to solve several issues through PPP—solid waste management, congestion, and flooding. The study team also found possibilities to enhance tax revenue, improvement of educational infrastructures, reducing industrial wastes and creating new industry through partnerships with private sectors.

APPPI also conducted the following activities:

PPP Intensive Course:

In collaboration with International Islamic University Malaysia and Bandun Institute of Technology in Indonesia, APPPI held a one day intensive PPP lectures in Indonesia.

PPP Seminars/PPP Project Finding Lectures:

We hosted seminars/lectures for members and non-members in June, July, September, January, February and March.



PPP research and a seminar was held in Kyrgyz Republic



PPP Possibility study in Mandaue City, Republic of the Philippines