

OECD Southeast Asia Regional Programme (SEARP)

6th OECD Regional Policy Network Meeting
on Sustainable Infrastructure

25-26 April 2022

Public-Private Partnership Center of the Philippines
Manila

OECD Korea
Policy Centre

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Strengthening governance for Sustainable Infrastructure

Infrastructure gaps present a major challenge for deepening regional economic integration and connectivity within the ASEAN Economic Community. Infrastructure is also central to deliver on the objectives of the Paris Agreement on climate change. Over 60% of global carbon emissions derive from existing infrastructure systems. What is built in the next five years in fast-growing Asia will set emission trajectories for decades to come and determine our collective ability to achieve long-term development and climate goals.

Good governance of infrastructure – the policies, frameworks, norms, processes and tools, used by public bodies to plan, make decisions, implement and monitor the entire life cycle of public infrastructure – is essential to promote economic development, reduce poverty and inequality, create jobs and ensure environmental sustainability. However, the public sector often lacks sufficient financial and technical capacities to plan and prioritise investments aligned with the national development objectives; and to design, finance and build these investments.

Objective of the meeting

This meeting aims to support governments in the region improve their governance of infrastructure in order to provide sustainable and inclusive infrastructure systems that are aligned with long-term priorities, including long-term climate and development objectives.

More specifically, the meeting will explore how international principles, standards and tools, such as the [2020 OECD Recommendation on the Governance of Infrastructure](#), can support ASEAN governments make infrastructure more sustainable. The event will showcase concrete experiences from OECD and Southeast Asian countries to demonstrate how infrastructure governance can be put into practice, and present the OECD Infrastructure Governance Indicators which allow countries to benchmark their own practices and institutional arrangements.

Agenda

Monday 25 April 2022

9:00 – 9:30	<p>Welcome and introductory remarks</p> <ul style="list-style-type: none">• Co-Chairs of the Network<ul style="list-style-type: none">○ Roderick M. Planta, OIC – Undersecretary, Investment Programming Group, National Economic and Development Authority (NEDA), the Philippines○ John Hurley, Alternate U.S. Executive Director to the Asian Development Bank, United States• Edwin Lau, Head of Infrastructure and Public Procurement Division, Public Governance Directorate, OECD• Dr. Hong Tack Chun, Executive Secretary, the OECD-Korea Policy Centre
9:30 – 10:15	<p>Roundtable on regional infrastructure developments</p> <p>This session is designed for participants to introduce themselves and make presentations on recent developments with regards to governance for sustainable infrastructure in their respective countries. Participants are encouraged to exchange information on infrastructure governance processes, challenges and solutions in an informal setting.</p>
10:15 – 10:45	<p>SESSION 1: SUSTAINABLE INFRASTRUCTURE</p> <p>Principles and standards</p> <p>Infrastructure has a central role to play in countries' efforts to meet the current and future needs of their citizens and to achieve the climate change goals enshrined in the Paris Agreement. This session frames the event's discussions by providing the rationale for mainstreaming sustainability across all stages of infrastructure development and presenting tools designed to support improved infrastructure governance, such as the OECD's Recommendation on the Governance of Infrastructure. On the basis of these principles, the OECD has developed Infrastructure Governance Indicators to provide countries with practical guidance for efficient, transparent and responsive decision-making processes in infrastructure investment. The OECD Recommendation supports a whole-of-government approach and covers the entire life cycle of infrastructure projects, putting special emphasis on regional, social, gender and environmental considerations.</p> <ul style="list-style-type: none">• <i>Moderator:</i> Erika Bozzay, OECD <p>Introduction: Why does sustainable infrastructure matter?</p> <ul style="list-style-type: none">• Virginie Marchal, Programme Manager, Sustainable Infrastructure Programme in Asia (SIPA), Environment Directorate, OECD <p>Overview of the OECD Recommendation on Governance of Infrastructure and the Infrastructure Governance Indicators</p> <ul style="list-style-type: none">• Edwin Lau, Head of Infrastructure and Public Procurement Division, Public Governance Directorate, OECD
10:45 – 11:15	<p>COFFEE BREAK</p>

<p>11:15 – 13:00</p>	<p>SESSION 2: STRATEGIC PLANNING</p> <p>Develop a long-term strategic vision for infrastructure</p> <p>Governments face the dual challenge of planning infrastructure that satisfies their citizens' immediate demands while simultaneously meeting long-term climate goals. The challenges of strategic planning stem from the complex nature of infrastructure investment and the difficulty of aligning short-term decisions with long-term development and climate objectives. Since most infrastructure investments seek to achieve multiple economic, social and environmental goals and involve many different stakeholders, policymakers need a mechanism for setting priorities that is sensitive to rapidly changing economic and fiscal situations as well as political and environmental ambitions. Establishing a national long-term strategic vision that addresses infrastructure service needs remains a pre-condition for strengthening infrastructure governance. Additionally, Article 4 of the Paris Agreement calls on Parties to develop long-term low-emission development strategies, which are an essential tool for charting the long-term structural changes necessary to achieve mitigation and adaptation goals. Ensuring that infrastructure investments are flexible and robust against a different set of socio-economic uncertainties is also essential to building systemic climate resilience.</p> <p>This session will discuss the strategic challenges that infrastructure planning must respond to today, how a strategy can ideally provide guidance on how the needs should be met and the role long-term low-emission development strategies can play in aligning infrastructure plans with the Paris Agreement.</p> <p><i>Moderator: Virginie Marchal, OECD</i></p> <p><i>Expert contributions</i></p> <ul style="list-style-type: none"> • Strategic planning: Concept and measures – Erika Bozzay, Senior Advisor, Infrastructure and Public Procurement Division, Public Governance Directorate, OECD • Mainstreaming nature-based solutions in strategic planning – Ryan Bartlett, Director, Climate Risk Management and Resilience, World Wildlife Fund for Nature (WWF) & Angela Consuelo “Gia” Ibay, Head, Climate Change and Energy Programme, WWF Philippines <p><i>Country experiences</i></p> <ul style="list-style-type: none"> • Indonesia: Challenges and opportunities for the design of mid-term and long-term strategies – Yusuf Suryanto, Director of Electricity, Bappenas, Indonesia • Philippines: Developing the Philippines' first NDC and formulating mid- and long-term plans – Jerome Llagan, Chief of the Policy Research and Development Division, Climate Change Commission, the Philippines • Thailand: Sharing good practices on long-term low-emission development strategies – Punnaluk Suraswadi, Policy and Plan Analyst, Head of Transportation Infrastructure Development, Infrastructure Strategy Department, National Economic and Social Development Council (NESDC), Thailand <p><i>Key discussant</i></p> <ul style="list-style-type: none"> • Designing long-term low-emission development strategies: 2050 Pathways Initiative on low-emission long term development strategies – Richard Baron, Executive Director, 2050 Pathways Platform
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	<ul style="list-style-type: none"> • Future-proofing long-term strategies: The use of strategic foresight in the global net-zero transition – Duncan Cass-Beggs, counsellor for Strategic Foresight, OECD • Supporting Italy to scale-up green infrastructure – Raffaele della Croce, Senior Economist, Infrastructure and Public Procurement Division, Public Governance Directorate, OECD <p><i>Discussion</i></p> <ul style="list-style-type: none"> • <i>What has been your experience to date with designing long-term strategies in line with climate goals? What were the main challenges and opportunities in designing a sustainable long-term strategy?</i>
13:00 – 14:30	LUNCH BREAK
14:30-16:30	<p>SESSION 3: PROJECT EVALUATION</p> <p>Aligning infrastructure project pipelines with long-term sustainability goals</p> <p>Just as the evaluation of infrastructure projects’ financial feasibility helps determine their appropriateness, environmental and social assessments ensure that projects contribute to rather than detract from countries’ efforts to achieve long-term environmental and other goals. Project-level evaluations, including environmental impact assessments (EIAs), and policy- or strategy-level evaluations, such as strategic environmental assessments (SEAs) can serve as mechanisms to align short-term decisions with complex, multi-dimensional considerations in the long term.</p> <p>This session focuses on how assessment tools are used in practice and the challenges associated with their uptake and implementation.</p> <p><i>Moderator: Douglas Herrick, OECD</i></p> <p><i>Expert contributions</i></p> <ul style="list-style-type: none"> • Value for Money and fiscal sustainability: Concepts and measures – Erika Bozzay, Senior Advisor, Infrastructure and Public Procurement Division, Public Governance Directorate, OECD • Use of multi-level project evaluation to strengthen environmental and social sustainability – Liesbeth Casier, Senior Policy Advisor, Economic Law and Policy Programme, International Institute for Sustainable Development (IISD) • The use of SEAs and EIAs to bridge the gap between short-term decisions and long-term planning – David Annandale, Senior Partner, DDA Consulting <p><i>Country experiences</i></p> <ul style="list-style-type: none"> • Australia: Mainstreaming environmental considerations in planning – Adam Wilson, Chief Executive Officer, Essential Services Commission of South Australia • Cambodia: Integrating climate change and other environmental considerations into infrastructure project evaluation – Sovanneth Nut, Deputy Chief of Road Inventory and Ferry Management Office, Road Infrastructure Department, Ministry of Public Works and Transport, Cambodia

	<ul style="list-style-type: none"> • Ireland: Integrating ESG criteria into infrastructure investment – Ken Cleary, Principal Officer, Department of Public Expenditure and Reform, Ireland • Philippines: Appraisal in the Philippines: Environmental and Social Aspects – Kathleen Mangune, Director IV, Infrastructure Staff, NEDA, the Philippines • United States: Assessing environmental and social impacts – Geoffrey Tan, Managing Director for Asia-Pacific, United States International Development Finance Corporation <p><i>Discussion</i></p> <p><i>What has been your experience to date in evaluating infrastructure projects in the context of long-term sustainability and development goals? What are the tools and instruments that you found useful? What are the challenges associated with them?</i></p>
16:30 – 17:00	<p>Summary of the first day</p> <p>Co-Chair Roderick Planta (Philippines) to summarise the first day’s discussions.</p>

<p>8:30 – 10:15</p>	<p>SESSION 4: PUBLIC PROCUREMENT AND FISCAL SUSTAINABILITY</p> <p>Ensure efficient and effective procurement of sustainable infrastructure projects</p> <p>Public procurement is a powerful demand-side lever to drive sustainable development through decisions on how goods and services are selected and delivered. These decisions are important not only to promote the fiscal sustainability of public infrastructure projects and service delivery but also to minimise environmental impacts of infrastructure and its inputs. Governments of OECD countries spend on average 12% of GDP on the public purchase of goods and services. Considering life-cycle costing (including life-cycle carbon emissions) and building resilience criteria into infrastructure investments could help shift procurement decisions towards low-emission options.</p> <p>This session presents emerging good practices in public procurement for the promotion of sustainable infrastructure.</p> <p><i>Moderator: Erika Bozzay, OECD</i></p> <p><i>Expert contributions</i></p> <ul style="list-style-type: none"> • Public procurement of infrastructure: Concepts and measures – Edwin Lau, Head of Infrastructure and Public Procurement Division, Public Governance Directorate, OECD • Public procurement for sustainable infrastructure development – Jenny Yan Yee Chu, Procurement Specialist, Procurement, Portfolio and Financial Management Department, Asian Development Bank <p><i>Country experiences</i></p> <ul style="list-style-type: none"> • Hungary: Supporting Hungary to introduce life cycle costing of procurement – Erika Bozzay, Senior Advisor, Infrastructure and Public Procurement Division, Public Governance Directorate, OECD • Malaysia: Public procurement and the use of PPPs to support fiscal sustainability and climate considerations – Khairus Masnan Bin Abdul Khalid, Deputy Director General (Policy), Public Private Partnership Unit, Prime Minister’s Department, Malaysia • United States: Due diligence in public procurement – Lindsey Scannell, Senior Counsel, Commercial Law Development Program (CLDP), Department of Commerce Office of the General Counsel, United States of America • Vietnam: Legal framework for sustainable procurement in Vietnam - Hoang Thi Binh, Public Procurement Agency, Ministry of Planning and Investment <p><i>Discussion</i></p> <p><i>What has been your experience to date with public procurement of infrastructure? What are the main bottlenecks? To what extent do you integrate low-carbon and green measures in public procurement?</i></p>
<p>10:15 – 10:45</p>	<p>COFFEE BREAK</p>

<p>10:45– 12:30</p>	<p>SESSION 5: FINANCING INFRASTRUCTURE: Innovative solutions to mobilise private finance</p> <p>The public sector often lacks sufficient financial and technical capabilities to plan and prioritise investments aligned with the national development and climate objectives as well as to design, finance and build these investments. Privately-financed infrastructure investments – including public-private partnerships – can therefore play an important role overcoming these challenges. Not only can private finance complement public funds, helping to bridge the infrastructure finance gap, but private sector involvement can stimulate innovation and provide necessary technical expertise.</p> <p>This session focuses on how the private sector can contribute to the development of sustainable infrastructure and the public sector’s role in unlocking and directing private capital.</p> <p><i>Moderator: Virginie Marchal, OECD</i></p> <p><i>Country experiences</i></p> <ul style="list-style-type: none"> • Indonesia: Making infrastructure projects more attractive to private-sector financiers for sustainable infrastructure – Slamet Rona Ircham and Herlina Oktavianti, Public Private Partnership Unit, Ministry of Finance, Indonesia • Singapore: Supply-side debt strategy for nationally significant infrastructure – Glenn Cai, Senior Associate, Fiscal Policy Directorate, Green Bonds Programme Office, Ministry of Finance, Singapore • United States: Blue Dot Network standard – Peter Thorin, Senior Advisor – Blue Dot Network, Department of State, United States <p><i>Expert contributions</i></p> <ul style="list-style-type: none"> • ESG factors – Mamiko Yokoi-Arai, Deputy Head, Financial Markets Division, Directorate of Financial Affairs, OECD • Innovative tools for sustainable finance in clean infrastructure – Cecilia Tam, Team Lead, Clean Energy Finance and Investment Mobilisation (CEFIM) Programme, Environment Directorate, OECD <p><i>Discussion</i></p> <p><i>What are the main barriers to leverage private sector investment in infrastructure? What innovative tools and instruments have you adopted to overcome these barriers?</i></p>
<p>12:30 – 13:00</p>	<p>CLOSING: Co-Chair John Hurley (US) to provide closing remarks</p>

The **OECD Regional Policy Network (RPN)** on Sustainable Infrastructure is one of the six Regional Policy Networks of the OECD Southeast Asia Regional Programme (SEARP). SEARP is launched in 2014 to support countries' reform priorities and regional integration in Southeast Asia. Its RPN on Sustainable Infrastructure assists the efforts of ASEAN Secretariat and ASEAN Member States in implementing the Master Plan for ASEAN Connectivity (MPAC) 2025. The RPN meetings have served as fora for sharing lessons learned and best practices among OECD and ASEAN policy makers. Highlights of this cooperation include the ASEAN Principles for Public-Private Partnership Frameworks.

For its 6th meeting, the RPN on Sustainable Infrastructure is partnering with the OECD **Sustainable Infrastructure Programme in Asia (SIPA)**. SIPA is financially supported by Germany's International Climate Initiative¹ and aims to encourage the transition towards cleaner energy, transport and industry systems through better alignment of infrastructure investment projects in Central and Southeast Asia with the Paris Agreement and the Sustainable Development Goals. Ultimately, the Project aims to build a unique, multi-stakeholder and multi-regional coalition by bringing together high-level policy makers, relevant government entities, businesses and civil society organisations.

Further information

- [OECD Recommendation on Infrastructure Governance](#)
- [G20 Quality Infrastructure Investment principles](#)
- [SIPA](#)

Key contacts

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¹ "Orientation of infrastructure investments on the goals of the Paris Agreement and the 2030 Agenda in Central and Southeast Asia"