

ADB Office of Public-Private Partnership

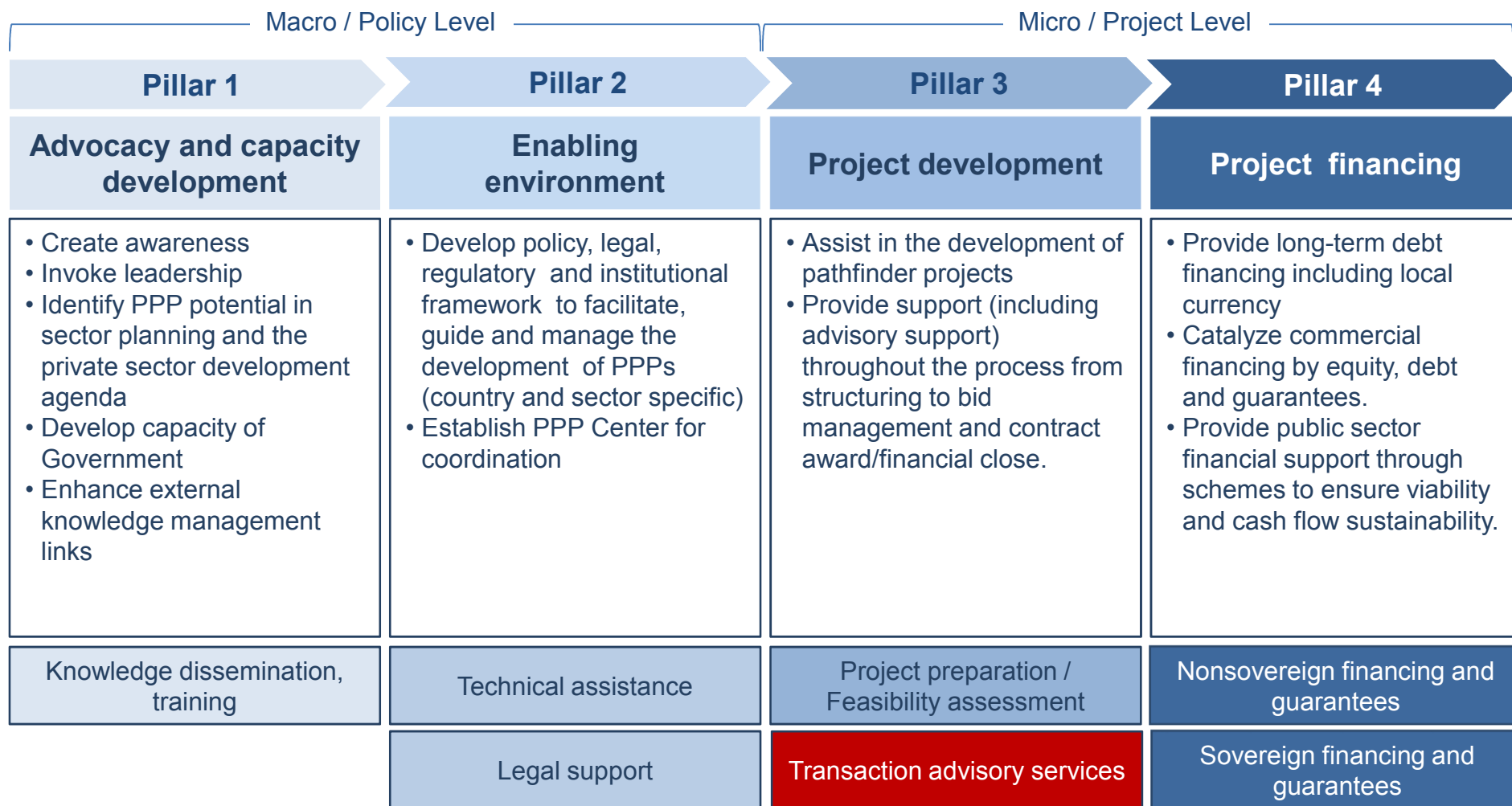
**Prepared for Global Infrastructure Cooperation Conference
September 2018**



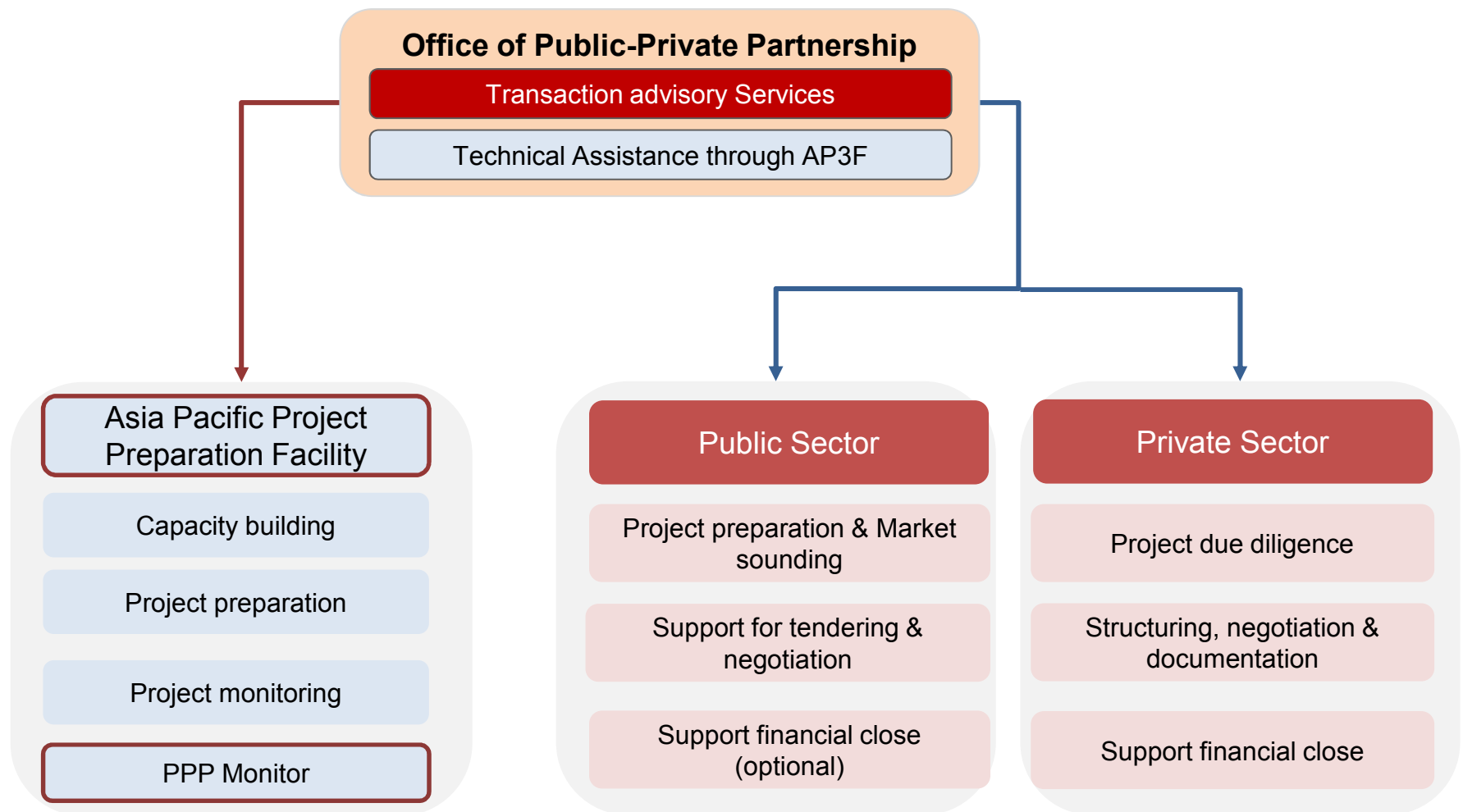
**About OP
Transaction Advisory Services &
Asia Pacific Project Preparation Facility**

ADB's PPP Value Chain

ADB's PPP strategy is based on a 4-pillar approach that is tailored to the needs and development stage of each member country

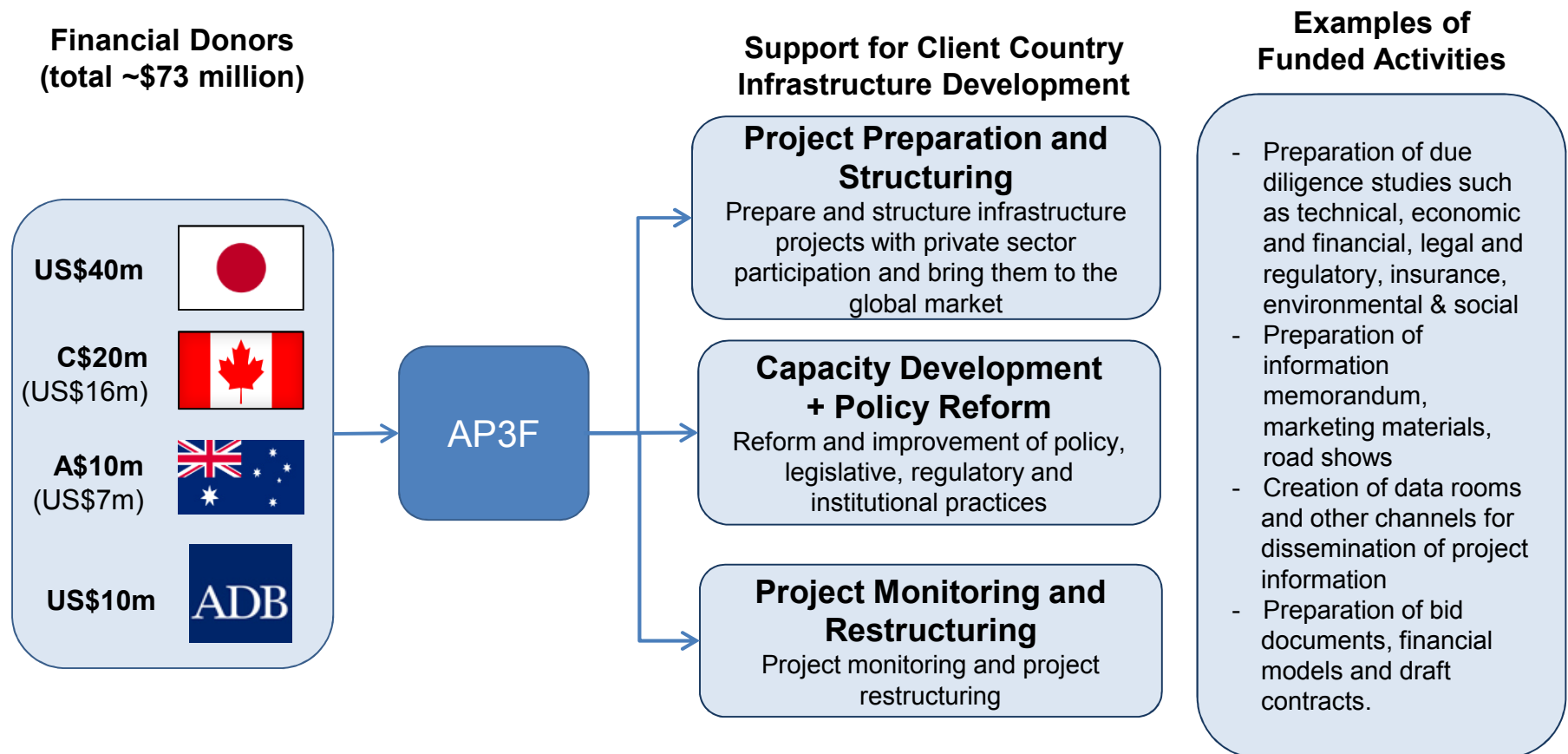


Office of Public-Private Partnership and Our Products



Asia Pacific Project Preparation Facility (AP3F)

AP3F's primary objective is to assist client governments and their public sector agencies prepare and structure infrastructure projects with private sector participation (including public–private partnership (PPP) modalities) and bring them to the global market.



AP3F Activities

Since its launch, AP3F has been supporting 22 applications, with robust project pipeline and strong interest by DMCs. Total amount of approvals is \$17.1 million, equivalent to 23.4% of the total fund commitment.

Georgia



Capacity building for gas pricing policy and a gas storage facility

Azerbaijan



Student accommodation in Baku

Kazakhstan



- Energy efficiency for ESCO Modalities
- Shymkent and Saryagash bypass roads: \$150 mil
- Astana waste water treatment plant:

Kyrgyz Republic



- Project definition for small HPPs

Bangladesh



- Dhaka road bypass: \$350 mil
- Capacity building for PPP Authority

Indonesia



Capacity building and project definition for social infrastructure PPPs

Philippines



- Solid waste management in Cebu: \$50 mil
- Capacity building for PPP Center

Thailand



Capacity building for seaport PPP program

Myanmar



Project restructuring of four road BOT concessions

Bhutan



Capacity building for the PPP and Loans Unit

Timor-Leste



- Capacity building for efficient monitoring of Tibar Bay Port project: \$287 mil
- Solid waste management in Dili

Papua New Guinea



Jacksons International Airport (Port Moresby): \$371 mil

Samoa



- Formulation of a power tariff
- Capacity building for the Ministry of Public Enterprises
- PPP solutions for the Electric Power Corporation

Solomon Islands



Creation of a PPP center

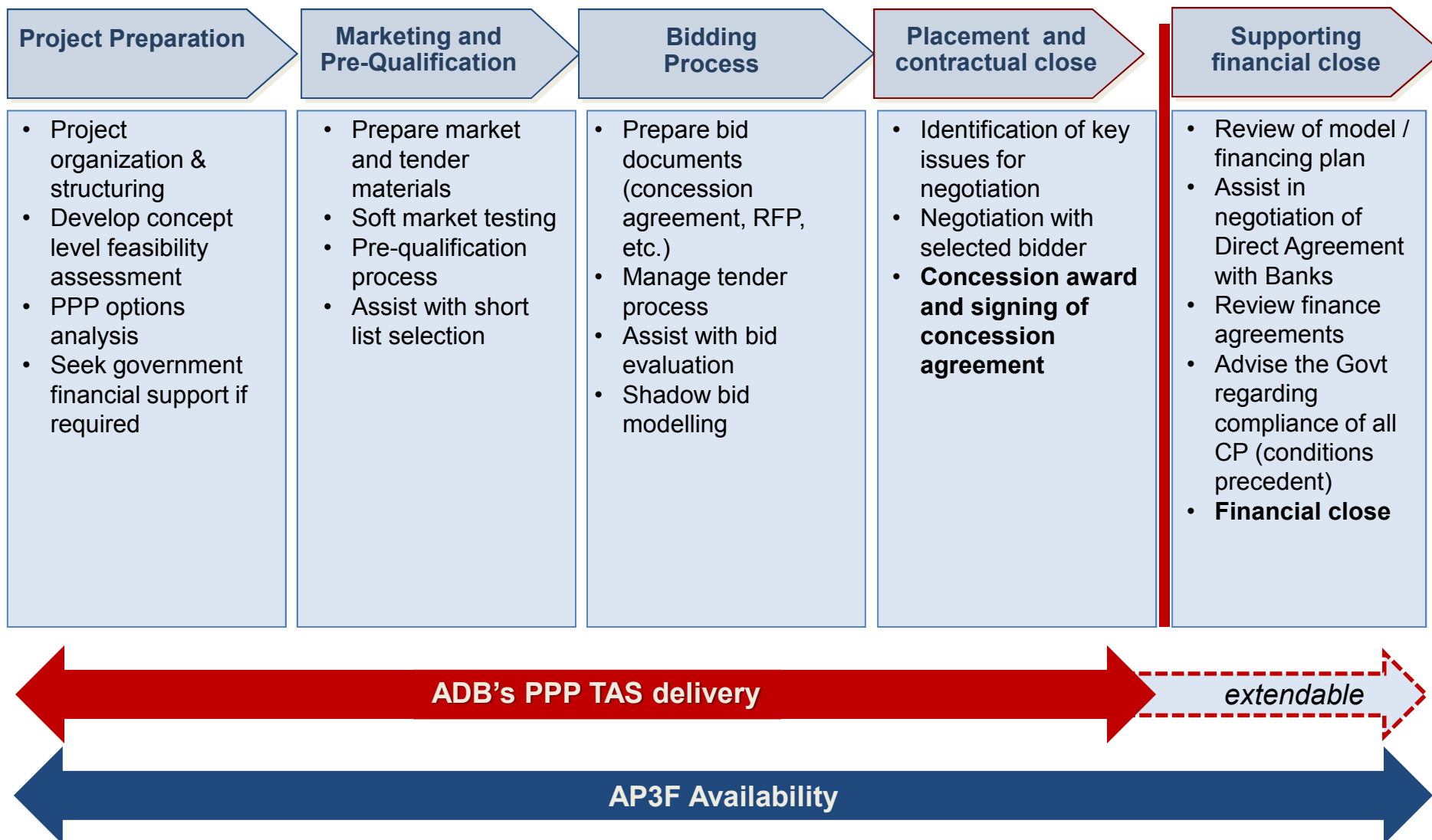
Cook Islands



Capacity building for Ministry of Infrastructure Cook Islands

Transaction Advisory Services (TAS)

ADB can support government clients to prepare PPP projects and tender them to the market with the objective of reaching financial close



Transaction Advisory Services: Mandated Transactions

As of August 2018 OPPP is working on 16 TAS mandates.

Kazakhstan

- Karaganda University Hospital



Pakistan

- Hydropower Project



Bangladesh

- Rampura-Amulia-Demra Toll Road (Dhaka)
- Dhaka Bypass
- Landed LNG Terminal



Myanmar

- Strategic and Transaction Advisory on Transport PPPs
- Strategic and Transaction Advisory for Urban Infrastructure in Yangon Region



Philippines

- PNR Commuter (South Line)
- LNG Hub
- New Clark City (National Government Administrative Center) – **completed** in Feb 2018
- New Clark City Water Project
- New Clark City Power Project



Viet Nam

- Ho Chi Minh City Ring Road 3
- Da Nang Waste Management



Papua New Guinea

- Jacksons International Airport (Port Moresby)



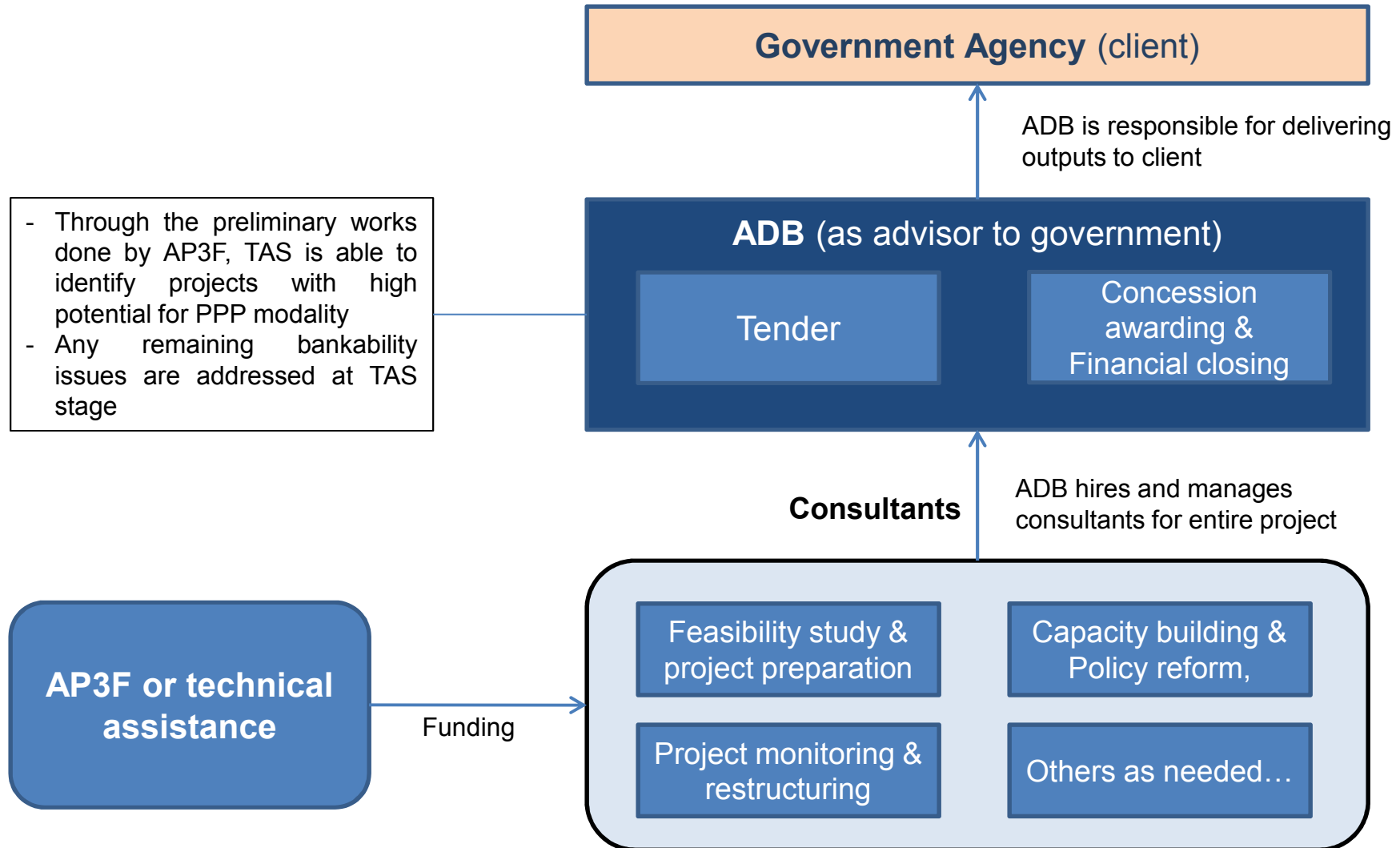
Cambodia

- National Solar Park Program



TAS and AP3F: Combined Support for Project Development

Using AP3F or TA, specialist advisors are hired as required for preparation towards or as part of TAS



Case Studies

AP3F Case Study: Myanmar Restructuring of Road Concession Agreements

Client: Ministry of Construction (MOC)

Project : There are currently 63 toll roads in Myanmar, which are managed by 28 private companies and cover a track length of 5,545 km. The existing concessions agreements are do not adequately define key performance indicators and need restructuring.

OPPP Assistance

- AP3F support is provided for the Project Performance Support including:
 - i. restructuring of four concessions managed by MOC, including Yangon-Pathein road, under build, operate, and transfer (BOT) modality;
 - ii. developing term sheet for concession agreements with defined key performance indicators;
 - iii. developing a step-in agreement, a term sheet for brownfield PPP projects, template tendering documents including pre-qualification (PQ) guidelines and criteria;
 - iv. developing the capacity of MOC to manage and tender PPP projects; and
 - v. strengthening the recently established PPP unit



TAS Case Study:

Philippines New Clark City Nat'l Gov't Administrative Center

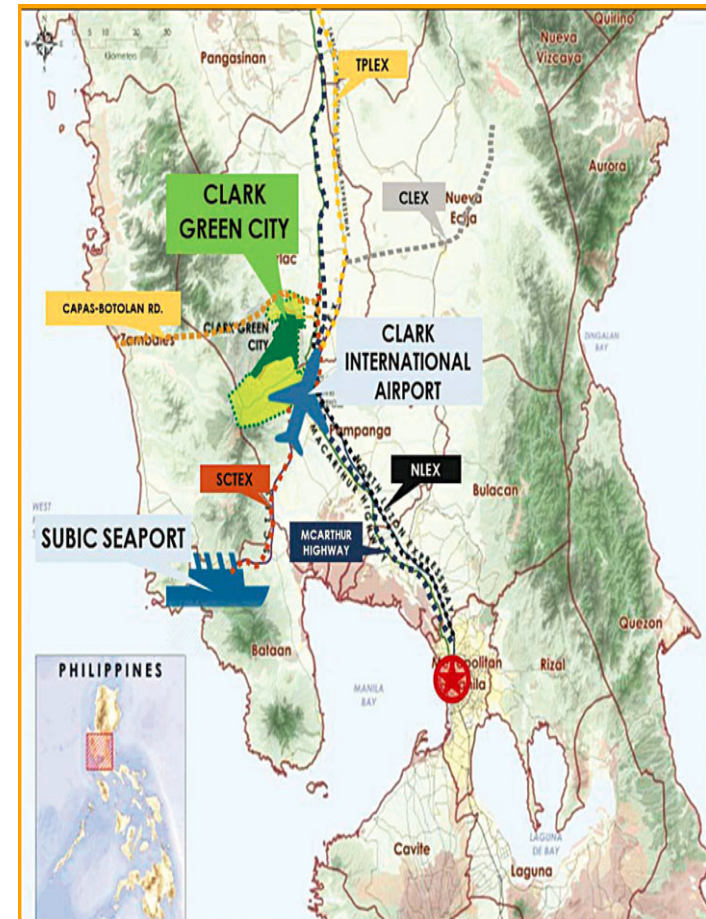
Client: Bases Conversion and Development Authority (BCDA)

Project: Development of National Government and Administrative Center along with facility for 2019 South East Asian Game including new athletic stadium and aquatic facility in New Clark City (NCC), a new urban development by BCDA, 100km north of Manila. Private sector takes demand risk for the sports facilities through availability payments.

OPPP Assistance

- TAS support is provided for
 - i. Review of unsolicited proposal and conduct of public competitive challenge process (i.e. swiss challenge);
 - ii. Preparation and negotiation of concession agreement with private sector participant; and
 - iii. Facilitation of lender and government agency discussions

Central Luzon Vicinity Map

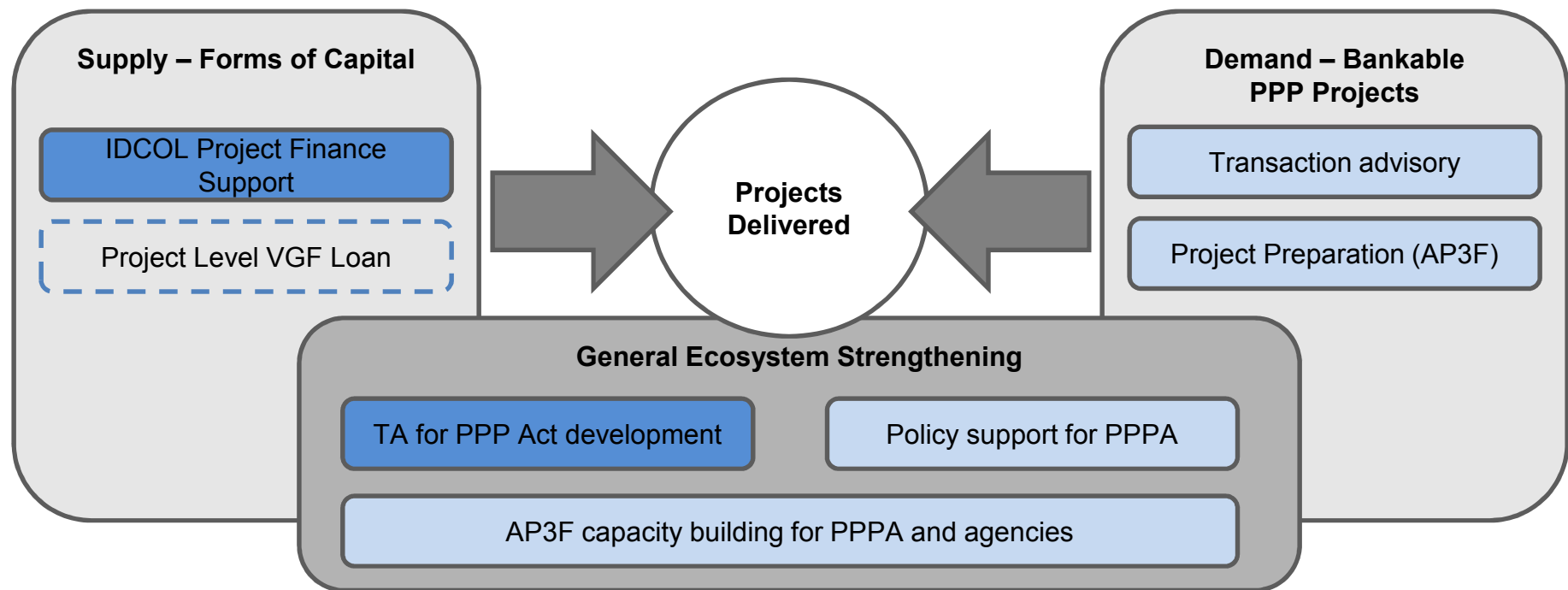


TAS and AP3F: Bangladesh Road Project

Background – ADB’s support for Bangladesh PPP program dates back to technical assistance support to develop the PPP Law before OPPP’s establishment. Since OPPP’s establishment, OPPP’s focus has been on delivery of transactions and capacity building using a combination of TAS and AP3F, with the principal client being the PPP Authority under the Office of the Prime Minister. OPPP has also collaborated closely with SAPF to support vehicles that can provide long-tenor local currency financing for infrastructure and PPP projects

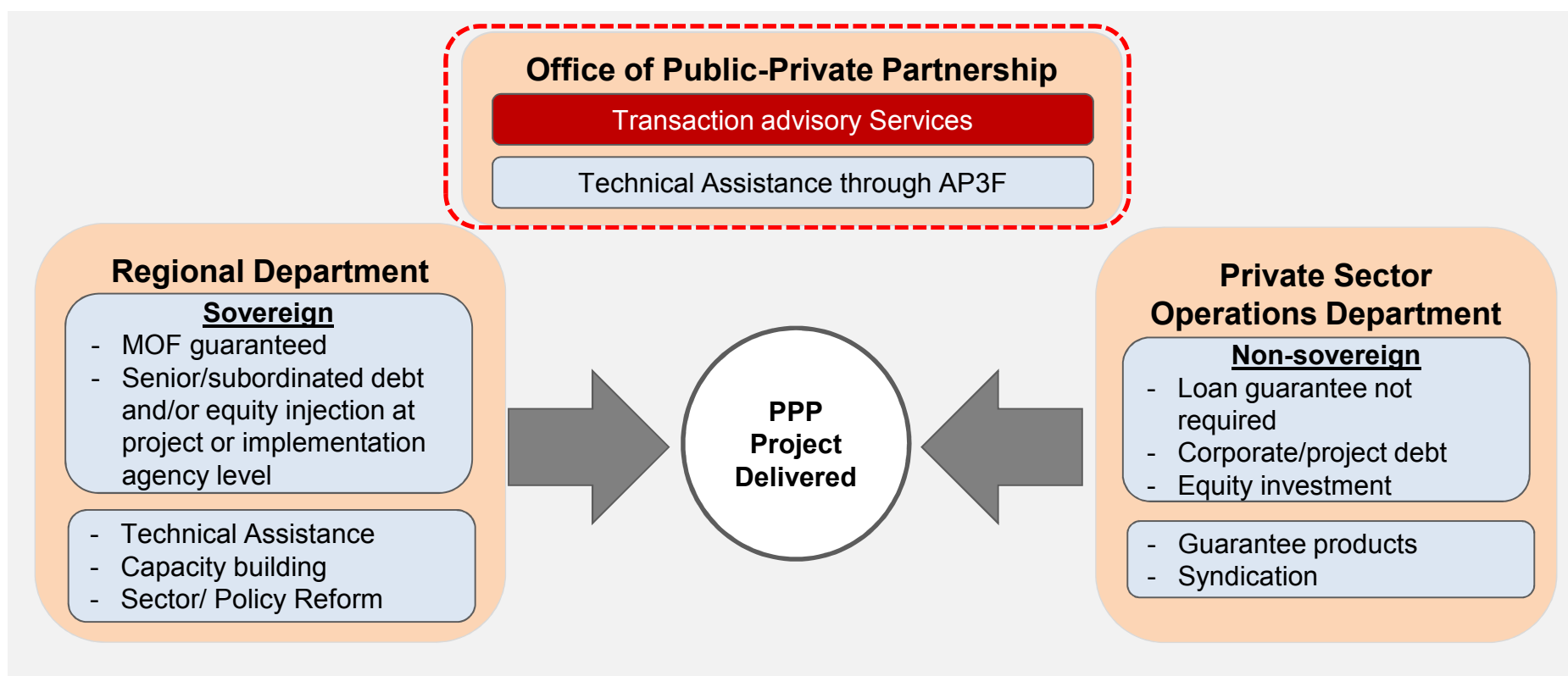
ADB is supporting Bangladesh’s program from 3 sides:

1. Developing and strengthening the enabling environment and institutional frameworks
2. Creating the demand – assisting with creation of a pipeline of bankable projects
3. Supply of finance – capitalizing vehicles for new forms of financing of PPP projects



IDCOL: Infrastructure Development Company Limited; BIFFL: Bangladesh Infrastructure Finance Fund Limited; PPPA: Public–Private Partnership Authority; Yellow shading: SARD projects; Blue shading: OPPP projects

One ADB Approach for PPP Projects



One ADB Approach –

Office of PPP: For development of PPP projects, OPPP funds project selection activity, feasibility study, drafting of concession agreement, etc. For select projects and upon request of government and private sector, OPPP advises the client on bankability issues, tender and financial closing.

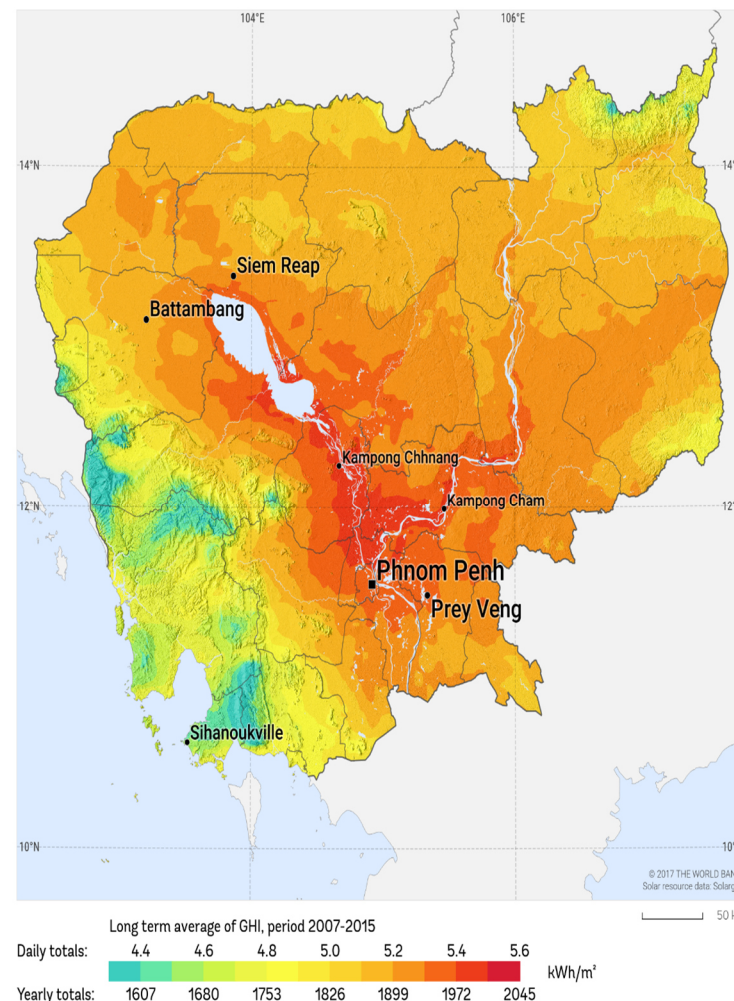
Regional Department: Provides government and government-owned entities technical assistance for capacity building, sector and policy reforms. Based on counter-indemnity of sovereign, lends to a project or implementation agency. Debt may be subordinated to attract commercial lenders.

PSOD: As a non-sovereign lending arm of ADB, PSOD finances PPP project through project and/or corporate loan and invests in equity for qualified projects. PSOD also provides political risk and credit enhancement guarantees and offer syndication services.

Project for Tender

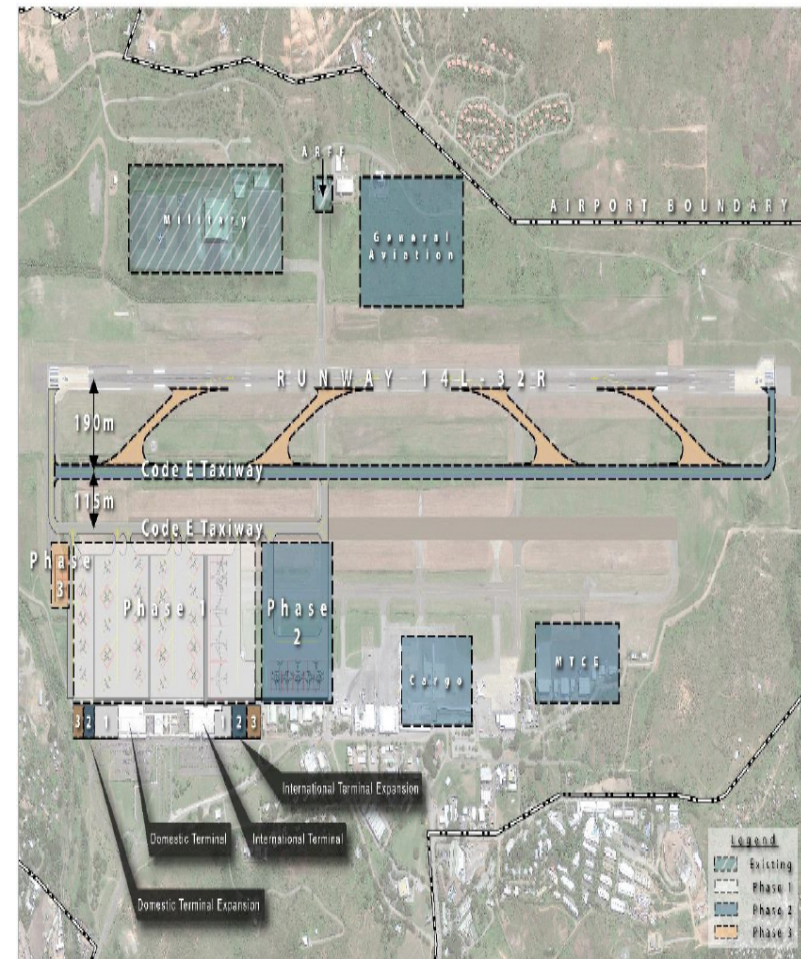
Cambodia National Solar Park

Project description	
Project owner	Electricite Du Cambodge (EDC)
Project scope	<ul style="list-style-type: none"> - Design, finance, construction, operation and maintenance of 30MW solar PV power plants within the national solar park located ~60-70km from Phnom Penh - EDC will provide land, substation, transmission lines to connect to grid and battery storage and grant 20-year power purchase agreement (PPA) through competitive bidding - Additional 70MW to be auctioned in Phase 2
Project cost	Bid parameter for private partner
PPP structure	Build-operate-transfer 20-year PPA, solar park infrastructure usage agreement to be signed with EDC
Timeline	Aug 2018: Information session with potential bidders 4Q 2018: Tender 1H 2019: Signing of concession agreement 2H 2019: Financial close



Papua New Guinea Port Moresby International Airport

Project description	
Project owner	National Airport Corporation (NAC)
Project scope	<ul style="list-style-type: none"> - Operation and maintenance of Port Moresby International Airport (PMIA) with a phased expansion of existing terminal and construction of a new terminal during the 30-year concession period - Expansion includes construction of taxiway, domestic and international terminal & apron, modifications to surface parking lots and up to 130ha development of the land near PMIA for commercial use
Project cost	~\$360 million
PPP structure	Build-operate-transfer <ul style="list-style-type: none"> - Revenue share of gross aeronautical or total revenue
Timeline	Q1 2019: Tender 3Q 2019: Signing of concession agreement 1Q 2020: Financial close



Kazakhstan Karaganda Teaching Hospital

Project description	
Project owner	The Ministry of Health and Social Development (MHSD)
Project scope	<ul style="list-style-type: none"> - PPP to finance, design, build, equip and maintain a 300-bed multifunctional teaching hospital at the Karaganda State Medical University in Karaganda (which currently has 1,384 students). - University to provide clinical services and concessionaire to provide non-clinical services/technical operations (e.g. facility management including cleaning, waste management, catering, reception, etc.)
Project cost	~\$120 million
PPP structure	Build-operate-transfer Availability payment comprised of <ul style="list-style-type: none"> - Investment cost compensation - operation cost compensation; and - management fee
Timeline	2Q 2019: Tender 3Q 2019: Signing of concession agreement 4Q 2019: Financial close



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