

6th ADB Business Opportunities Fair ADB General Requirements: ADB Strategy for PPPs By: Pratish Halady, OPPP 26 March 2015

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ADB PPP Operational Plan

Pillar 1 Advocacy & Capacity development	Pillar 2 Enabling Environment	Pillar 3 Project development	Pillar 4 Project financing		
 Create awareness Invoke leadership Identify PPP potential in sector planning and the private sector development agenda Development capacity of government and ADB staff Enhance external knowledge management links 	 Develop policy, legal, regulatory, and institutional framework to facilitate, guide, and manage the development of PPPs (country- or sector specific) 	 Assist in the development of pathfinder projects Provide support throughout the process up to contract award and/or financial close that can come as expert support, tool kits, funding costs of transaction advisors, or procurement support Provide Transaction Advisory Services (TAS) 	 Provide credit enhancement products, e.g., equity, long-term debt, refinancing subordinate debt, cofinancing, and guarantees Establish credit guarantee facility Provide public sector financial support through schemes such as viability gap funding 		
Regional Departments					
OPPP Coordinating and Supporting Functions					
		OPPP TAS	PSOD		



OPPP: Office of Public-Private Partnership; PSOD: Private Sector Operations Department

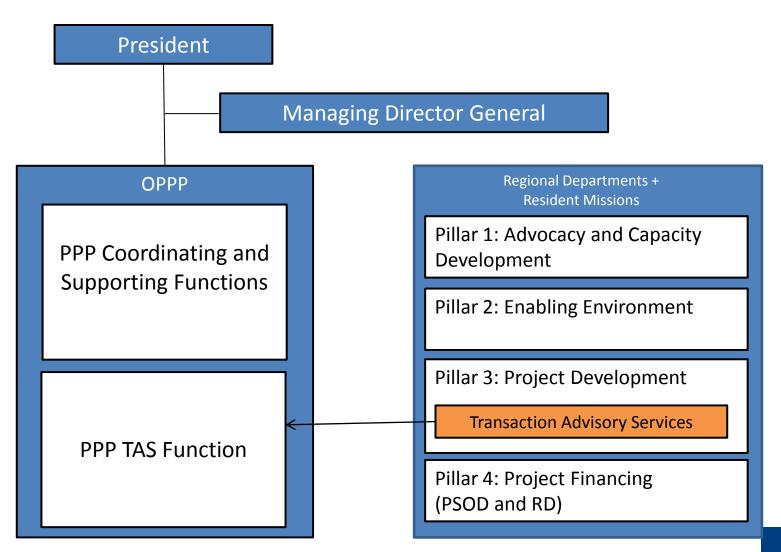
Project Risks

- Political Risk
- Institutional Risk
- Regulatory Risk
- Contractual Risk
- Technological Risk
- Construction Risk
- Macroeconomic Risk
- Operational Risk
- Environmental Risk
- Change in Requirements Risk
- Demand Risk
- Other Risks





What is OPPP and what does it do?



RD = Regional Department; PSOD = Private Sector Operations Department



Transaction Advisory Process

• PPP transaction advisory service (TAS) is **independent advice** provided by a **specialist** to a government agency to ensure delivery of **bankable transactions** via PPP

Project conceptualization	Preparation and marketing	Bidding process and documentation	Placement and contractual close	Supporting financial close
 Project organization & structuring Definition of project objectives Analysis of project framework conditions Outlining possible operational & financing modules PPP options analysis 	 Commercial & financial structuring Contractual structuring Risk analyses Proposed implementation structure Preparation and execution of market approaches Project teaser documents Financial modelling 	 Project Information Memorandum (PIM) Pre-Qualification (PQ) Preparation of bid documents (draft RfP, Concession contract, & other contract documents) Assist with bidders conference & bid consultations Release of final bid documents 	 Assist in bid evaluation Evaluation of the consortium structure Identification of key issues for negotiation Conduct sensitivity tests on bidders' financial models Support negotiation with preferred bidder Final contract agreement Contractual close 	 Review of model / financing plan Assist in negotiation of Direct Agreement with Banks Review finance agreements Advise the Govt regarding compliance of all CP (conditions precedent) provisions Oversee the financial close process
	ADB's PPP	TAS delivery		extendable



ADB Priority Countries and Sectors for PPP

Matrix of Prioritized Sectors for TAS in DMCs

	Sectors and C	ountries for TAS Ac	tivities		
	Energy	Transport	Water	Social	
Southeast Asia					Priority within Country
Indonesia					First Priority
Myanmar				3	Second Priority
Philippines					Third Priority
Thailand					A CONTRACTOR OF A CONTRACTOR OFTA CONTRACTOR O
Viet Nam					
East Asia		9		10	
Mongolia					
PRC					
South Asia				<u> </u>	
Bangladesh					
Bhutan					
India					
Nepal					
Sri Lanka					
Pacific Asia		· · · · · · · · · · · · · · · · · · ·			
Fiji				Q	
Papua New Guinea					
Timor Leste					
Central and West Asia					
Armenia					
Georgia				2011 Asia Infr	rascope and 2010 Latin America and Caribbean Infrascope, overview
Pakistan				Score range	Nascent Emerging 0-30 30-60

	Nascent	Emerging	Developed	Mature
Score range	0-30	30-60	60-80	80-100
Asia-Pacific (and benchmark countries)	Mongolia	Bangladesh	Gujarat state	Australia
	Papua New Guinea	China	India	UK
	Vietnam	Indonesia	Japan	
		Kazakhstan	Korea, Rep.	
		Pakistan		
		Philippines		
		Thailand		
Latin America and the Caribbean	Argentina	Colombia	Brazil	
	Dominican Republic	Costa Rica	Chile	
	Ecuador	Guatemala	Peru	
	El Salvador	Mexico		
	Honduras	Panama		
	Jamaica	Uruguay		
	Nicaragua			
	Paraguay			
	Trinidad & Tobago			
	Venezuela			

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