

BUSINESS
OPPORTUNITIES
FAIR



ADB Headquarters, Manila, Philippines



7th ADB Business Opportunities Fair

Thematic Opportunities: Public-Private Partnerships

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Public-Private Partnership and Business Opportunities

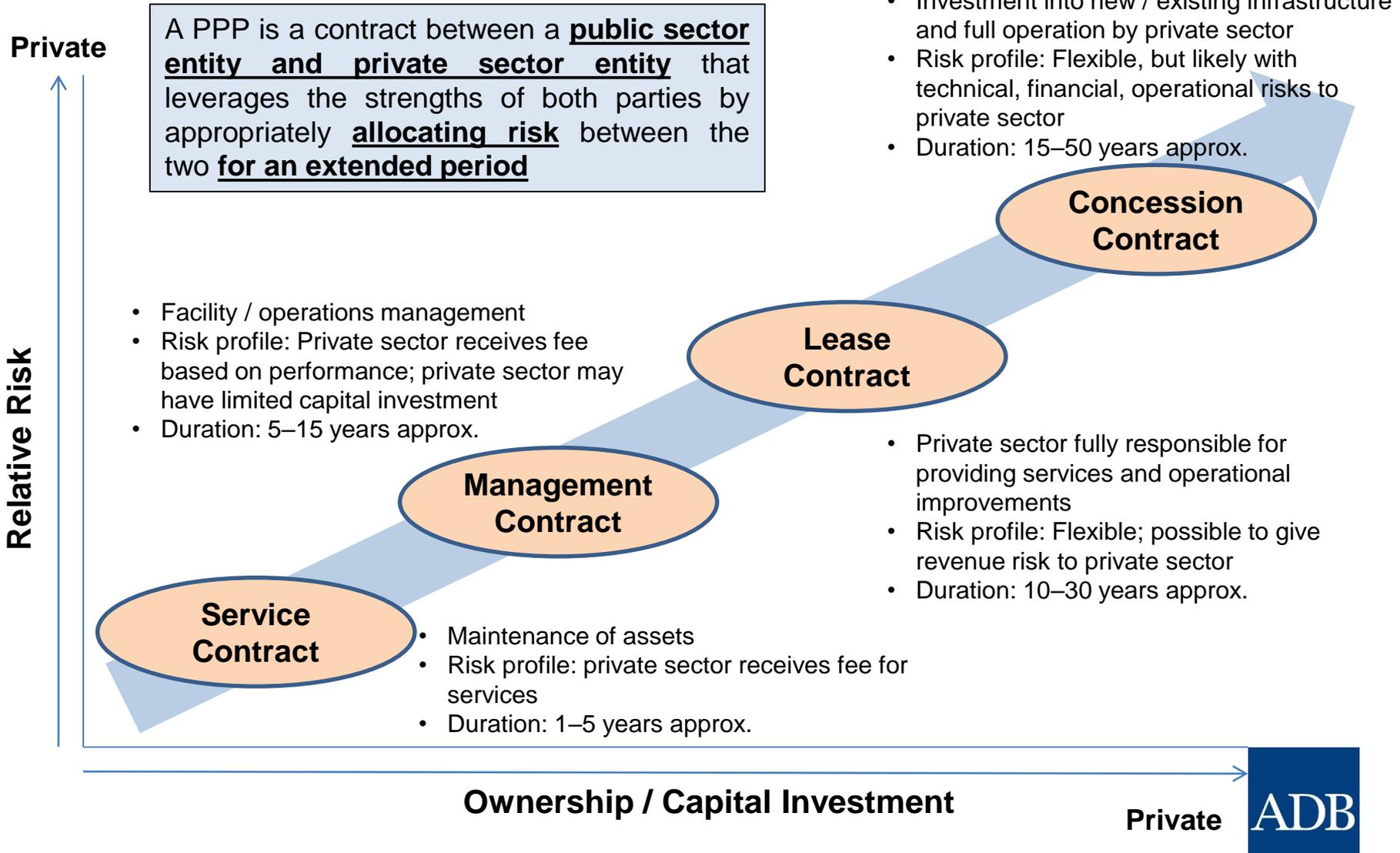
- ❖ Huge need for infrastructure development
 - Conventional public investment: greater tax mobilization and/or borrowings,
 - Tapping private sector resources: public-private partnerships (PPPs)
- ❖ Use of private sector resources is not merely about financing
 - PPP deploys technical, operational and management expertise and efficiency
- ❖ Partnership is the most important
 - Inviting the private sector \neq The public sector should become hands-off
 - PPP should be discussed as one of the methods to deliver infrastructure services where public sector undertaking remains critical

Public-Private Partnership and Business Opportunities

❖ Private sector roles are diverse and critical

Private sector			
Consultants	Investors	Contractors	Financiers
<ul style="list-style-type: none">• Policy advisory• Project design• Transaction advisory• Owner's engineer• Project management• Lender's engineer• Legal advisory• Financial advisory• Insurance advisory	<ul style="list-style-type: none">• Equity• Management• Project development• Project management• Operations	<ul style="list-style-type: none">• Project design• Technology• Equipment• Services (operations and maintenance)	<ul style="list-style-type: none">• Loans• Guarantees• Insurance

What characterizes a PPP contract?



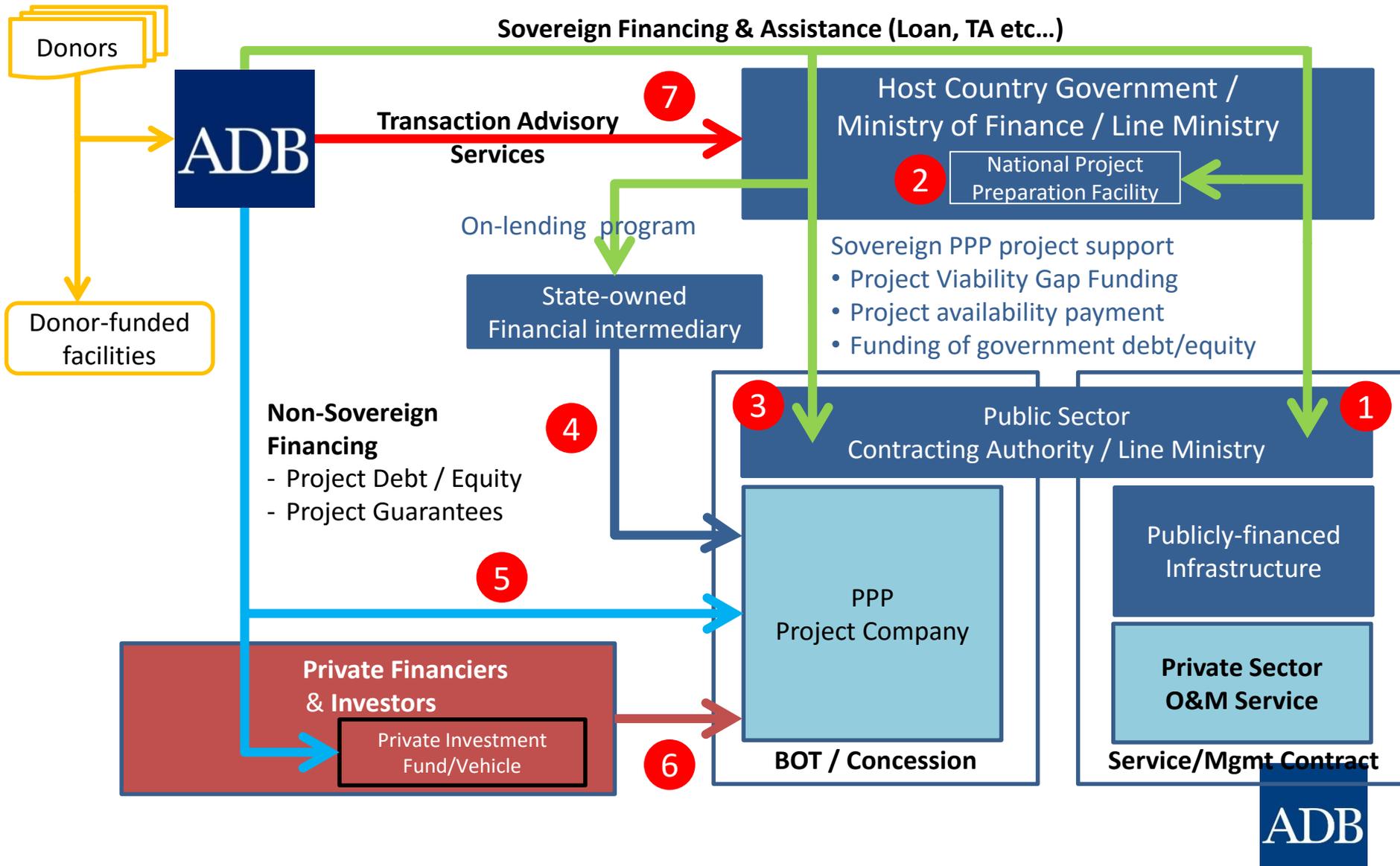
ADB's PPP Operational Framework and Modalities

Pillar 1	Pillar 2	Pillar 3	Pillar 4
Advocacy and capacity development	Enabling environment	Project development	Project financing
<ul style="list-style-type: none"> • Create awareness • Invoke leadership • Identify PPP potential in sector planning and the private sector development agenda • Develop capacity of Government • Enhance external knowledge management links 	<ul style="list-style-type: none"> • Develop policy, legal, regulatory and institutional framework to facilitate, guide and manage the development of PPPs (country and sector specific) 	<ul style="list-style-type: none"> • Assist in the development of pathfinder projects • Provide support (including advisory support) throughout the process from structuring to bid management and contract award/financial close. 	<ul style="list-style-type: none"> • Provide long-term debt financing including local currency • Catalyze commercial financing by equity, debt and guarantees. • Provide public sector financial support through schemes to ensure viability and cash flow sustainability.

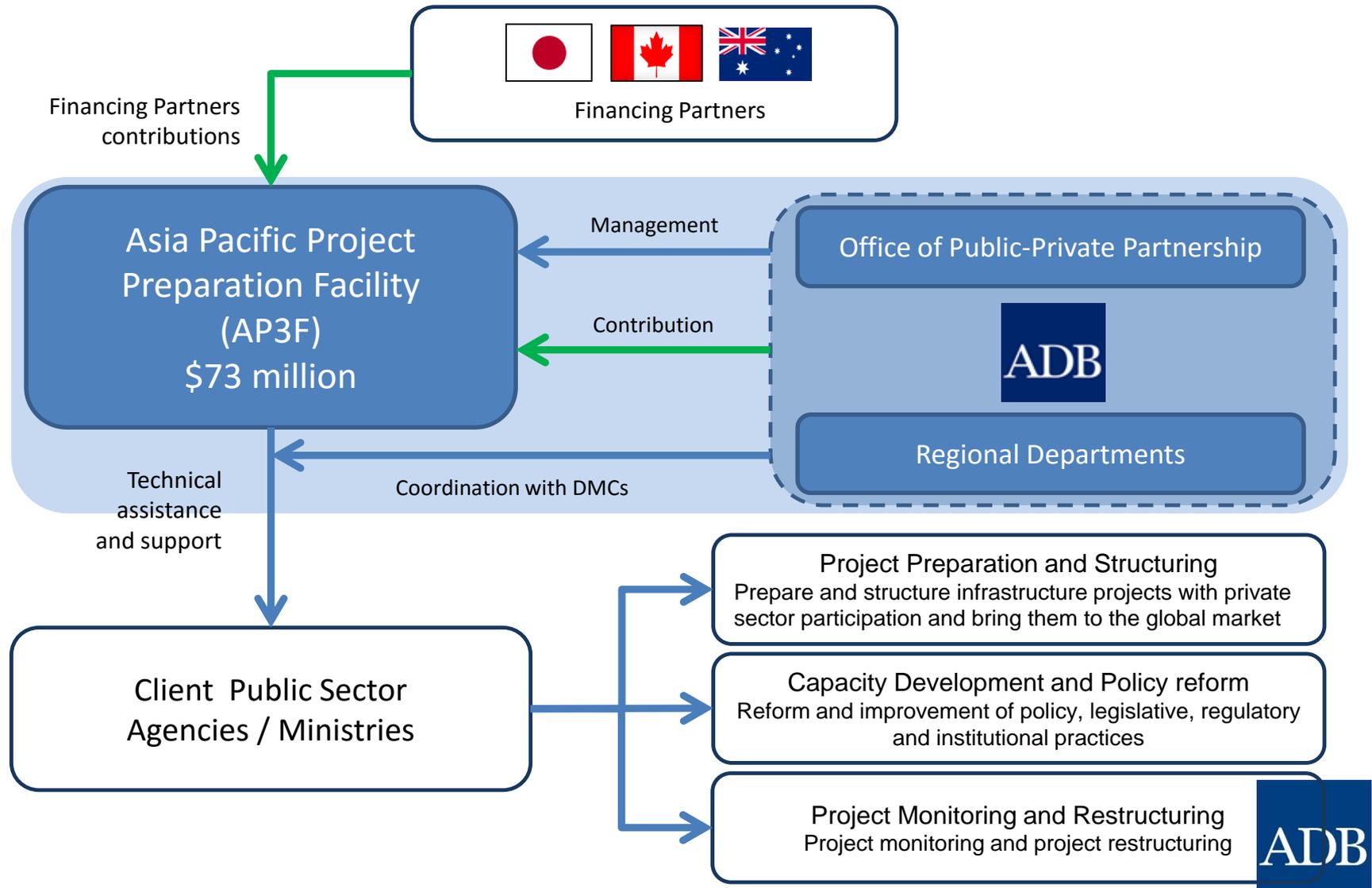
ADB is unique in having comprehensive operational modalities to support PPP

Knowledge dissemination, training	PPP Act; Streamlined PPP regulation; Tariff reform	Feasibility studies	Nonsovereign financing
	PPP units; Planning and coordination	Preparation support	Sovereign financing
		Transaction Advisory Services	

How can ADB catalyze more PPPs?



Asia Pacific Project Preparation Facility (AP3F)



ADB has supported its client agencies through upstream PPP development and transaction advisory

Mongolia

- ADB mandated as **transaction advisor to government for \$1.3 billion CHP5 project** – Mongolia's first PPP
- Project reached concession signing in June 2014



Philippines

- ADB mandated as **transaction advisor for \$3.8 billion North South Railway Project**
- ADB's Project Development and Monitoring Facility allows PPP Center to pay for feasibility studies and transaction support



Turkmenistan, Afghanistan, Pakistan, India

- ADB mandated as **transaction advisor for \$8 billion "TAPI" pipeline project that spans 4 countries**



India

- 21 PPP cells established across the country; over \$81 billion of projects implemented via PPP
- Long history of ADB support through TA, loans, and credit enhancements



Sri Lanka

- ADB acted as lender and equity investor for Queen Elizabeth Quay in Colombo, Sri Lanka's first PPP
- ADB is mandated **transaction advisor to Sri Lanka Ports Authority for development of the Colombo East Container Terminal via PPP**



Viet Nam

- ADB assisted MPI on PPP Decree, which was approved in March 2015
- ADB supported Ministry of Transport on prioritization of road projects via PPP

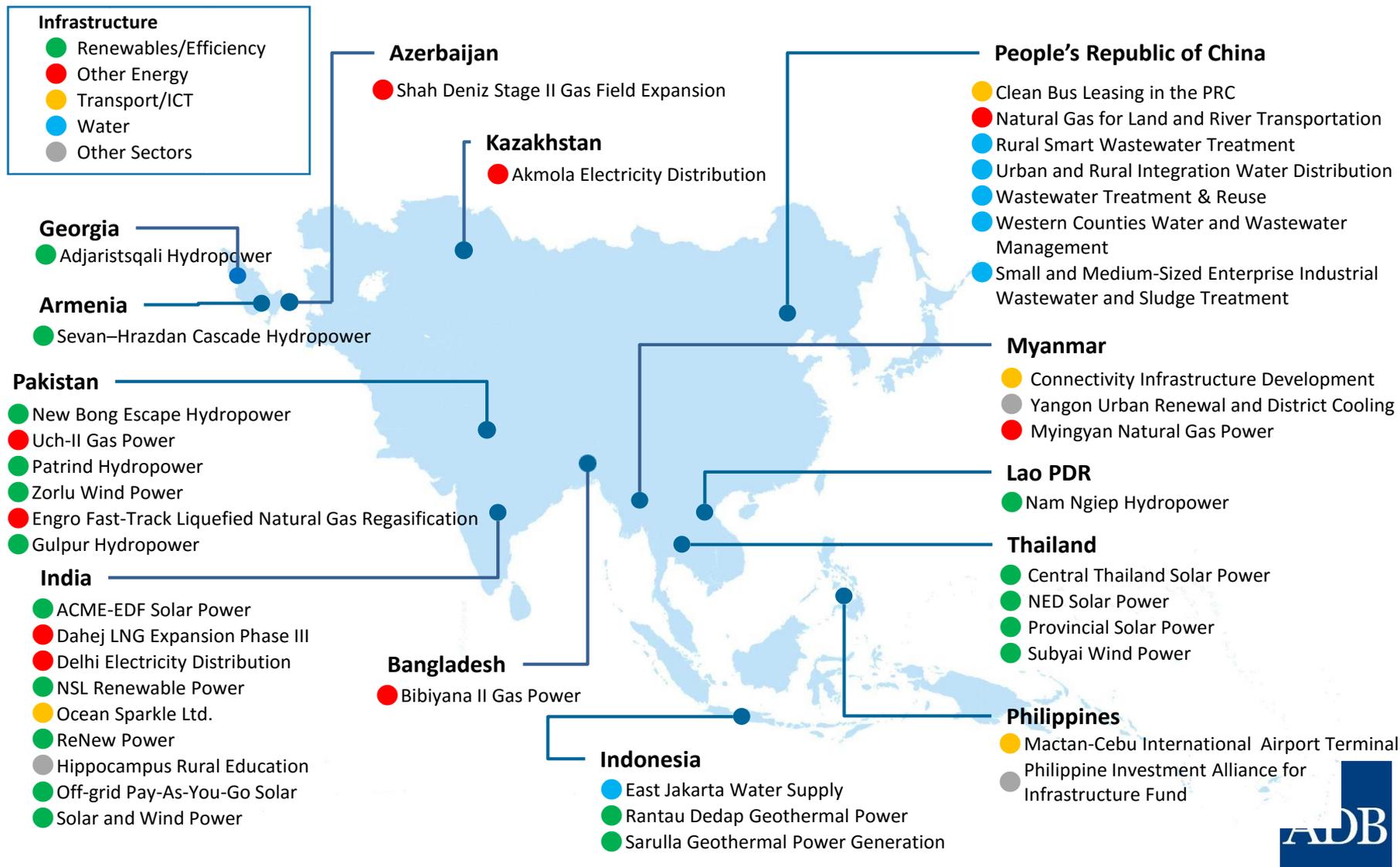


Bangladesh

- ADB helped PPP office prepare PPP Guidelines; now approved in 2015
- More than 40 projects identified and approved as PPP pipeline projects



ADB has provided financings to support private sector participation in infrastructure



Contact information

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