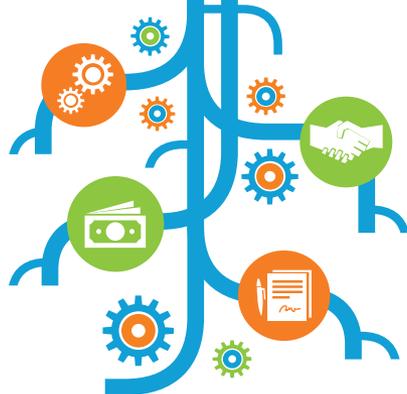




10th BUSINESS OPPORTUNITIES FAIR 2019



Office of Public Private Partnership



Almaz Galiev
Principal PPP Specialist
28 March 2019

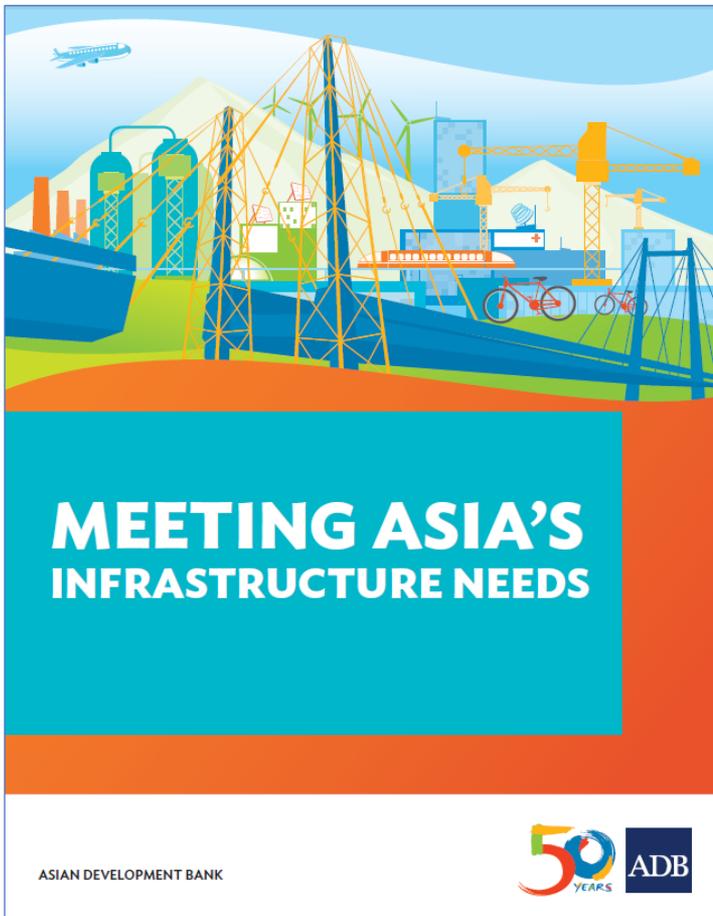


Overview



- i. Infrastructure Needs in Asia–Pacific Region for 2016-2030
- ii. ADB's support for PPP
- iii. PPP is a focus area for ADB
- iv. Office of Public Private Partnership
- v. PPP Operational Framework
- vi. Asia Pacific Project Preparation Facility
- vii. Transaction Advisory Services
- viii. Pipeline of Projects
- ix. Business Opportunities

Infrastructure Needs in Asia–Pacific Region for 2016~2030

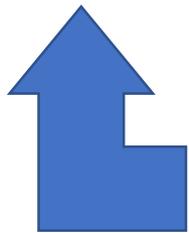


- Infrastructure needs in developing Asia and the Pacific will exceed **\$26 trillion** for 15 years, or **\$1.7 trillion** per year, including climate change impact
- Public finance reforms could generate additional revenues estimated to bridge around 40% of the gap. For the private sector to fill the remaining 60% of the gap, it would have to increase investments from about \$63 billion today to as high as \$250 billion a year over 2016~2020
- Public–Private Partnership (PPP) is seen as an important modality for attracting private investment and efficiency gains in infrastructure



ADB's support for PPP

Emphasis on Public-Private Partnerships (PPP) towards 2030



- ADB will play a much larger role in mobilizing and catalyzing public and private resources for development.
- ADB will scale up its support for PPP and support private sector participation in infrastructure.
- ADB will strengthen knowledge service.

However, there are many challenges in promoting PPP in Asia and the Pacific.

Key barriers for promoting PPP

Weak capacity and commitment

Underdeveloped enabling environment

Poor project preparation

Insufficient project financing

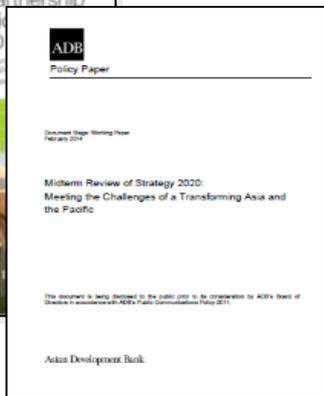
PPP is a focus area for ADB



2008



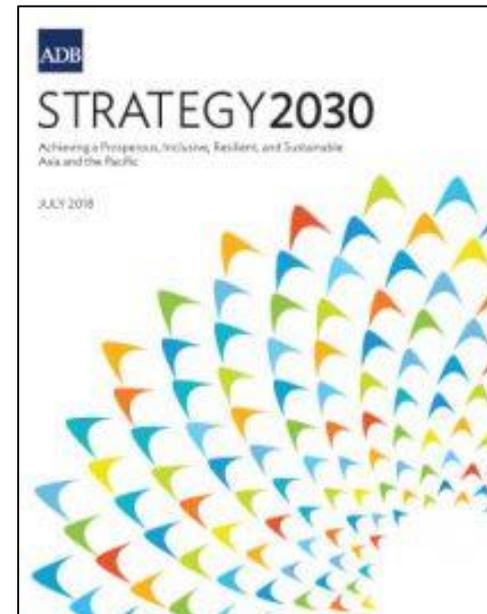
2012



2014

Establishment of Office of Public-Private Partnership (OPPP)

2014

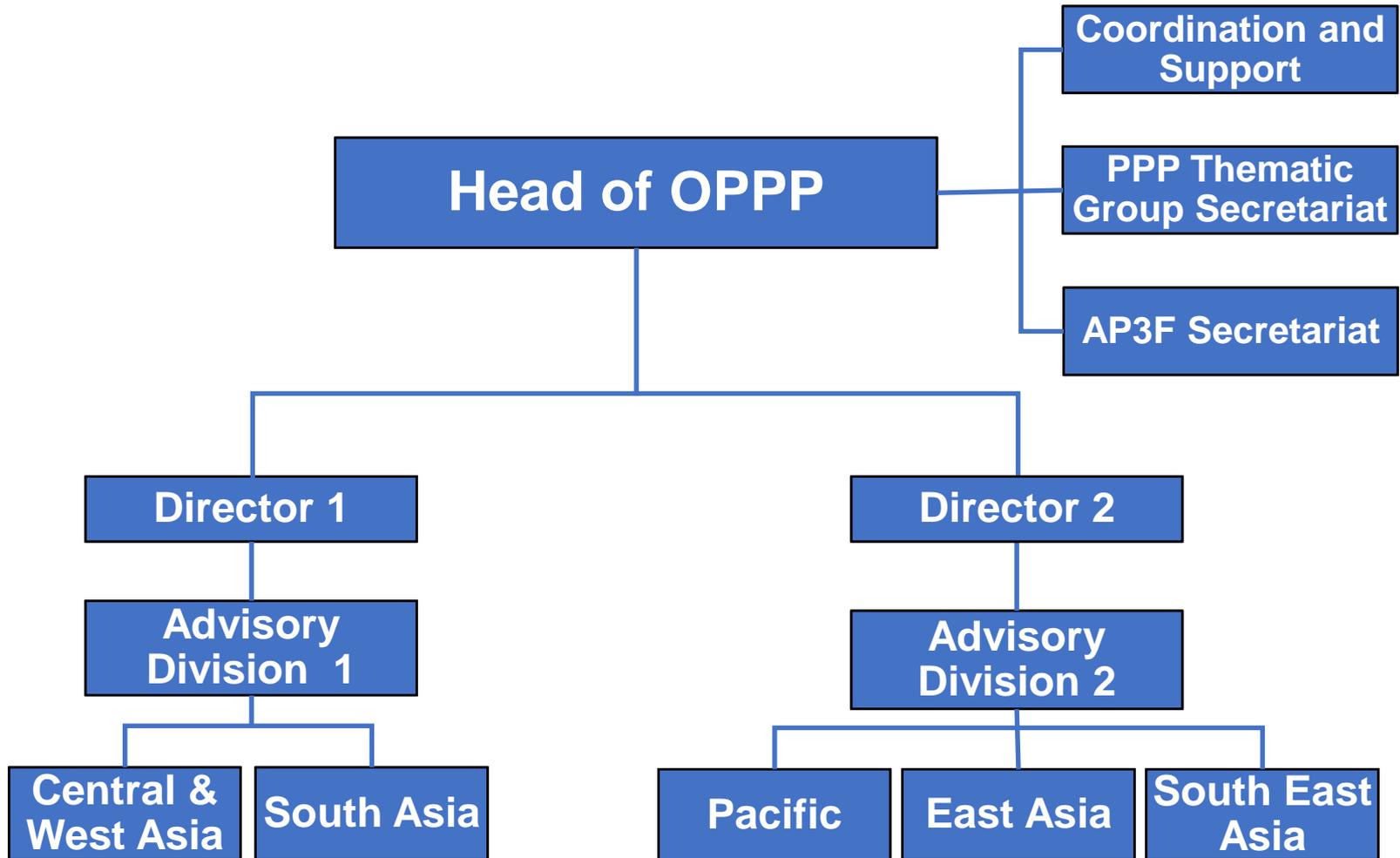


2018

ADB is unique in having a **comprehensive & institutional PPP strategy** shaping all of its operations



Office of Public-Private Partnership





PPP Operational Framework

Pillar 1

Advocacy & capacity development

Knowledge dissemination, training

Pillar 2

Enabling environment

PPP legislative framework, tariff reform

PPP Units, planning & coordinate, budgeting, procurement

Pillar 3

Project development

Preparation support

Project selection and prioritization, feasibility studies

Transaction Advisory Services

Pillar 4

Project financing

Sovereign:
Loans & guarantees

Non-Sovereign:
Loans, equity & guarantees



PPP Operational Framework: Types of Support

Pillar 1

Advocacy & capacity development

Pillar 2

Enabling environment

Pillar 3

Project development

Pillar 4

Project financing

Various packages of support (staff, TA grant and loans) from Regional Departments for:

PPP capacity development, policy reform, legal framework, investment climate, project feasibility, project selection and prioritization, PPP risk management, project preparation....

Transaction Advisory Services

Sovereign Financing

Viability Gap Financing

Availability payment support

Government equity participation

State-owned bank on-lending

Non-Sovereign Financing

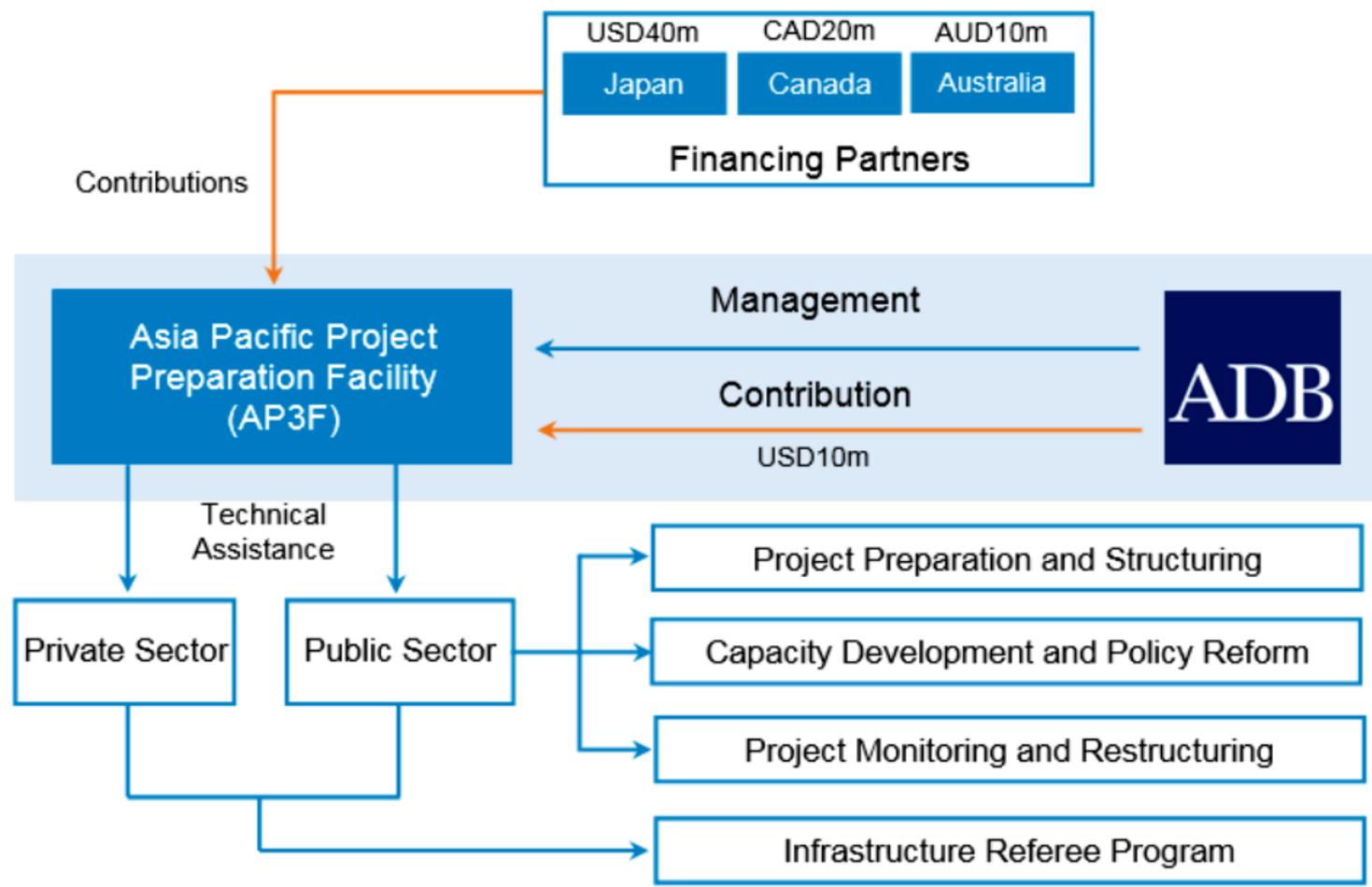
Long-term, local-currency finance

Guarantees, Credit Enhancement

Intermediary/Fund

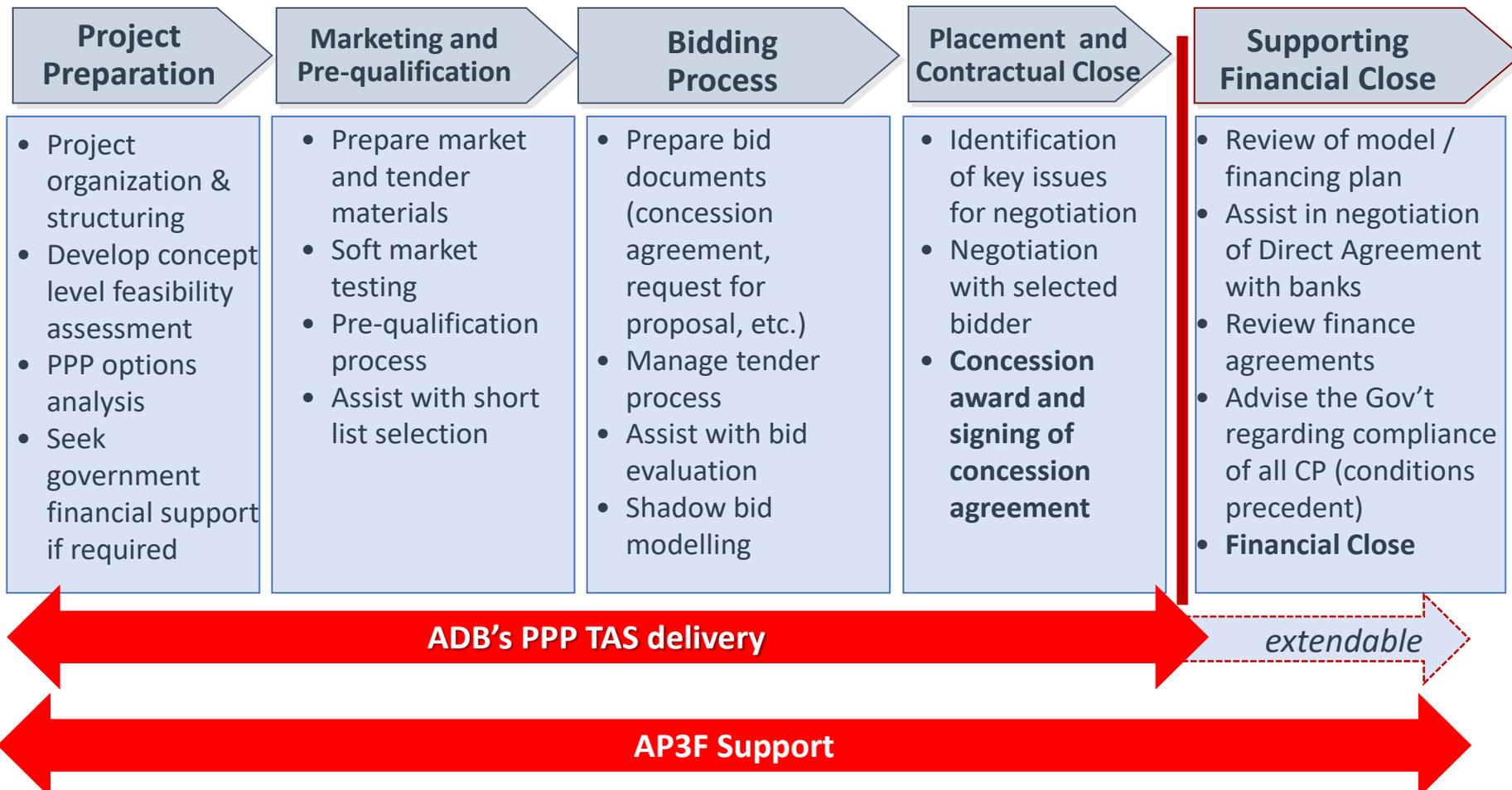


Asia Pacific Project Preparation Facility (AP3F)



Transaction Advisory Service

ADB supports government clients directly using its in-house advisory team to prepare PPP projects and tender them to the market with the objective of reaching financial close





TAS Mandates under Implementation

As of March 2019, OPSP is working on 13 TAS mandates and 2 MOUs in Indonesia and PRC



Kazakhstan

- Karaganda University Hospital



Pakistan

- Hydropower Project



Bangladesh

- Rampura-Amulia-Demra Toll Road (Dhaka)
- Dhaka Chattogram Expressway Section 1



Myanmar

- Strategic and Transaction Advisory on Transport PPPs
- Strategic and Transaction Advisory for Urban Infrastructure in Yangon Region
- Gas-to-Power Project



Cambodia

- National Solar Park Program



People's Republic of China

- Elderly Care Facility



Viet Nam

- Solid Waste Management



Philippines

- LNG Hub Project
- New Clark City Power Project
- Waste collection and waste management project



Indonesia

- MOU with the Ministry of Transportation for project identification and capacity development



Papua New Guinea

- Jacksons International Airport (Port Moresby)

In 2018, three projects were awarded to private sector concessionaires, and mobilized around \$790 million of private sector investment.

AP3F Applications under Implementation

Currently, AP3F is supporting 17 applications. Since its launch in 2016, AP3F has been supporting 23 applications, and have committed \$17.7 million (24.2% of the total contribution).

Azerbaijan



Student accommodation project preparation

Kazakhstan



- Energy efficiency - capacity building
- Road project – project preparation

Kyrgyz Republic



Small hydro project - capacity building and project definition



Bangladesh

Capacity building, PPP Authority



Bhutan

Capacity building, Ministry of Finance



Myanmar

Project restructuring, road concessions



Thailand

Capacity building, Thai Marine Department



Viet Nam

Capacity building, Ministry of Planning and Investment

Philippines



- Solid waste management project definition
- Capacity building, PPP Center

Indonesia



- Capacity building, Joint Office of PPP; project definition, social infrastructure

Timor-Leste



Solid waste management project preparation

Papua New Guinea



Port Moresby International Airport project preparation

Solomon Islands



Creation of a PPP Center capacity building

Samoa



- Capacity building, Ministry of Public Enterprises
- PPP modalities, Electric Power Corp.

Completed AP3F Applications and Pipeline for 2Q 2019

Five TA projects had been completed by 31 December 2018.

Kazakhstan

Astana wastewater treatment – **completed** the Pre-Feasibility Study in Dec 2018



Bangladesh

Dhaka bypass road – **completed** in Dec 2018



Timor-Leste

Capacity building, Tibar Bay Port – **completed** in Aug 2018



Samoa

Review of power tariffs – **completed** in Jul 2018



Cook Islands

Capacity building, Ministry of Infrastructure – **completed** in Dec 2018



Fourteen TA projects are expected to be approved by end 2Q 2019

Summary of AP3F Pipeline by end 2Q 2019

Applications approved	4
Applications under review	6
Applications prepared	4
Total expected	14

Summary of AP3F Pipeline by Region by end 2Q 2019

Central & West Asia	\$8,880,000
Pacific	\$483,000
South Asia	\$1,565,000
Southeast Asia	\$2,195,000
AP3F funds approved	\$3,043,000
Total expected approvals	\$13,123,000



Public-Private Partnership Business Opportunities

❖ Private sector roles are diverse and critical

Private sector

Consultants

- Policy advisory
- Project design
- Transaction advisory
- Owner's engineer
- Project management
- Lender's engineer
- Legal advisory
- Financial advisory
- Insurance advisory

Investors

- Equity
- Management
- Project development
- Project management
- Operations

Contractors

- Project design
- Technology
- Equipment
- Services (operations and maintenance)

Financiers

- Loans
- Guarantees
- Insurance



“We look forward to doing business with you!”