



UK Virtual BOS on Health, Education, and Social Development

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Asia-Pacific PPP environment context and ADB's PPP operational framework and modalities

Weak capacity and commitment

Underdeveloped enabling/ legal environment

Poor project preparation

Insufficient project financing

ADB's four pillar support for PPPs is well positioned to address these challenges

Pillar 1

Pillar 2

Pillar 3

Pillar 4

Advocacy & Capacity development

Enabling environment

Project preparation

Project financing

- Help identify PPP and private sector investment scope in sector planning
- Develop capacity of Government
- Knowledge dissemination

- Policy, legal, regulatory and institutional frameworks
- Development of PPPs (country and sector specific) enabling environment

- Development of pathfinder PPP projects
- Project scoping, structure and project development
- Project preparation
- Bidding support
- Deal advisory

- Long-term financing
- Catalyze commercial financing by equity, debt and guarantees.
- ADB's sovereign financing to enhance project viability

Knowledge dissemination, training

PPP Act; Streamlined PPP regulation

Feasibility studies

Sovereign financing

PPP units; Planning and coordination

Preparation support

Non-sovereign financing

Transaction Advisory Services (TAS)

Asia Pacific Project Preparation Facility (AP3F)

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

Financial Donors (total US\$73 million)



AP3F

Support for Client Country

Project Preparation and Structuring

Prepare and structure infrastructure projects with private sector participation and bring them to the global market

Capacity Development + Policy Reform

Reform and improvement of policy, legislative, regulatory and institutional practices

Project Monitoring and Restructuring

Project monitoring and project restructuring

Examples of Funded Activities

- Preparation of due diligence studies such as technical, economic and financial, legal and regulatory, insurance, environmental & social
- Preparation of information memorandum, marketing materials and road shows
- Creation of data rooms and other channels for dissemination of project information
- Preparation of bid documents, financial models and draft contracts.

ADB Support to PPPs in the Social Sector

From 2014 to 2019 in the **Social Sector PPPs**, ADB supported :

- 11 projects amounting to \$161.35 million on **EDUCATION**;
- 6 projects on **ELDERLY CARE** amounting to \$154.06 million only in PRC; and
- 12 projects on **HEALTH CARE/ SERVICES** amounting to \$371.56 million.

Some examples include

Pakistan

- Education Management Operations Program in Sindh.
- Support investments, institutional capacity building, and reforms in secondary education.

People's Republic of China (PRC)

- Elderly Care Services in PRC
- Capacity Building. Implementation of PPP Demonstration Program.

Indonesia

- Universal Health Coverage in Indonesia
- Equity Investment and Administration of Equity

Philippines

- Secondary Education Support Program.
- Strategy and Roadmaps on the used of PPPs for School Construction.

Bangladesh

- Urban Primary Health Care Services Delivery.
- PPP Contract Management

Regional- India and Sri Lanka

- DCDC Health Services Private Limited.
- Equity Investment and Administration of Equity

EDUCATION: Pakistan

Project description	
Project Name	Education Management Organizations (EMO) Program in Sindh. Sindh Secondary Education Improvement Program - Sovereign Loan
Description	<ul style="list-style-type: none"> Construction of secondary school blocks largely in 10 districts in southern Sindh, improve teacher capacity in five key subjects (English, mathematics, biology, chemistry, and physics), and strengthen the secondary education examination system. The project's output 1 includes the private management of the 160 public schools constructed under the project. This will be done as part of the EMO model, established under the province's PPP law.
Project cost	<ul style="list-style-type: none"> The project is estimated to cost \$82.5 million. ADB's loan is for \$75. Provision for additional financing of \$75 million in 2022 or 2023, subject to satisfactory performance.
PPP structure	<p>Management Contracts/ Concession Arrangements</p> <ul style="list-style-type: none"> Government constructs a school using traditional procurement method PPP node in School Education and Literacy Department enters into a concession agreement with private partner to operate the school –EMO operator provides core and non-core services. EMO contract duration –10 years, subject to EMO meeting performance targets EMOs that do not meet performance targets can have contracts cancelled EMOs receives funds in two ways: <ul style="list-style-type: none"> –Management fee for operating school –Reimbursement for budgeted costs as agreed in financial proposals
ADB Role	Provide support on investments, institutional capacity and reforms in secondary education on Sindh.

ELDERLY CARE: PRC

Project description

Project Name	Demonstration of Guangxi Elderly Care and Health Care Integration and Public-Private Partnership (with Hezhou PPP Subproject) Sovereign Loan
Description	<ul style="list-style-type: none"> ▪ The project aims to support Guangxi Zhuang Autonomous Region (GZAR) to promote, coordinate, and deliver integrated elderly care and health care services to provide continued care for those in need. ▪ It will serve as a demonstration for the PRC of an integrated elderly care and health care system and will be the first project in GZAR to introduce internationally accepted public-private partnership (PPP) principles and standards in the elderly care sector.
Project cost	<ul style="list-style-type: none"> ▪ The project is estimated to cost \$193.52 million. ADB loan is \$100M for this project which covers several subprojects. PPP subproject amounts to \$18.9M. ▪ To prepare this PPP subproject, OPPP will provide Transaction Advisory Services (TAS).
PPP structure	<ul style="list-style-type: none"> ▪ PPP concession agreement - Guangxi Guidong Hospital will monitor the PPP concessionaire's administration and implementation of the Hezhou PPP subproject. ▪ Design-Build-Operate for an elderly care facility, coordinating with a health care institution.
ADB Role	OPPP will assist the Government of Guangxi Zhuang Autonomous Region in structuring the Hezhou PPP subproject; and implementing the development, financing, and tendering of the Hezhou PPP subproject.

HEALTH: Indonesia

Project description

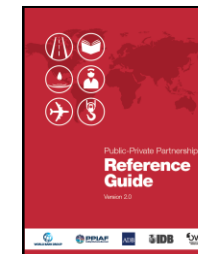
Project Name	Universal Health Coverage in Indonesia Non-Sovereign Loan: PT Medikaloka Hermina Maternity and Child Care Hospital Project
Description	The equity investment helped Hermina expand its operations from the current 28 hospitals with 2,780 beds to <u>40 hospitals with 4,000 beds</u> during 2018 -2020. The project, through its partnership with the Jaminan Kesehatan Nasional (JKN), the universal health insurance program of the Government of Indonesia, improved the access to high-quality, affordable maternity and child health care services and general hospital services in Indonesia.
Project cost	The transaction involved (i) an <u>equity investment of up to \$10,000,000 in rupiah equivalent</u> and (ii) the <u>administration of an equity investment of up to \$10,000,000 in rupiah equivalent</u> , to be provided by the Leading Asia's Private Infrastructure Fund in PT Medikaloka Hermina (Hermina) for the Maternity and Child Care Hospital Project in Indonesia
PPP structure	<u>Doctor Partnership Model</u> . Adopted in 1996, this model is a key factor in Hermina's high doctor retention rate (92% in 2017). It is a partnership with a group of top specialist doctors who are willing to own a minority stake (typically 30%) at each hospital. This model helps to attract and retain quality doctors and supports Hermina's growth plan going forward.
ADB Role	<u>Equity Investment and Administration of Equity Investment</u> <ul style="list-style-type: none"> ADB's participation in the initial public offering of PT Medikaloka Hermina as an anchor investor, played an important role since it provided direct financing, attracted third-party investors and established confidence in Hermina's future access to capital markets.

Facilitating PPP knowledge management

ADB

- **PPP Reference Guide**

- Jointly developed by MDBs, it is a practitioner's guide to when and how PPPs should be used, what kind of enabling policy, legal and institutional frameworks are needed to ensure success of PPPs and how to develop and implement PPP projects.



- **PPP Certification Program**

- Delivered by APMG International, the program launched in 2016 marks MDBs' efforts to share knowledge, establish standards, and enhance professionalism in the delivery of PPPs globally.



- **PPP Monitor**

- PPP Monitor tracks the development of the PPP business environment as well as the challenges of doing PPPs. The first edition launched in Nov 2017 covered 8 countries. 2019 edition published in mid-2019 and covers further three countries.

<https://www.adb.org/sites/default/files/publication/381681/ppp-monitor.pdf>



- **Third edition (exclusively online) is under preparation**

- **Infrascope**

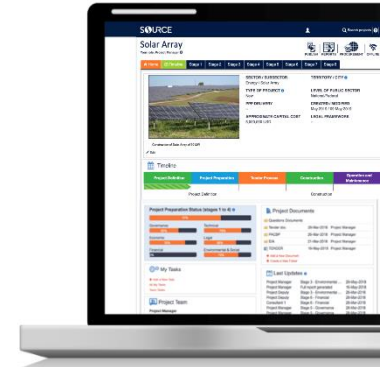
- Funded by ADB, the benchmarking index produced by EIU evaluates government capacity to implement sustainable and efficient PPPs in Asia and Pacific.



Facilitating PPP knowledge management

- **SOURCE**

- Jointly supported by MDBs, SOURCE is a web-based tool that governments can use to manage preparation activities for infrastructure projects including PPPs.

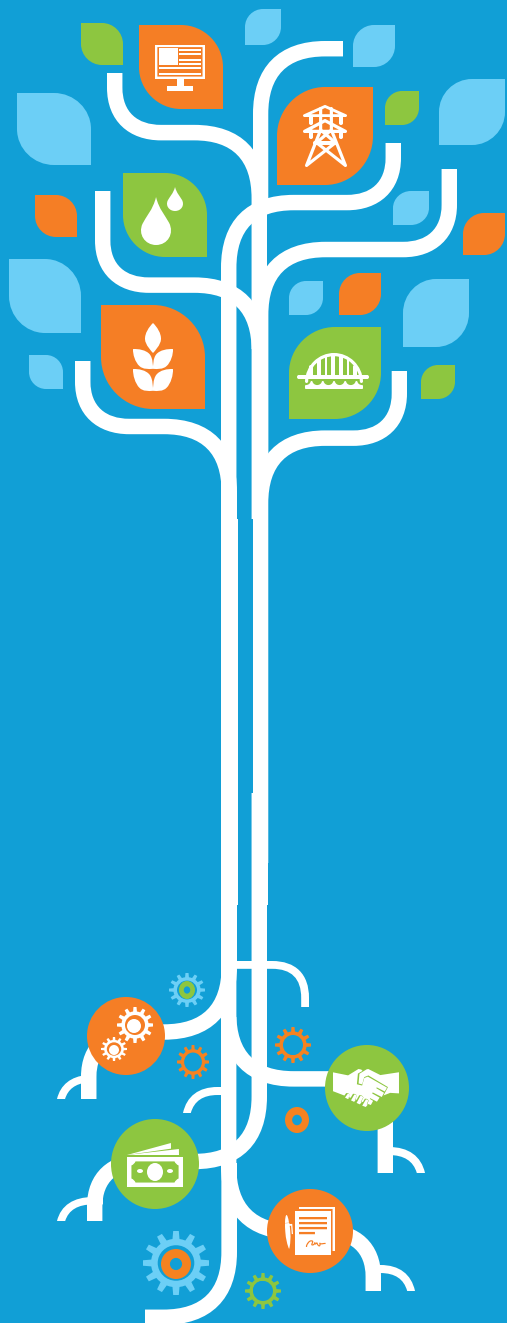


- **MDB online portal PPP Knowledge Lab**

- Joint collaboration among top multilateral development agencies for a comprehensive online resource for PPPs. *PPP Knowledge Lab* allows easy access to data, terms, and trends that guarantees up-to-date, relevant results on PPPs.

www.pppknowledgelab.org





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