



ADB Office of Public-Private Partnership (OPPP)

Approaches to promote PPP in Asia and the Pacific

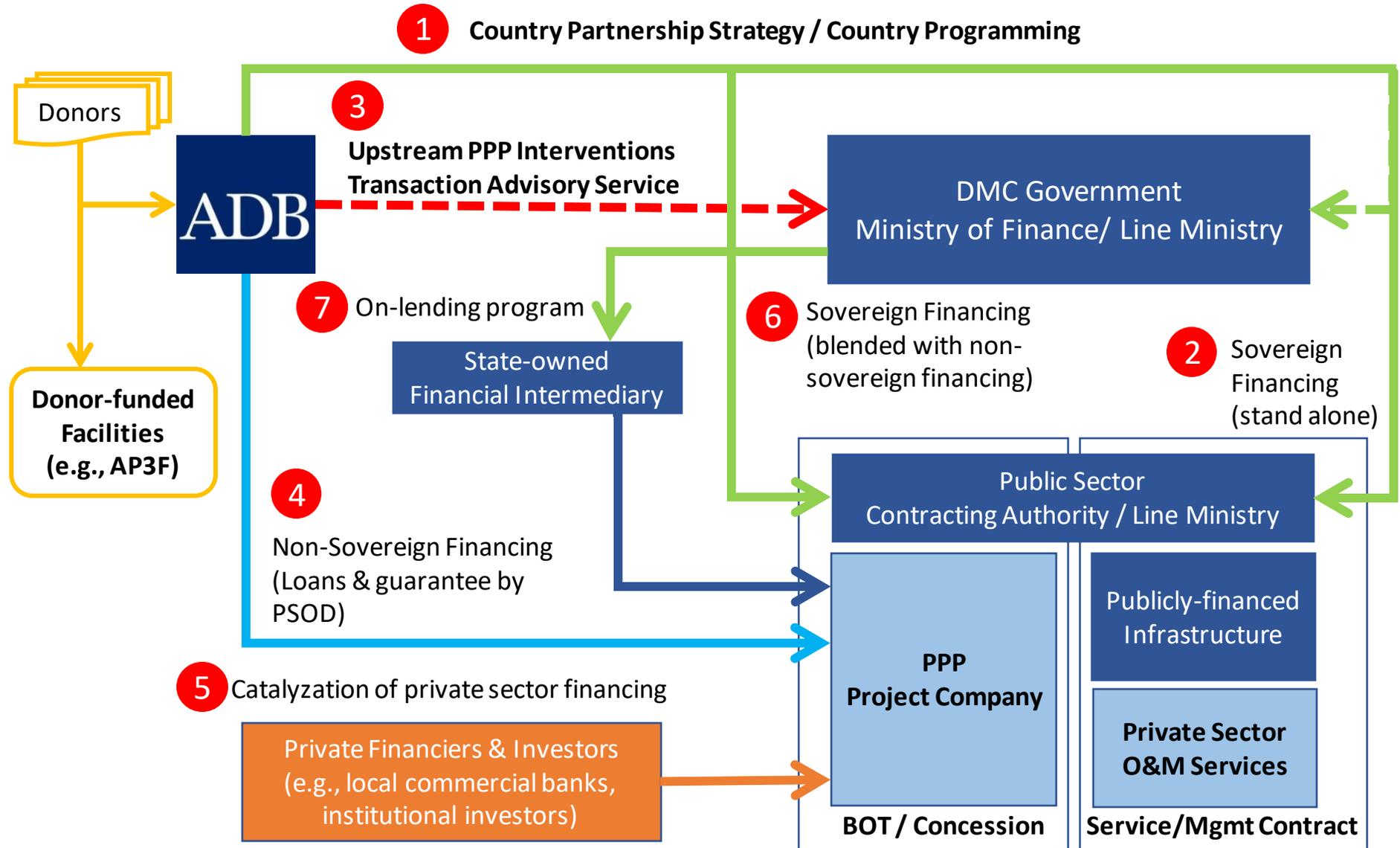
2 September 2022

Key Bottlenecks for PPP and ADB's Solutions

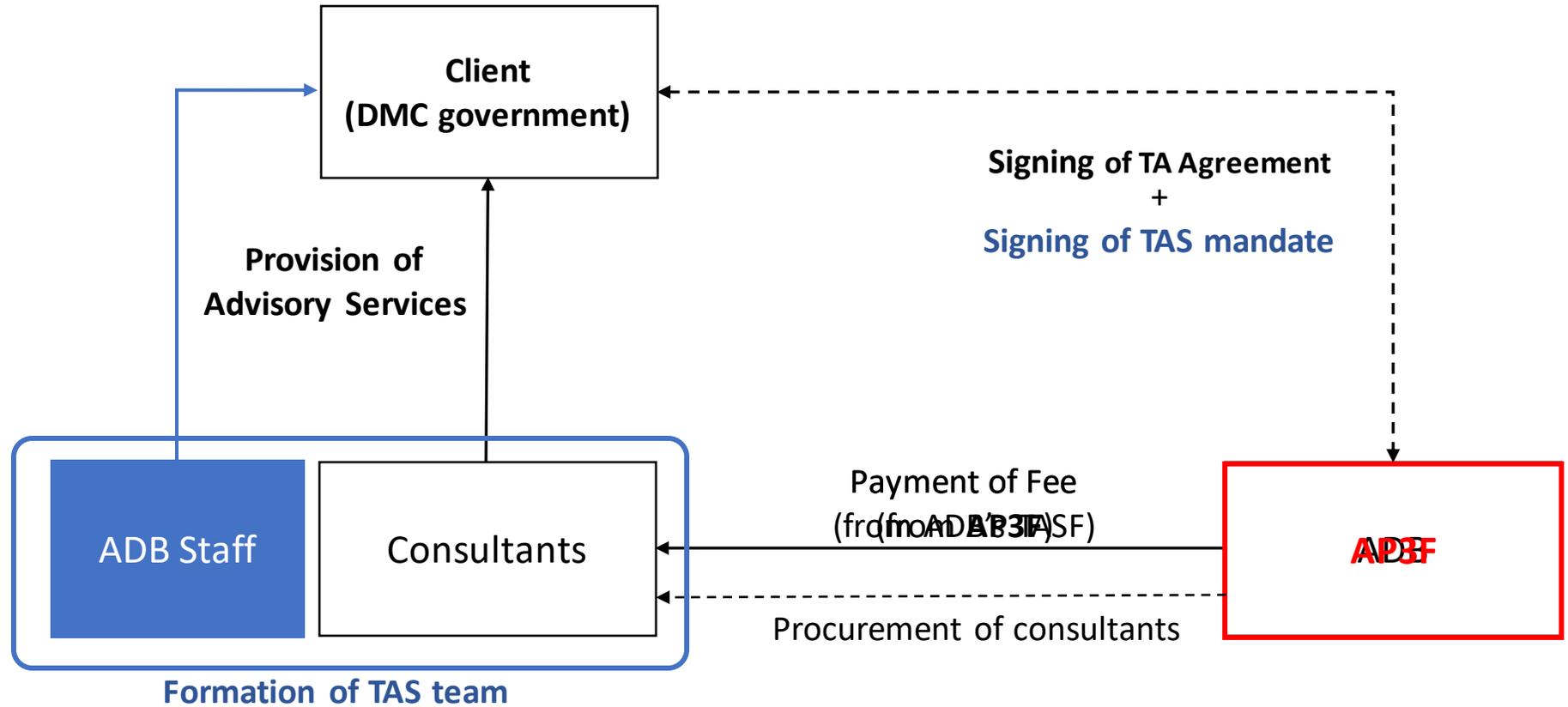


	Upstream	Midstream	Downstream
Issues	<p>Lack of Enabling Environment</p> <ul style="list-style-type: none"> • Insufficient political commitment • Limited government understanding of PPP contracts • Lack of capacity for strategic sector planning to define suitable projects • Inadequate regulatory frameworks • Poor coordination between central / regional governments 	<p>Lack of Knowledge and Experience</p> <ul style="list-style-type: none"> • Limited capacity for: project development and transaction management • Limited funds for advisors for deal structuring, pre-feasibility study • Poor quality project viability assessment with weak demand forecasts 	<p>Limited Options for Financing</p> <ul style="list-style-type: none"> • Lack of long-term local currency liquidity, e.g. weak banking sector, lack of investors' interest • Recent regulations (Basel III) constrain banks' to provide project finance • Private finance risk mitigation requires credit enhancement / co-financing
Solutions	<p>Capacity Building & Policy Reform</p> <ul style="list-style-type: none"> ✓ Create awareness ✓ Develop capacity of Government ✓ Develop policy, legal, regulatory and institutional framework to facilitate, guide and manage the development of PPPs (country and sector specific) ✓ Identify PPP potential in sector planning <p>→ Supported by TA (ADB/AP3F)</p>	<p>Project Preparation & Structuring</p> <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. <p>→ Supported by TAS</p>	<p>Project Financing</p> <ul style="list-style-type: none"> ✓ Provide long-term debt financing solutions 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. <p>→ Supported by loans and guarantees</p>

Variety of ADB's Assistance To Promote PPP



Correlation Between ADB TA, AP3F TA, and TAS



ADB's Value Addition as the PPP Advisor

1

Ability to structure and advise a “pathfinder” project, or first of its kind in a sector or DMC, that can set a standard for the following projects.

2

Thorough understanding on the strategic priorities and needs of each country underpinned by the long-term engagement and relationship with the government.

3

Deep insights into the countries' PPP landscape including legal and regulatory framework for PPP.

4

Familiarity of key commercial requirements of project finance banks in Asia and the Pacific.

5

Assurance on the transparency, fairness, and governance in the bid process and reduce political risks.

Business Opportunities in PPP Projects

Upstream

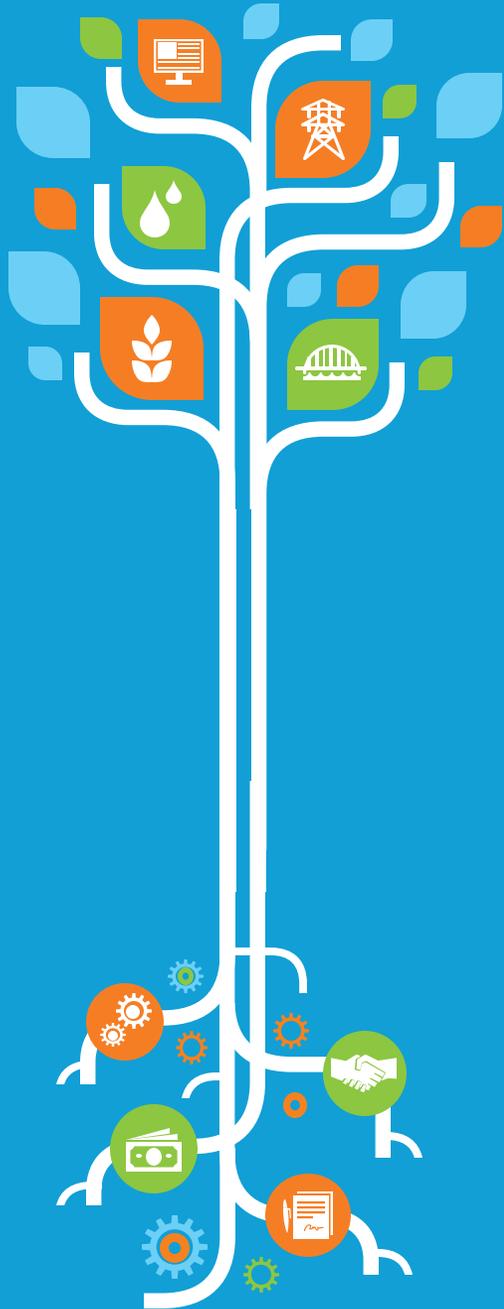
- As the consultants engaged in ADB's TA and/or AP3F TA
 - ✓ Technical Experts
 - ✓ Legal Experts
 - ✓ Financial Modeler
 - ✓ Environmental and Social Safeguard Consultants

Midstream

- As the consultants engaged in TAS activities
- As the bidders of public tender for the award of concession (i.e., investors to the project)

Downstream

- As the lenders to the project
- As the consultants conducting due diligence for the project
- As the EPC contractor and/or O&M contractor of the project



THANK YOU!

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