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ADB

# ADB Office of Public-Private Partnership (OPPP)

## Preparing Bankable Infrastructure Projects in Asia Pacific

5 October 2022

Presented by  
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BUSINESS  
OPPORTUNITIES



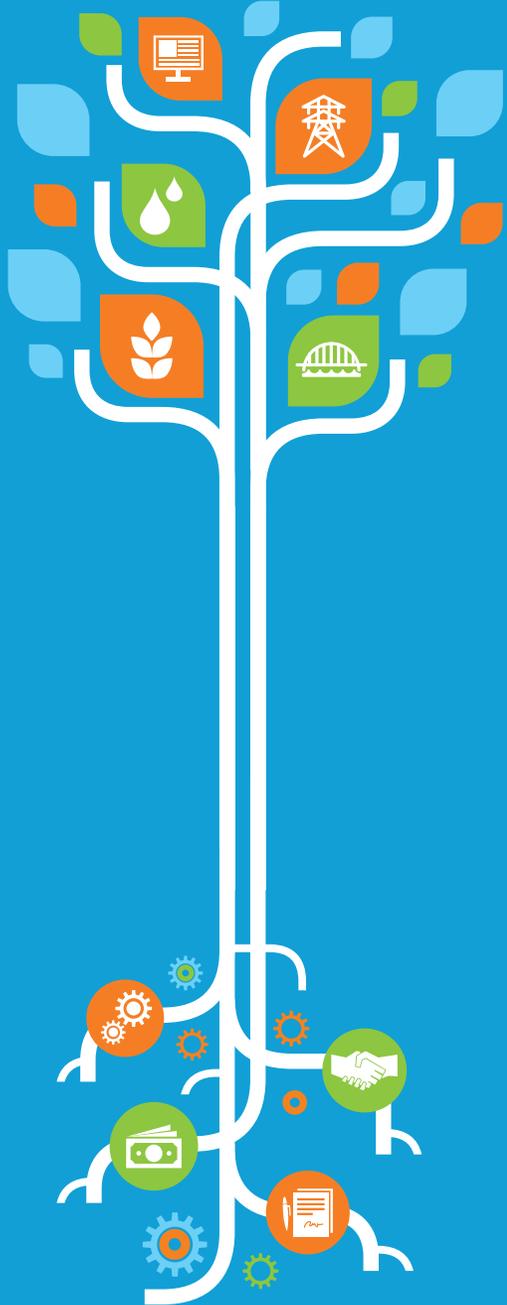
# Contents

1. Introduction to ADB's Office of Public Private Partnership
2. Snapshot of TAS mandates across various DMCs
3. PPP Opportunities in Selected Sectors across Asia



# ADB's Approach to PPPs

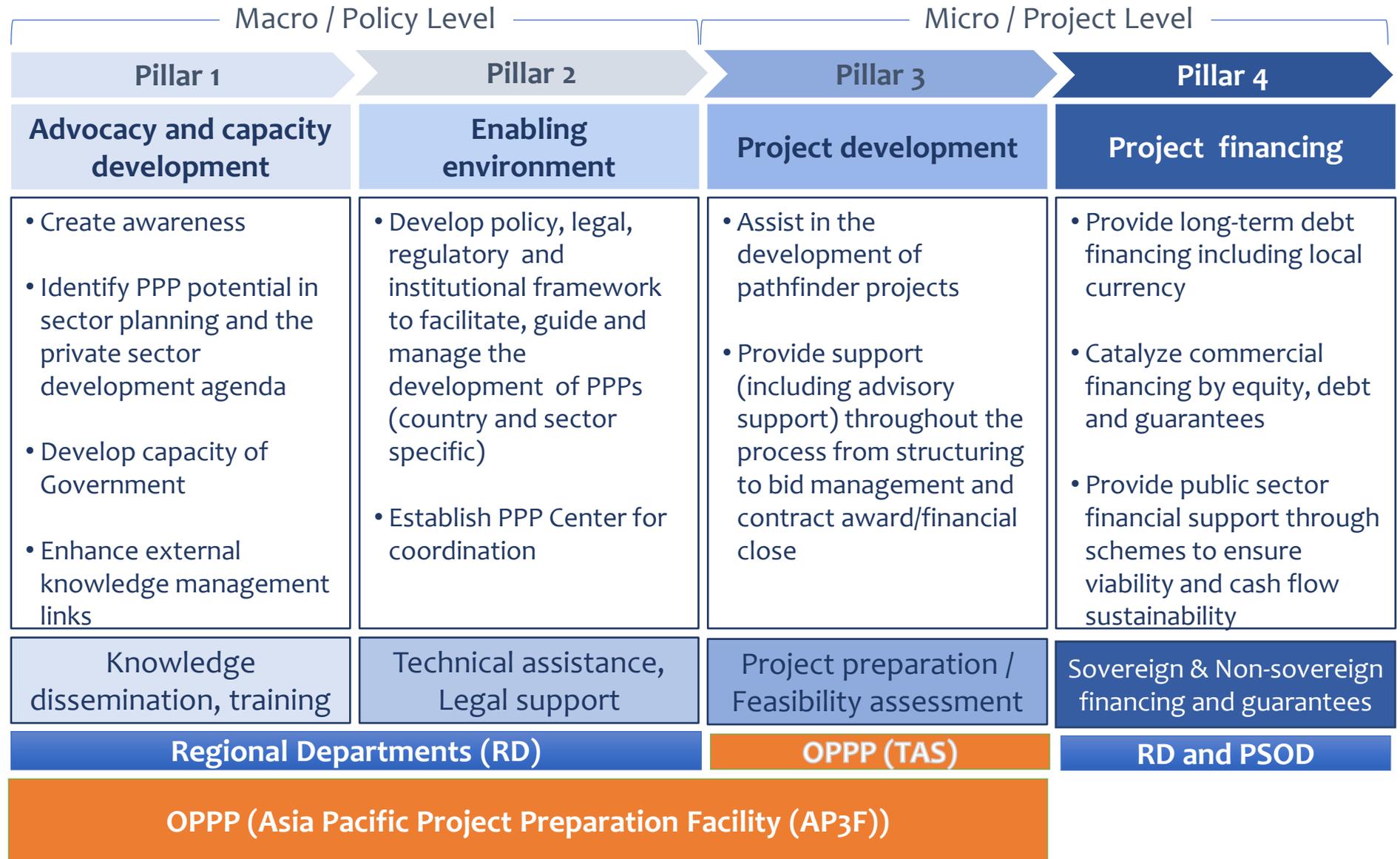
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# ADB's PPP Strategy and Extent of OPPP Activities



# OPPP Portfolio (as of Aug. 2022)

**13** Commercial closures<sup>1</sup>

**\$1.7** billion

Total private sector capital mobilized<sup>2</sup>

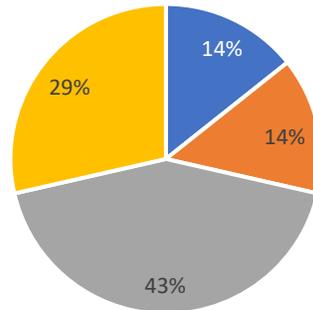
**\$3.0** billion

Expected Mobilization

## Completed / Closed

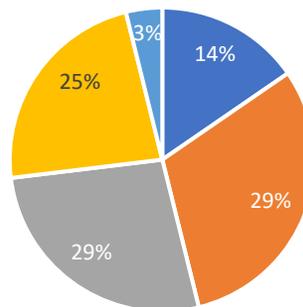
**12** TAS mandates and AP3F Project Preparation

**16** AP3F Applications<sup>3</sup> supporting Pillars 1 and 2



### By Region

- Central & West Asia
- South Asia
- Southeast Asia
- Pacific



### By Sector

- Transport
- Energy
- Water & Urban
- Public Sector Mgt
- ICT

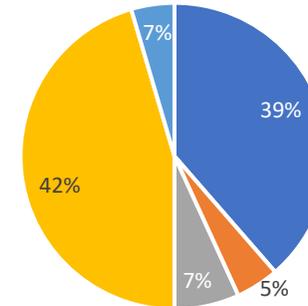
Notes:

1. Commercial closure occurs when the winning private partner signs the concession contract.
2. Total private sector capital mobilized is based on project size (expected capital expenditure).
3. AP3F has approved \$52.9 million (70% of the total contribution) worth of support.

## Under Implementation

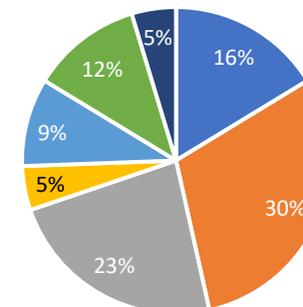
**26** TAS mandates and AP3F Project Preparation

**17** AP3F Applications supporting Pillars 1 and 2



### By Region

- Central & West Asia
- East Asia
- South Asia
- Southeast Asia
- Pacific



### By Sector

- Transport
- Energy
- Water & Urban
- Education
- Health
- Public Sector Mgt
- ICT



# OPPP Track Records

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<p>Feb 2022</p> <p><b>Timor Leste</b> Dili Solid Waste Management (Urban)</p>	<p>Feb 2022</p>  <p><b>Uzbekistan</b> Namangan Wastewater Treatment Plant (Urban)</p>	<p>Jan 2022</p>  <p><b>Bangladesh</b> Rampura-Amulia-Demra Expressway (Transport)</p>	<p>Sep 2021</p>  <p><b>Uzbekistan</b> Tashkent District Heating (Urban)</p>	<p>Aug 2021</p>  <p><b>Uzbekistan</b> Sherabad 457MW Solar (Ren. Energy)</p>	<p>Apr 2021</p>  <p><b>Palau</b> Solar PV (Ren. Energy)</p>
<p>Feb 2021</p>  <p><b>Philippines</b> Metro Manila Water Concessions (Urban)</p>	<p>Jun 2020</p>  <p><b>Cambodia</b> National Solar Park Phase 1 (Ren. Energy)</p>	<p>Apr 2019</p>  <p><b>Philippines</b> New Clark City Power Distribution Utility (Urban)</p>	<p>Dec 2018</p>  <p><b>Bangladesh</b> Dhaka Bypass (Transport)</p>	<p>Dec 2018</p>  <p><b>Philippines</b> New Clark City Smart Water and Wastewater Utility (Urban)</p>	<p>Feb 2018</p> <p><b>Philippines</b> New Clark City National Govt. Administrative Centre (Urban)</p>

Value addition to clients from ADB's transaction advisory:

- ✓ ADB has a **trusted advisor relationship** with our clients, built over 50+ years
- ✓ **Tailored engagement** for particular country, sector, and project needs
- ✓ Bidders associate **ADB brand name** with transparency, objectivity, and governance
- ✓ Support **beyond the transaction**, through capacity building, contract templates, and project implementation support

# Ongoing AP3F TA

**Kazakhstan**

Establishment of PPP Center (CB)

**Uzbekistan**

PPP Development Center (CB)

4 Cities Water (PP)

Sharabad Solar Phase 1 (PP)

Tashkent District Heating (PP)

Sergeli Schools IPP (PP)

Sherabad Solar Phase 2 (PP)

Tashkent District Heating Project

Monitoring (PM)

**Georgia**

Water Supply and Sanitation (CB)

**Azerbaijan**

PPP Development Center (CB)

University Students' Accommodation (PP)

**Tajikistan**

Energy Distribution Company (PM)

**Pakistan**

Karachi Wastewater Treatment Plant (PD)

**Maldives**

Solar PPP Project (PP)

**Bangladesh**

Dhaka Bypass Monitoring (PM)

**Vietnam**

Ministry of Planning & Investment and Ministry of Construction (CB)

Competitive Bidding for Large-Scale Renewable Energy (CB)

West Saigon Wastewater Treatment Project (PD)

**Philippines**

Floating Solar PV IPP (CB)

Vaccine Facility (PD)

BCDA Public Transport Project (PP)

BCDA ICT Project (PP)

O&M for Metro Manila Subway (PP)

O&M for North-South Connectivity Railway (PP)

BCDA and NGAC Water, Wastewater & Power Distribution (PM)

**Palau**

Solar PV IPP (PP)

**Papua New Guinea**

Expansion of Port Moresby International Airport (PP)

Establishment of PPP Center (CB)

**Timor Leste**

Dili Solid Waste Management (PP)

Unique Identity (UID) System Project (PP)

Solar Independent Power Producer Project (PP)

Tibar Port Monitoring (PM)

Dili Solid Waste Management (PM)

**Indonesia**

Joint Officer of PPP BAPPENAS (PD)

South Tangerang Waste Management (PP)

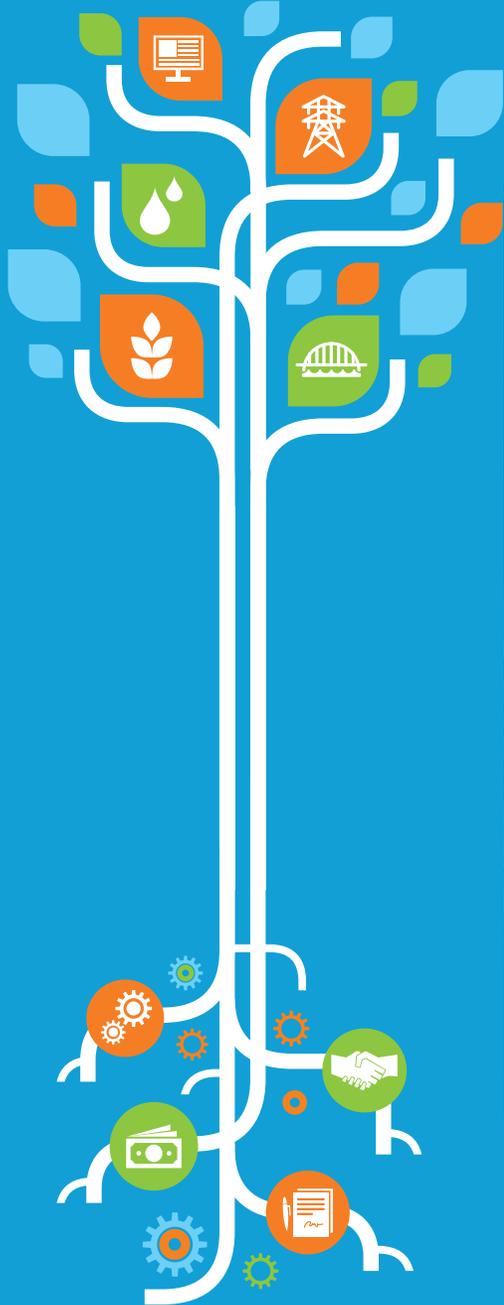


# PPP Opportunities

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# Uzbekistan: Power

## 1 GW Solar Program in PPP mode

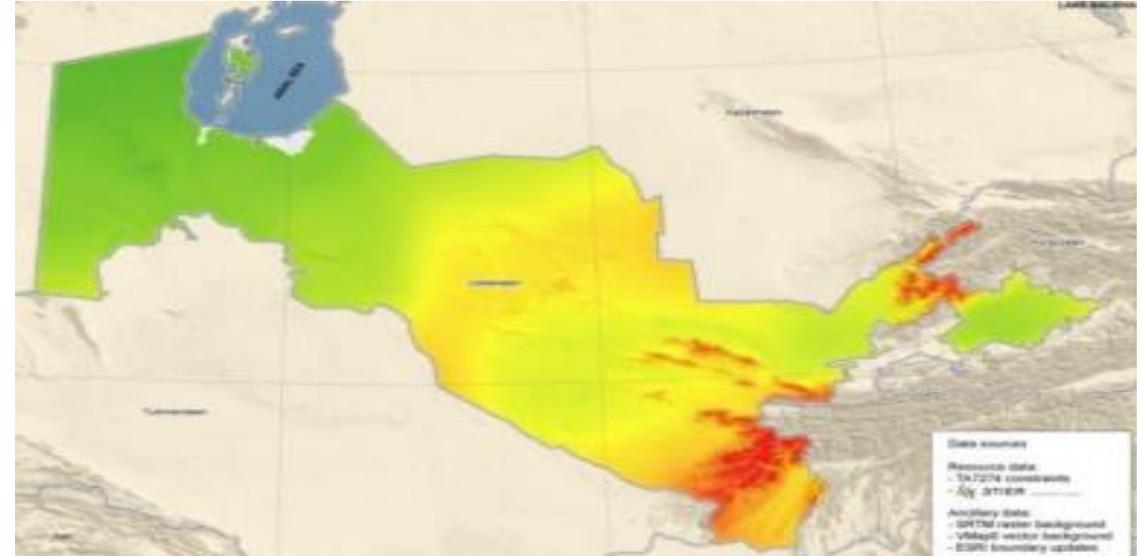
Financial Close expected (Phase 1) / RFP expected (Phase 2)

### Background

- ▶ ADB is advising the Govt. of Uzbekistan (Ministry of Energy, Ministry of Investment and Foreign Trade, and the PPP Development Agency of Uzbekistan) on the development of a 1GW Solar Program to be developed in PPP mode.
- ▶ The first project to be developed under the Solar Program is located in the Sherabad district of Surkhandarya region with a total power capacity of 456.6 Mwach including a new 220kV substation and a 52km transmission line to connect to the Surkhan 220kV substation. The project is achieved commercial closure in August 2021 and expected to achieve financial close in 1H 2023.

### The Project

- ▶ The second project Guzar Solar 300MW solar PV IPP Guzar district of Kashkadarya region is to be awarded through competitive tendering. The project is supported by the technical assistance from ADB's Asia Pacific Project Preparation Facility (AP3F). Template documents (Power purchase agreement & Government support agreement) developed for the first project will be used for second project as well.



### OPPP's Support

- **Project Preparation**
  - Feasibility Study, Project Structuring
- **Tender support: Support during the tender process including**
  - Preparation of tender documents
  - Preparation of bid evaluation criteria
  - Legal review of technical and financial proposals
- **Support during post-bid negotiations including:**
  - Negotiations with winning bidder
  - Finalization of contracts
  - Support commercial award and financial closure

### Current Status of Implementation

- RFQ stage completed, and shortlisted bidders announced

### Next Steps

- RFP for Guzar Project expected to be launched in the Q4 2022

# Pakistan: Wastewater Treatment

## Karachi Wastewater Treatment Projects (TP1 and TP 4)

RFQ expected to be launched soon

### Background

- ▶ The Government of the province of Sindh (GoS) in Pakistan has identified the wastewater treatment and water reuse sector as a priority for public private partnership (PPP) in the province. In this context, the Karachi Water and Sewerage Board (KWSB) has approved a program to develop several wastewater treatment projects in PPP mode in Karachi.
- ▶ There are several projects in the pipeline including of varying capacity and scope and the main aim is to reuse wastewater for industrial and agricultural use in order to alleviate water shortage in the city.

### Project

- ▶ The private sector will undertake design and construction of the projects and sell the treated water for industrial and agricultural use to consumers for a period of 25-30 years.
- ▶ Strong support from GoS will be provided via viability gap funding (VGF) and minimum revenue guarantee (MRG) for initial years.
- ▶ ADB is advising KWSB on structuring and tendering of TP1 project and has recently signed the mandate for TP4.

### OPPP's Support

- **Project Preparation**
  - Pre-Feasibility and Project Structuring
- **Tender support: Support during the tender process including**
  - Preparation of tender documents
  - Preparation of bid evaluation criteria
  - Legal review of technical and financial proposals
- **Support during post-bid negotiations including:**
  - Negotiations with winning bidder
  - Finalization of contracts
  - Support commercial award



### Current Status of Implementation

- TP4 will be a solicited bid where ADB provides transaction advisory services including project preparation support.
- KWSB has received an unsolicited proposal for the TP1 project and ADB is advising on the structuring and competitive tendering of the project.

### Next Steps

- Expected Tender Process
- TP4 RFQ Launch – Q4 2022
- TP1 RFQ Launch – Q4 2022

# Kazakhstan: Healthcare

## 300 bed Karaganda University Hospital

RFQ expected

### Background

- ▶ ADB is providing transaction advisory support to the Government of Kazakhstan (GoK) for structuring and delivering the Karaganda University Hospital PPP.
- ▶ Hospital PPP is a part of the Ministry of Healthcare (MOH) Strategic Plan for 2020-2025 that envisages a pipeline of 14 greenfield hospital PPPs across the country, including four teaching hospitals.
- ▶ Karaganda Medical University founded in 1950, is the Country's second largest medical university and located in Karaganda; country's largest industrial city famous for coal mines, ferrous and non-ferrous industry, heat power and machine engineering.
- ▶ Located 200 km South of NurSultan (formerly Astana), Karaganda is country's fourth most populous city (2020 pop. 505,000+)

### The Project

- ▶ Design, Build, Finance, Operate and Maintain a 300-bed university hospital structured under the Infrastructure Model/Limited Service Facility Management PPP modality.
- ▶ Structured on Availability Payments and based on already market tried and tested \$680m Almaty Ring Road PPP-Concession Law (2006),
- ▶ Concession Law allows application of foreign exchange risk compensation, termination payment, international arbitration and direct agreement with lenders.



### OPPP's Support

- **Project Preparation**
  - Feasibility Study, Project Structuring
- **Tender support: Support during the tender process including**
  - Preparation of tender documents
  - Preparation of bid evaluation criteria
  - Legal review of technical and financial proposals
- **Support during post-bid negotiations including:**
  - Negotiations with winning bidder
  - Finalization of contracts
  - Support commercial award

### Current Status of Implementation

- ADB was working on legislative support to the Government of Kazakhstan in introducing the Infrastructure PPP model.
- Currently, ADB is updating project/tender documentation following legislative amendments.
- The documentation is currently under review by Kazakhstan PPP Center.

### Next Steps

- Expected Tender Process Launch – Q4 2022

# Philippines: Transport

## O&M Concessions for North South Commuter Rail & Metro Manila Subway Project

RFQ expected

### Background

- ▶ The North South Commuter Railway (“NSCR”) is a 147km line sub-urban rail network connecting New Clark City in the north to Calamba in the south of Luzon. When completed, it will contribute to reducing travel time between Metro Manila & Clark from 2-3 hours (by bus) to less than 1 hour (by rail)
- ▶ The Metro Manila Subway Project (MMSP) covers 30km in Metro Manila and is the first mass underground transport system in the Philippines.
- ▶ The Projects are innovative “Hybrid PPPs” where the construction and development is sovereign funded through loans with ADB and JICA, while the operations and maintenance (O&M) will be tendered to the private sector through long-term concession agreements (CA).

### Projects

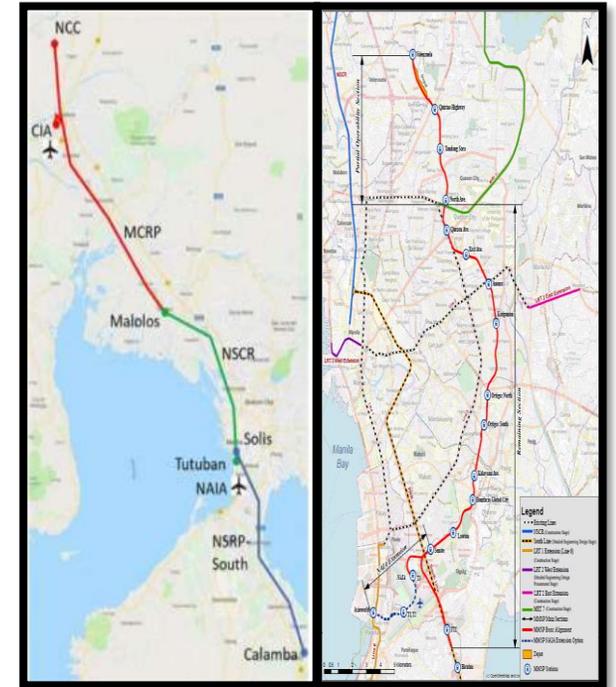
- ▶ Separate tenders for each of the O&M concessionaires for NSCR and MMSP; single stage tender (eligibility + tech and fin proposals)
- ▶ The Projects are supported by Availability Payments
- ▶ The Concession Agreement provides risk allocation for (i) interface risks between Build and O&M and (ii) interoperability of the two lines

### OPPP’s Support

- **Project Preparation** including provision of advice on technical requirements, risk allocation & structuring of the O&M contract;
- **Tender & Award support: Support during the tender process** including preparation of tender documents, evaluation & selection of winning bidder, and finalization of O&M concession agreement
- **Additional Support** provided for **capacity building** including development of contract implementation and monitoring capabilities.

### Project Status

- Submitted for Government Approval for tender launch
- Finalization of the CAs in progress
- Target launch of O&M tenders ~ 1H2023
- Projects award – 2H2023



### One ADB Approach

OPPP worked together with South-east Asia regional department (SERD) of ADB to implement the Project. Part of the rail infrastructure is financed by a SERD loan.



# Uzbekistan: Education

## Schools PPP Project in Tashkent Region

RFQ expected

### Background

- ▶ ADB is working with Ministry of Public Education, to develop schools covering grades 1 – 11, which include primary and secondary education levels, on the basis of PPP modality.
- ▶ The 13 schools PPP project in Tashkent region will be developed from the private sector through competitive tendering. The project is supported by the technical assistance from ADB's Asia Pacific Project Preparation Facility.
- ▶ The Project aims to support the government's strategy of revamping general primary and secondary education, wherein students will have 11 years of compulsory education and multiple pathways to enter the labor market or higher education.

### The Project

- ▶ The Project scope includes design, build finance, and maintenance of public schools in Tashkent region. The scope of the private partner includes facilities management and maintenance, while provision of education services will be retained by public sector.
- ▶ This project will be implemented by the Ministry of Public Education along with the PPP Development Agency of Uzbekistan with ADB being the sole Transaction Advisor.



### OPPP's Support

- **Project Preparation**
  - Feasibility Study, Project Structuring
- **Tender support: Support during the tender process including**
  - Preparation of tender documents
  - Preparation of bid evaluation criteria
  - Legal review of technical and financial proposals
- **Support during post-bid negotiations including:**
  - Negotiations with winning bidder
  - Finalization of contracts
  - Support commercial award

### Current Status of Implementation

- Technical Pre-Feasibility has been completed
- Government cabinet to approve the project to proceed with the competitive tender

### Next Steps

- Subsequent to the cabinet's approval, government to approve presidential decree to confirm site allocation.
- Expected Tender Process Launch – Q1 2023



# PRC: Elderly Care

## Yichang Elderly Care Facility

PQ ongoing

### Background

- ▶ Hubei Province has recognized the importance of integrated elderly care and health care services to respond to its rapidly aging population and issued a related policy in 2021 on the promotion of elderly care and health care ecosystem development.
- ▶ Yichang Elderly Care Facility (“the Project”) is the development of an elderly care facility in Yichang City of Hubei Province.

### The Project

- ▶ The project will be tendered under the Operation & Maintenance (O&M) modality, where the private sector will be responsible for designing the fit-outs; undertaking operation and maintenance; providing the furniture and equipment; and operating the internal clinic for basic medical care (within the Medical Complex).
- ▶ The government will construct a 1,257-bed capacity elderly care, including an 892-bed Medical Complex and a 365-bed Community Complex.
- ▶ Medical Complex aims to develop a demonstration base for the medical caring and nursing combination and senior service talents training. Community Complex aims to develop a comprehensive elderly care demonstration base integrated with home, community and agency.
- ▶ Initial target case mix for the Project is as follows: 38.9% - Full-disabled; 23.2% - Semi-disabled; and 37.9% - Independent.



### Current Status of Implementation

- PQ launched 30 September 2022;
- **Closing date for PQ responses 26 October 2022; and**
- Preparation of the bid document and PPP agreement.
- Bid parameter – lease payments

### Next Steps

- Target completing the procurement in Q4 2022; and
- Target closing the project in Q3 2023.

### ADB's Support

ADB sovereign loan to finance approximately 50% of capex

### OPPP's Support

- Guidance and inputs to the transaction structure
- Tender support: Support during the tender process including marketing and tender award

# Uzbekistan: Education

## Regional Preschools PPP Program

Pipeline

### Background

- ▶ ADB is in discussion with Ministry of Preschools Education, to develop up to 100 preschools around the country, on the basis of PPP modality.
- ▶ The schools will be developed from the private sector through competitive tendering. Given that there is a large number of preschools to be developed, tender will be divided into sub-tenders.
- ▶ The Program aims to support the Government's strategy to increase the number of preschools with appropriate infrastructure, with an aim to (i) increase enrollment rate for kids in age 3-6 and (ii) provide adequate learning environment for kids in age 5-6 for their one year free and compulsory education.

### The Project

- ▶ The Program scope includes design, build finance, and maintenance of preschools. The scope of the private partner includes facilities management and maintenance, while provision of education services is expected to be provided by either the public partner or the private partner.
- ▶ This project will be implemented by the Ministry of Preschools Education along with the PPP Development Agency of Uzbekistan with ADB being the sole Transaction Advisor.



### OPPP's Support

- **Project Preparation**
  - Feasibility Study, Project Structuring
- **Tender support: Support during the tender process including**
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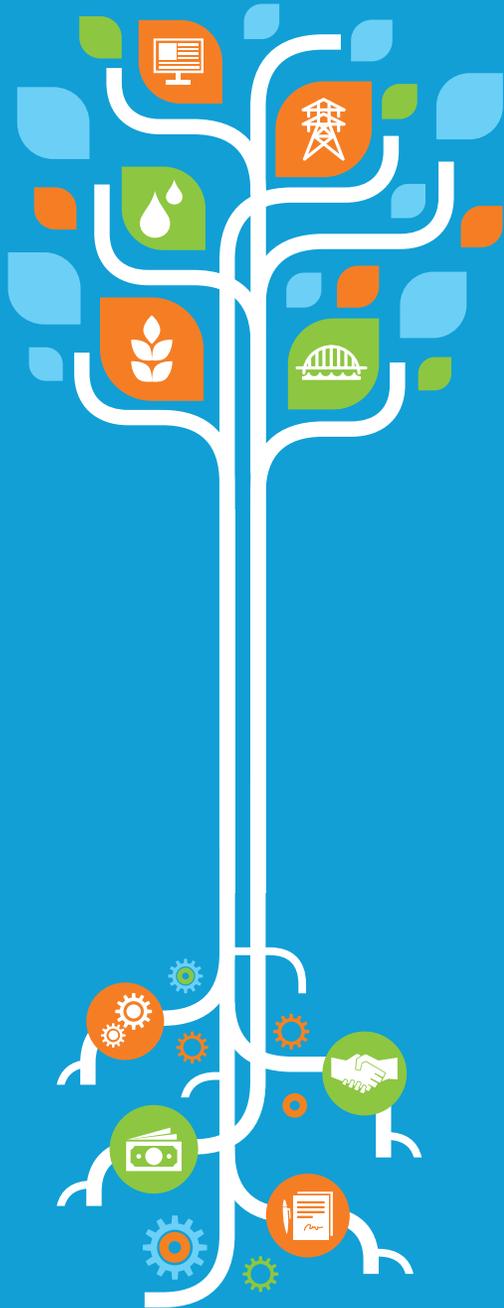
### Current Status of Implementation

- Technical Pre-Feasibility to start after mandate is signed.

### Next Steps

- ADB to finalize Pre-Feasibility and tender strategy and government cabinet to approve the project to proceed with the competitive tender.





# THANK YOU!

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