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ADB Office of Public-Private Partnership (OPPP)

Preparing Bankable Infrastructure Projects in Asia Pacific

26 January 2023

Presented by
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BUSINESS 
OPPORTUNITIES

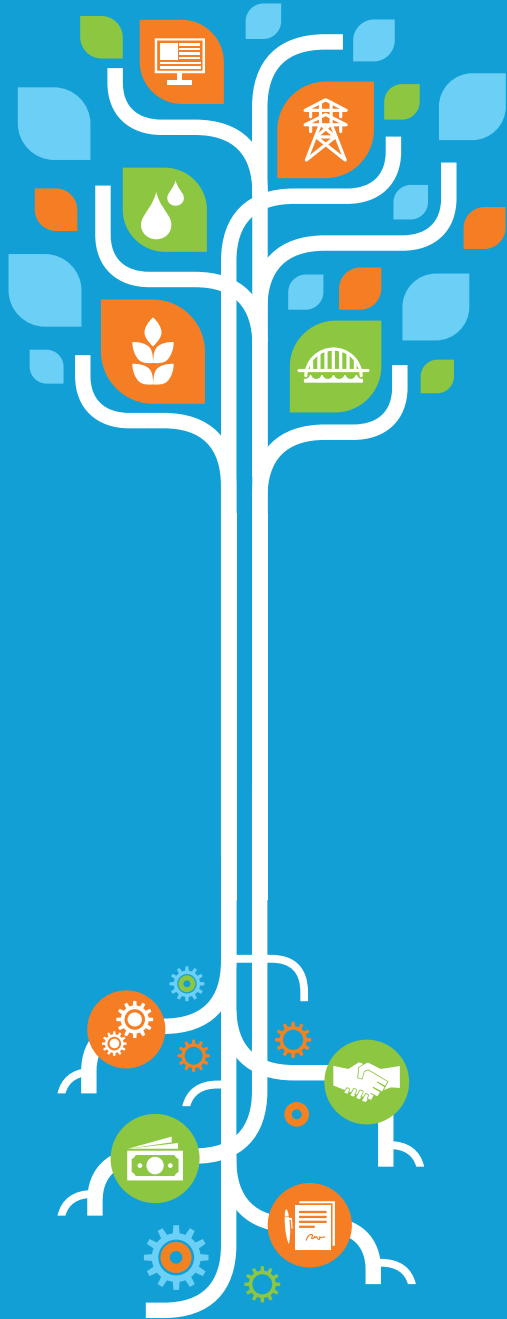
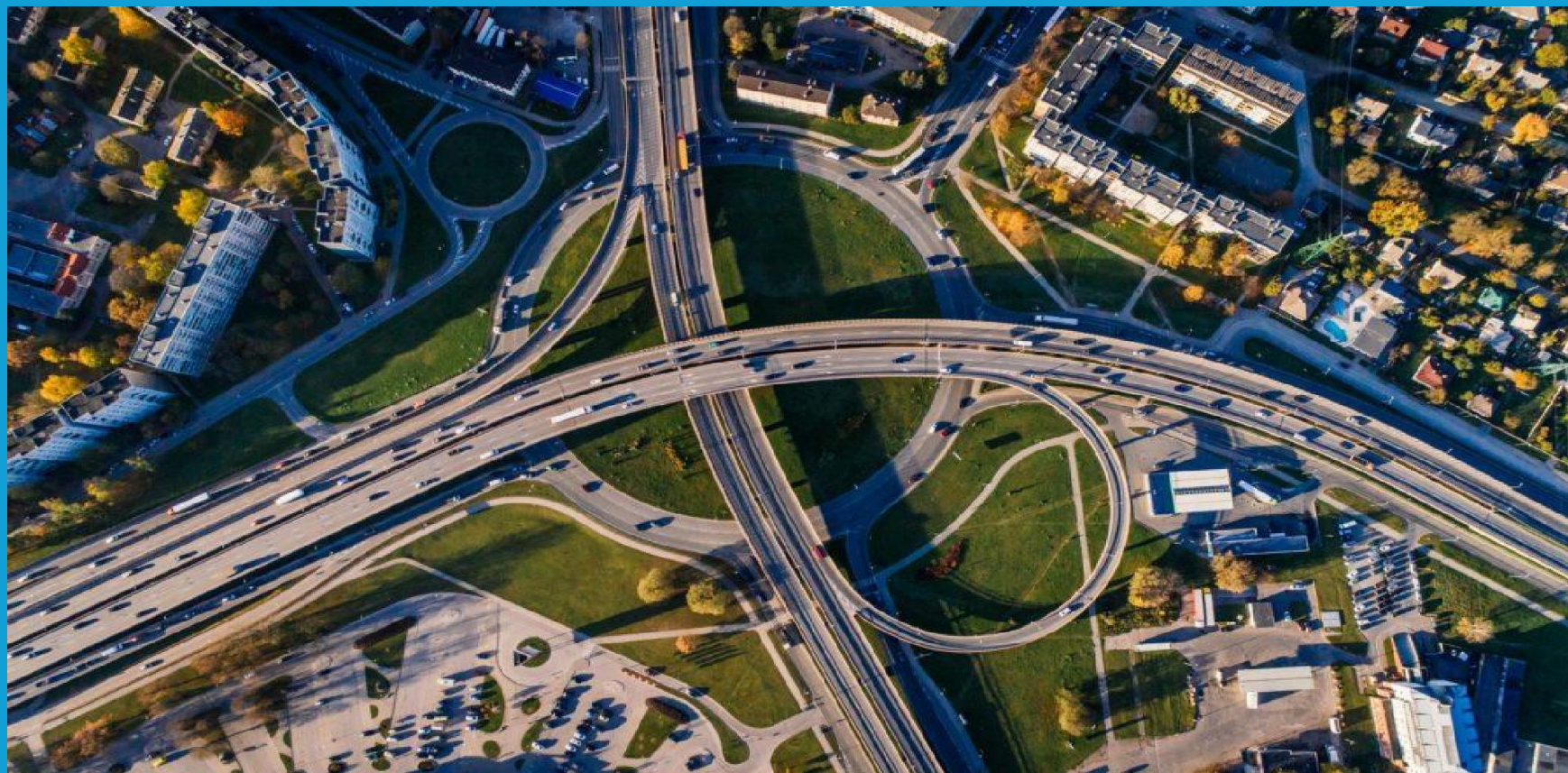
Contents

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



Introduction to OPPP

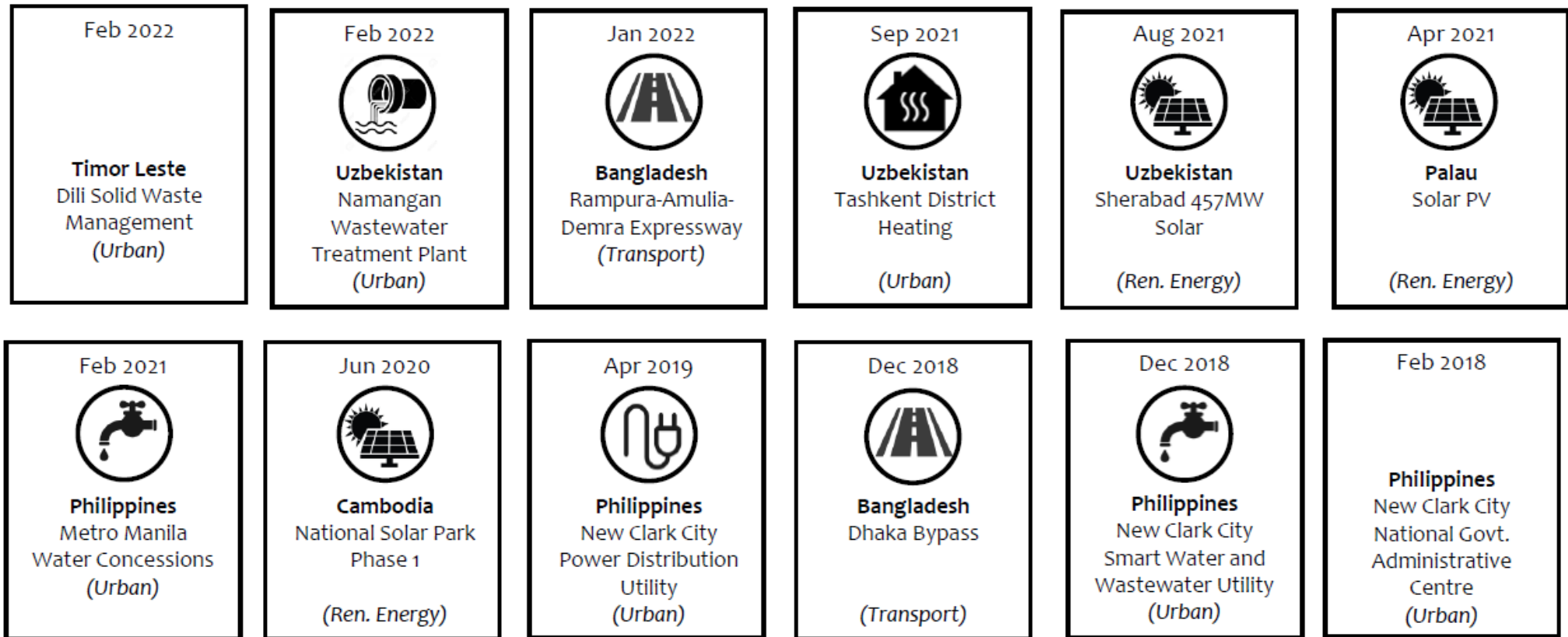
ADB



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OPPP Track Record



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

OPPP Portfolio (as of December 2022)

14 Commercial closures¹

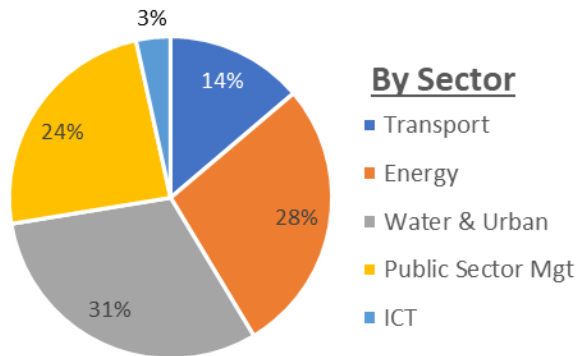
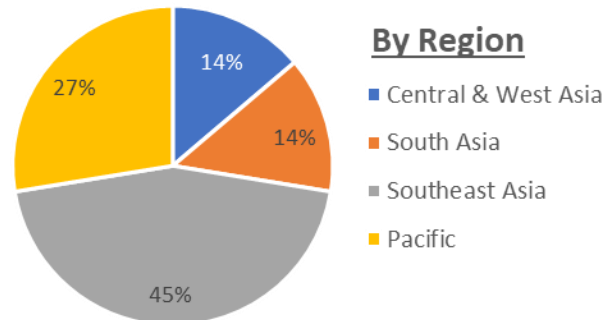
\$1.8 Billion total private sector capital mobilized²

\$4.5 Billion expected mobilization³

Completed

13⁴ TAS mandates and AP3F⁵ Project Preparation

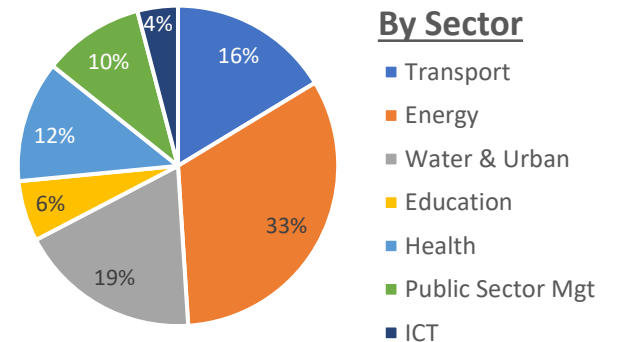
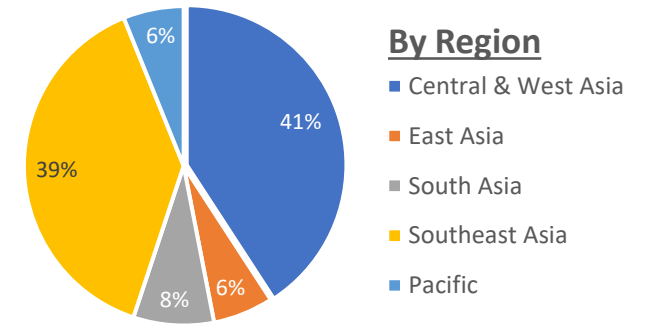
16 AP3F Capacity Building, Project Definition, and Monitoring



Under Implementation

30 TAS mandates, AP3F Project Preparation and PPP RD Support

19 AP3F Capacity Building, Project Definition, and Monitoring

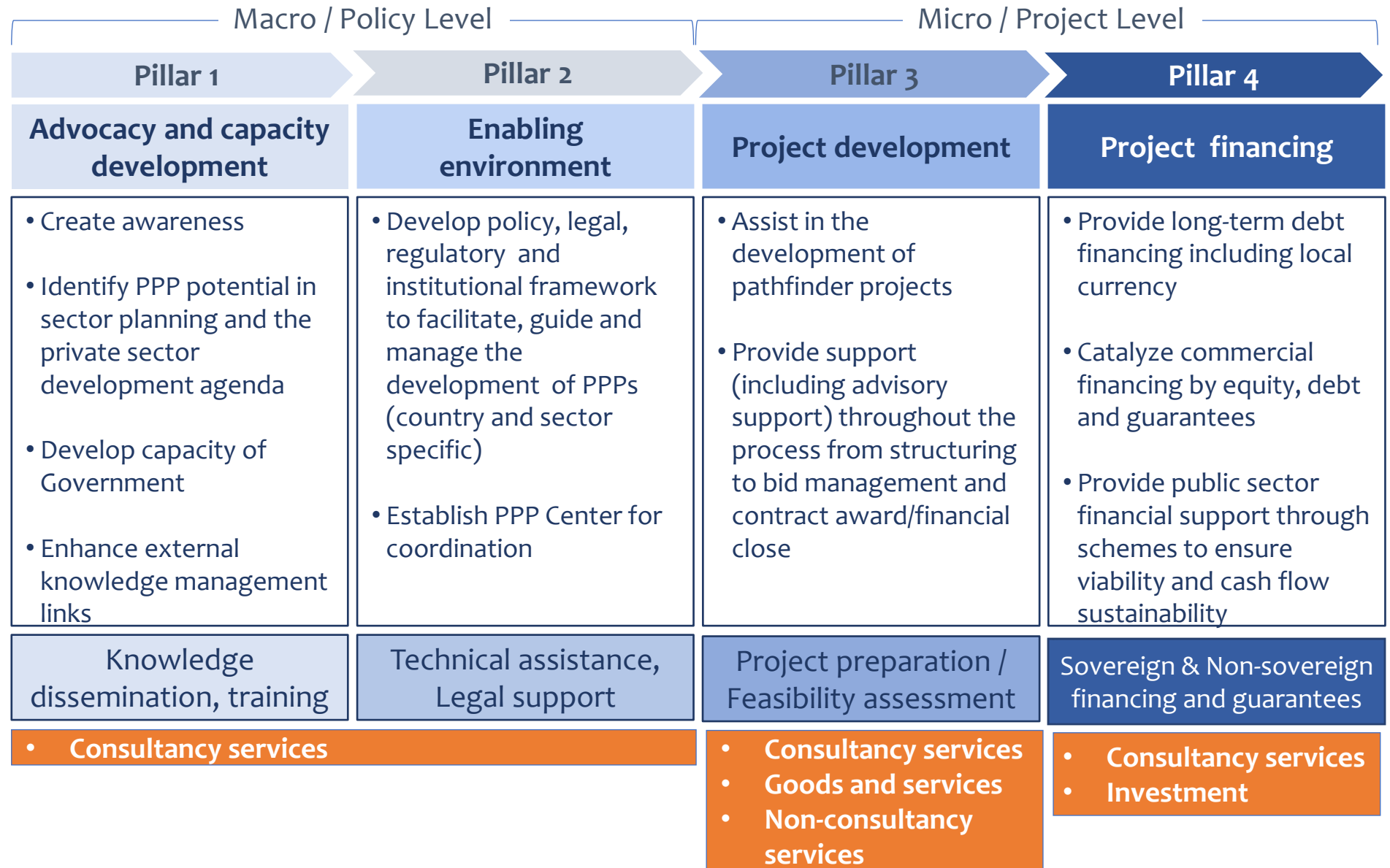


Notes:

- Commercial closure occurs when the winning private partner signs the concession contract.
- Total committed capital by the private sector for commercially closed projects.
- Projected capital expenditure of ongoing projects expected to achieve commercial closure.
- Excludes 1 commercially closed project which remains ongoing since mandated scope of work extends up to financial closure.
- AP3F has approved \$63.7 million (86.9% of the total contribution) worth of support.



ADB's PPP Strategy and Extent of OPPP Activities



Ongoing AP3F TA

Kazakhstan

Small Hydropower (PD)

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)
 Andijan and Bukhara Hospitals (PP)

Georgia

Water Supply and Sanitation (CB)

Azerbaijan

PPP Development Center (CB)

Tajikistan

Energy Distribution Company (PM)

Pakistan

Karachi Wastewater Treatment Plant (PD)

Maldives

Solar PPP Project (PP)

Bangladesh

N3 Road (PP)
 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)

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)
 Least Cost Generation and Control & Dispatch
 Scoping Study (PD)

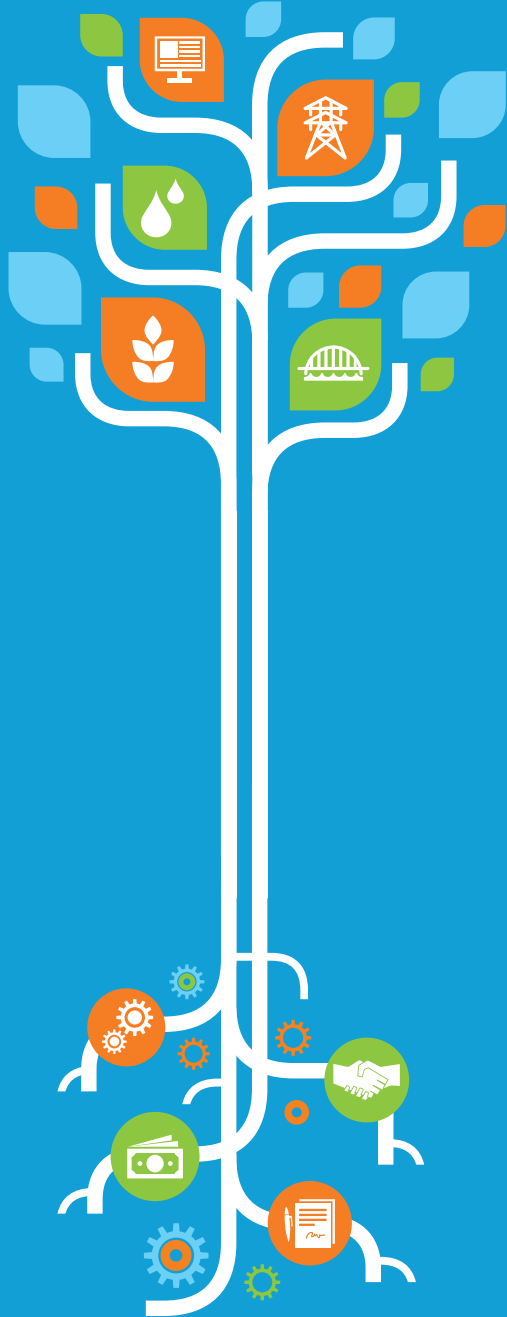


PPP Opportunities

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Uzbekistan: Power

1 GW Solar Program in PPP mode

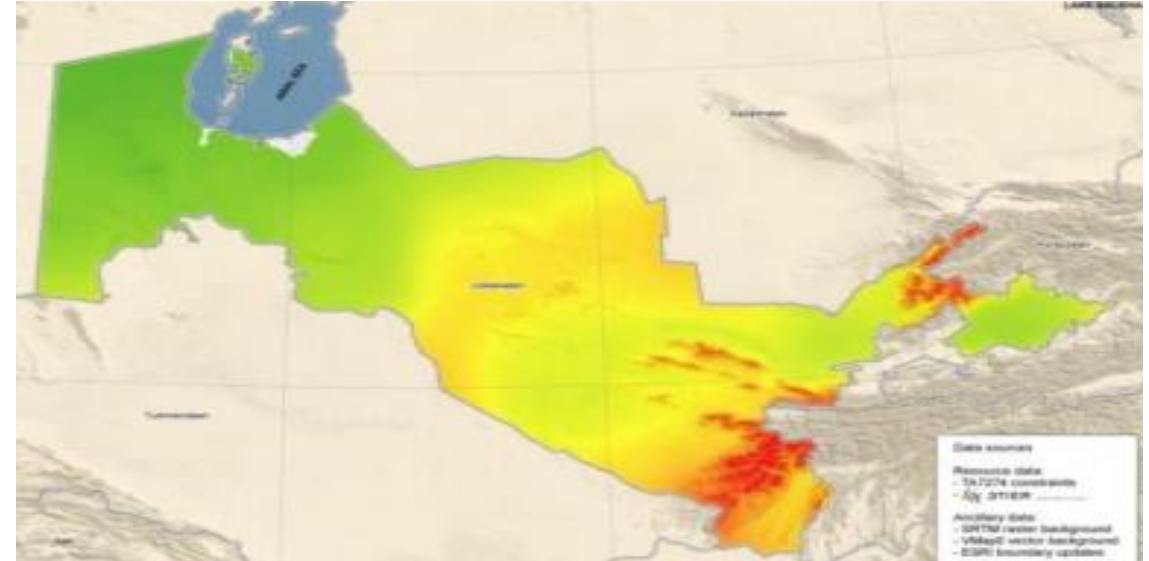
Awarded (Phase 1) / RFP (Phase 2) / RFQ expected (Phase 3 and 4)

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.
- ▶ Phase 1: Design, finance, construction, operation, and maintenance of a 457 MW solar PV plant 52 km transmission line and 220 kV project substation in the Sherabad district of Surkhandarya region.

Next phases

- ▶ Phase 2: Guzar Solar is a 300MW solar PV IPP project in the Guzar district of Kashkadarya region which is to be awarded through competitive tendering.
- ▶ Phase 3 and 4: Site/s to be finalized with a total of a minimum of 250 MW solar PV IPP project to be awarded through competitive tendering 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

- Phase 2: Bids expected in Q1 2023

Next Steps

- RFQ for Phase 3 and 4 expected to be launched in the Q1/Q2 2023

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**
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- **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

- Expected Tender Process Launch – Q1 2023

Pakistan: Wastewater Treatment

Karachi Wastewater Treatment Projects (West Karachi 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 availability payments, viability gap funding (VGF) and minimum revenue guarantee (MRG) for initial years.
- ▶ ADB is advising KWSB on structuring and tendering of the West Karachi Recycled Water project and TP4 project.

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 with RFQ launch expected in Q1 2023 where ADB provides transaction advisory services including project preparation support.
- The West Karachi Recycled Water project is based on an unsolicited proposal and ADB is advising on the structuring and competitive tendering of the project.



Next Steps

- Expected Tender Process
- TP4 RFQ Launch – Q1 2023
- West Karachi RFQ Launch – Q1 2023

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 (2017 est. pop. 500,000+)

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 will go through intergovernmental approvals, including Ministries of health, economy and finance.

Next Steps

- Expected Tender Process Launch – Q1 2023

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, sub-urban rail line connecting Clark International Airport in the north to Calamba in the south, passing through Metro Manila. 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 construction of the NSCR is financed by ADB and JICA.
- ▶ The Metro Manila Subway Project (MMSP) is the first underground mass transport system in the Philippines. It is 36km long, running through Metro Manila, and connecting to the NSCR at Bicutan Station. The construction of the MMSP is financed by JICA.
- ▶ The O&M Concessions 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

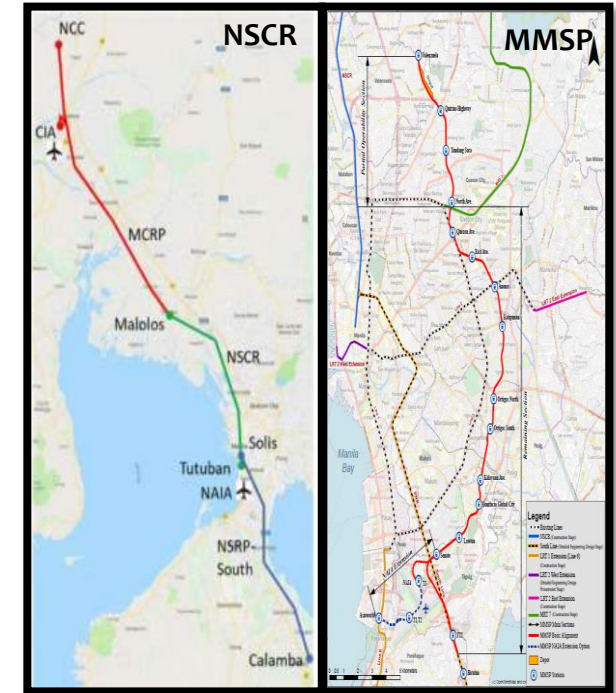
- ▶ Separate tenders for each of the O&M concessionaires for NSCR and MMSP; single stage tender (eligibility + tech and fin proposals)
- ▶ For their services, the O&M concessionaires will receive Availability Payments
- ▶ The Concession Agreements provide risk allocation for (i) interface risks between Build and O&M and (ii) interoperability of the two lines

OPPP's Support

- **Project Preparation** including provision of advice on legal 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 concession agreements;
- **Additional Support** provided for **capacity building**, including development of contract implementation and monitoring capabilities.

Project Status

- Government Approval is being sought for tender launch
- Finalization of the Concession Agreements in progress
- Target launch of O&M tenders ~ 1H2023
- Projects award – 1H2024



One ADB Approach

OPPP is working together with South-east Asia regional department (SERD) of ADB to develop the O&M Concessions.

Part of the NSCR infrastructure is financed by a SERD loan.

PRC: Elderly Care

Xiangyang Elderly Care Facility

RFP expected in Q4 2023

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.
- ▶ Xiangyang Elderly Care Facility (“the Project”) is the development of an elderly care facility in Xiangyang City of Hubei Province.

The Project

- ▶ The capacity of the project is 374 beds, with a capital expenditure of ¥ 174 million.
- ▶ The project site is located in a new urban area, with an established tertiary hospital nearby and several tertiary hospitals under construction within 5 km.
- ▶ An ADB-supported hospital will be also developed within the same compound of the Project.
- ▶ The Project site is close to several residential communities and more residential buildings are under construction.



ADB's Support

- ADB sovereign loan to finance approximately 50% of capex

OPPP's Support

- Project Preparation
- Review of Feasibility Study
- Procurement Option Analysis
- Transaction Structuring
- Tender support: Support during the tender process including marketing and tender award

Current Status of Implementation

- Feasibility Study Report approved
- Due diligence launched

Next Steps

- Transaction structuring and marketing sounding
- Target closing the project in Q2 2024.

Creating Investable Cities

Tbilisi, Georgia

Background

The Creating Investable Cities initiative, will provide hands-on advisory support and capacity-building resources to 20 cities in Asia and the Pacific in the initial phase. The initiative will support these partner cities in:

- ▶ mainstreaming climate resilience into their policies and projects,
- ▶ developing local resources mobilization strategies, and
- ▶ improve their access to private sector finance.

The Project

Collaborations under discussion with:

- Makassar, Indonesia;
- Penang, Malaysia;
- Tbilisi, Georgia; and
- Ulaanbaatar, Mongolia



ADB's Support

- System- and pipeline- support to maximize positive impact of infrastructure

OPPP's Support

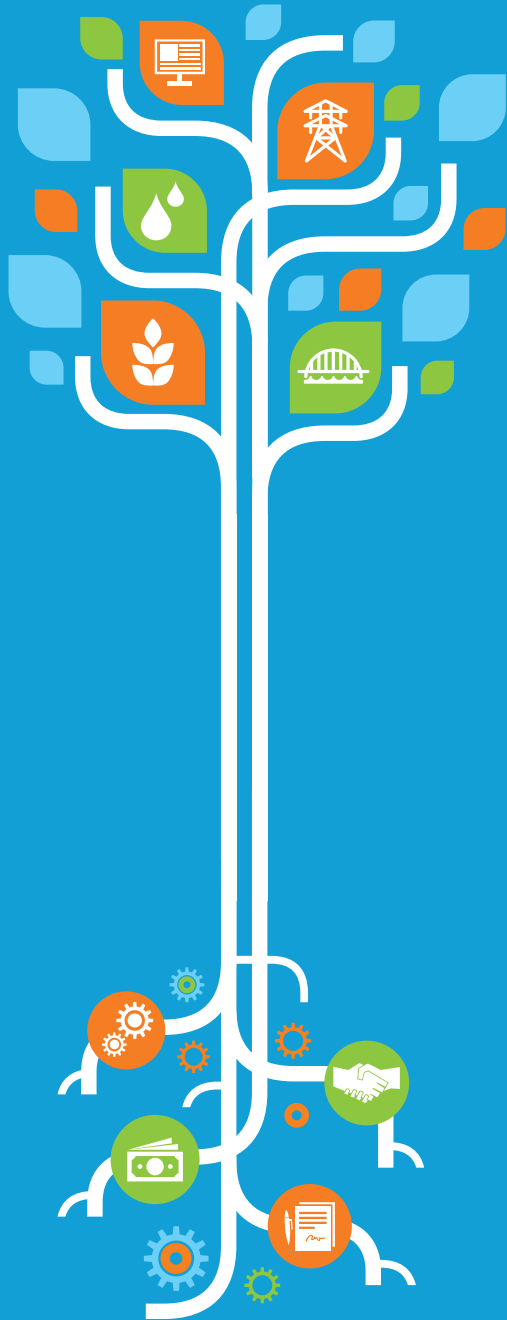
- Project Screening and VfM analysis
- Capacity building for city leadership

Current Status of Implementation

- Project is at initiation phase.

Next Steps

- Project prioritization and selection in Q1 2024



THANK YOU!

Grace Miso

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