

# Making PPPs More Efficient: Environment and Prioritization

Asia Pacific Project Preparation Facility (AP3F)

## Asia PPP Practitioners' Network 2016 Conference

Korea Development Institute, 1 December 2016

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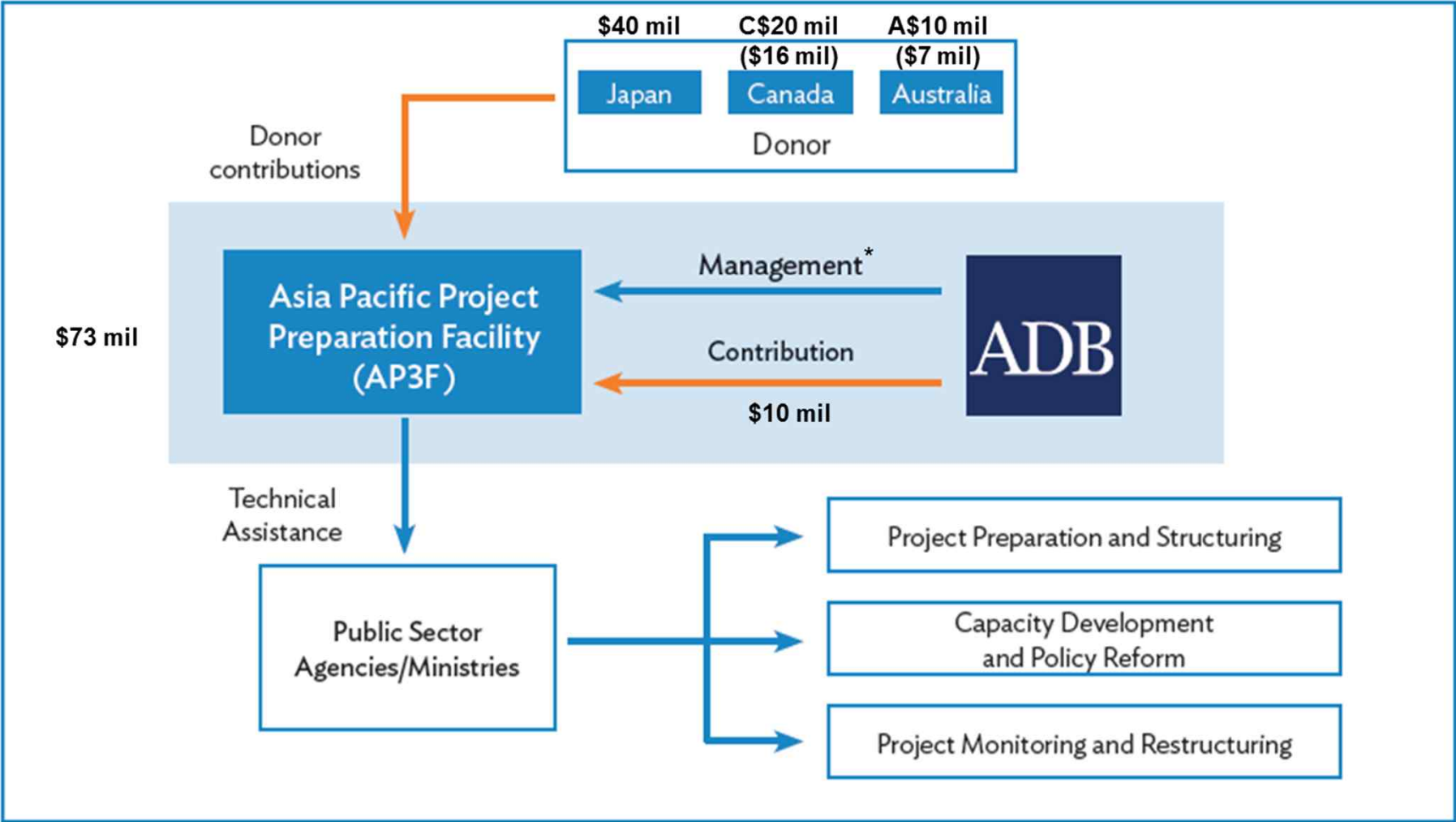
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# Asia Pacific Project Preparation Facility (AP3F)



# Activities financed by AP3F

## - Project Preparation and Structuring

AP3F resources are intended for:

➤ Due diligence and early stage preparation of projects, including but not limited to studies, specifications and reports dealing with the following aspects:

- Technical,
- Economic and financial,
- Legal and regulatory,
- Insurance,
- Climate/environmental,
- Geotechnical,
- Social,
- Institutional and governance,
- Anticorruption and integrity,
- Risk identification and risk mitigation,
- Project management, and
- Transaction structuring



# Activities financed by AP3F

## - Project Preparation and Structuring

AP3F resources are also intended for:

- Marketing, tendering and award of projects, including:
  - ❑ Preparing information memoranda and marketing materials to place transactions with corporate sponsors, institutional investors, and lenders;
  - ❑ Managing road shows;
  - ❑ Creating and overseeing data rooms and other channels for dissemination of project information to interested parties;
  - ❑ Preparing bid documents, financial models and draft contracts;
  - ❑ Managing the bidding process; and
  - ❑ Assisting with evaluations, negotiations, and awards.



# Activities financed by AP3F

## - Capacity Development and Policy Reform

AP3F resources can be used for:

- Project-related assistance, including:
  - ❑ Upstream legislative and regulatory reform,
  - ❑ Appropriate PPP project selection criteria,
  - ❑ Application design and planning support,
  - ❑ Staff training, and
  - ❑ Market and/or stakeholder awareness.



# Activities financed by AP3F

## - Monitoring, Evaluation and Restructuring

In addition, AP3F resources are intended for:

- Monitoring and evaluation of projects supported by AP3F and where requested by DMC agencies.
- Project restructuring – with the exception of project restructuring caused by a public sector default or political risk event



# Eligibility and Priorities

## **Target sectors include, but are not limited to:**

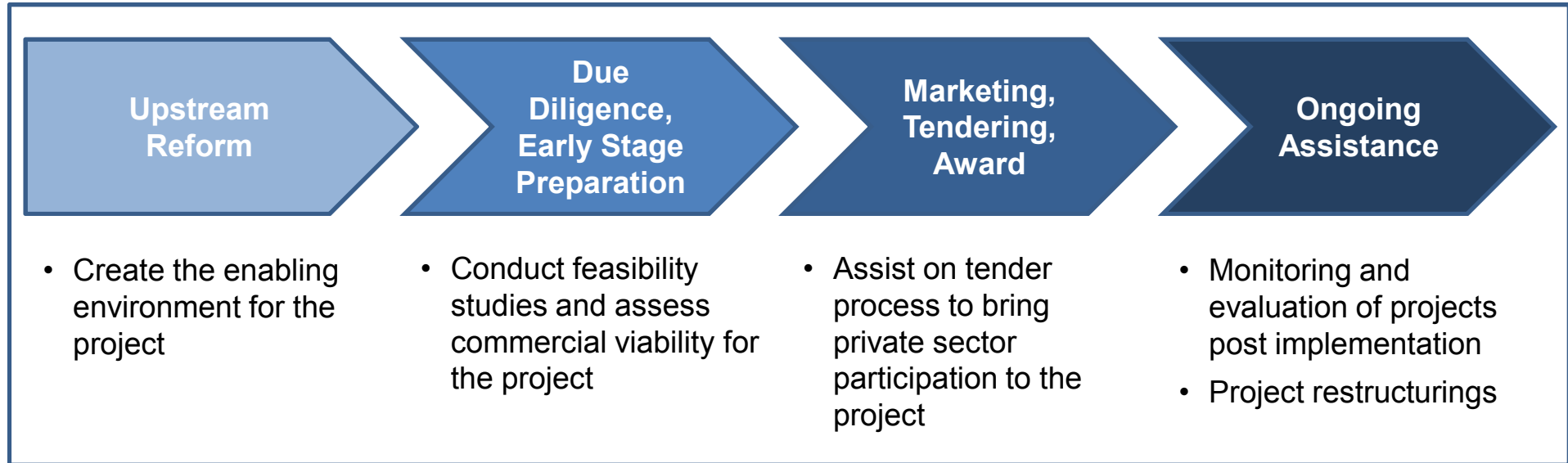
- Energy (such as power generation, transmission and distribution),
- Transport (such as ports, airports, railways and roads),
- Urban development (such as water and waste management),
- Social infrastructure (such as healthcare and education)

## **Applications are prioritized in accordance with the following criteria:**

- Demonstrates climate resilience through quality infrastructure,
- Positively impact poverty reduction,
- Enhances regional connectivity and economic integration,
- Involves new investments,
- Is in line with priorities by ADB's developing member countries (and their Country Partnership Strategy)
- Provides opportunity for best practice in governance, procurement and/or contracting,
- Is first in kind in a given sector or country,
- Projects structured as concessions should also demonstrate:
  - Value for Money and potential for replication; and
  - Commercial viability and probability of reaching financial close.

# Activities Supported by AP3F

*AP3F assistance can be tailored to the stage of the project and the needs of the government agency*



## AP3F Financing Arrangements



*\* Does not apply to unsolicited proposals*

# AP3F Experience

## Joint MDB PPP Knowledge Products

- ✓ **Capacity Building**
  - ❑ Staff Training - objectives, outputs, outcomes
  
- ✓ **Project preparation and structuring**
  - ❑ PPP cycle - availability of pre-feasibility / concept
  - ❑ Sector Strategy - private sector role, potential for replication, VFM, etc
  - ❑ O&M, Service, Management Contracts – objectives, asset condition / predictability, performance measurement, local capacity, etc
  
- ✓ **Monitoring and restructuring**
  - ❑ Poorly prepared projects



# Infrastructure Information Support System (IISS)

- IISS is an online project preparation platform that has been financed by Multilateral Development Banks (MDB's) and developed in consultation with MDB's and leading private sector firms
- Project preparation is questionnaire driven, whereby you are required to answer Technical, Financial, Legal, Governance and Environmental questions that has been prepared by private sector.
- DMC agencies are not charged for using IISS for project preparation

## Private Sector



## Advisory Committee



# Screen shot- Project template

6 categories are covered by the templates

Provides a status on project completion

**Project Manager**, master approver, oversees & approves changes made to the project by public sector

PM can invite consulting companies to assist them with questions

**Deputy Manager**: other members of your team can be invited by PM to review the questionnaire.

**Viewer**: PM can grant access to other members by category, not allowed to made changes only review.

**ISS**  
International Infrastructure Support System

Project Manager

BETA Solid Waste

REPORTS PUBLIC EXPRESSION OF INTEREST

Home Governance Technical Economic Legal Financial Environmental & Social

SECTOR/SUBSECTOR: Water & Waste/Solid Waste Facility  
TERRITORY/CITY: Indonesia/Probolinggo  
TYPE OF PROJECT: New, Expansion of existing facility/asset  
LEVEL OF PUBLIC SECTOR: City/Municipal, Provincial/State  
PROJECT CREATED ON ISS: May 2016  
LAST MODIFIED: 23 May 2016  
ESTIMATED CAPITAL COST: 45,000,000 USD, 100,000,000 IDR

This is a test project.  
Edit

**Key Milestones**

- Project Preparation Initiated
- Identity of Procuring Authority
- General Design
- Support from Development Bank(s)
- Public Sector ESG Analysis
- Contractual Doc Preparation
- Source of Funding
- Timetable for Procurement

**Project Manager Contact**

Project Manager: projectmanagerdemo@sif-iss.org  
4125389400 SF TEST  
Edit

**Project Preparation Status**

Overall	12%
Governance	0%
Economic	0%
Financial	62%
Technical	0%
Environmental & Social	75%
Legal	0%

**My Tasks**

Answer the legal questions 26-May-2016  
Add a New Task  
All My Tasks  
Team Tasks

**Project Team**

- Project Manager
- Project Manager Deputies
- Public Sector
- Public Sector Alternates
- Team Members
- Project Viewers

Invite a Team Member  
Invite a Deputy Manager  
Invite a Viewer

**Project Documents**

- Legal 03-May-2016 srulhe@sif-iss.org
- ISS Executive Summary v1.compressed 1 03-May-2016 srulhe@sif-iss.org

Add a New Document  
Create a New Folder

**Last Updates**

publicsectordemo@sif-iss.org	Economic	18-May-2016
srulhe@sif-iss.org	Environmental & Social	03-May-2016
srulhe@sif-iss.org	Financial	03-May-2016

**Thank you**