

# Introduction to PPP Monitor

Asia PPP Practitioners' Network 2017 Conference

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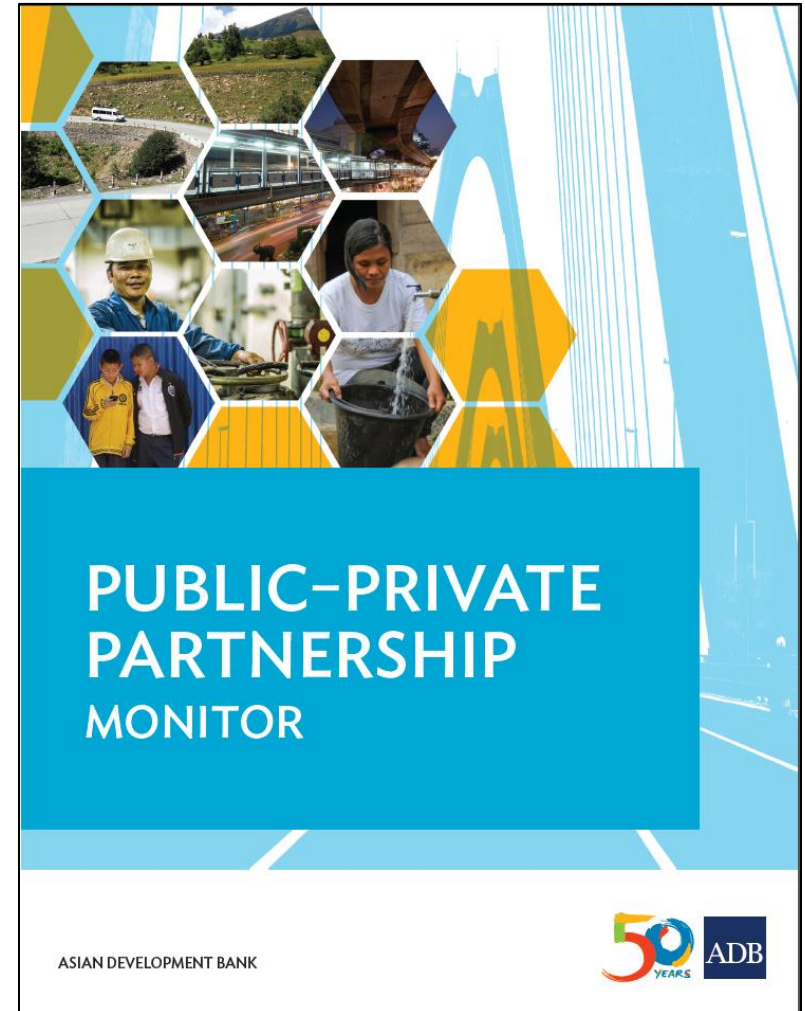


# OUTLINE

- PPP Monitor – Objectives
- PPP Monitor – Methodology
- PPP Monitor – Sample Insights
- Next Steps

# PPP Monitor - Objectives

- Provide information on the PPP frameworks and markets in specific ADB developing member countries (DMCs)
  - Business intelligence for private sector
  - PPP enabling environment monitoring for public sector
- Map progression of PPP environment in DMCs over time through annual updates



# PPP Monitor - Methodology (1)

## Country Level Analysis

- **Bangladesh**
- **India**
- **Indonesia**
- **Kazakhstan**
- **Philippines**
- **PNG**
- **PRC**
- **Thailand**
- **Viet Nam**

## Sector Level Analysis (for each country)

- **Energy**
  - Thermal generation
  - Renewable generation
- **Transport**
  - Roads
  - Railways
  - Ports
  - Airports
- **Information and Communication Technology (ICT)**
- **Water and Wastewater**
- **Municipal Solid Waste**
- **Social infrastructure (Healthcare and Education)**

# PPP Monitor - Methodology (2)

Regulatory Framework	Institutional Capacity	PPP Market Maturity	Financial Facilities
<ul style="list-style-type: none"><li>• <b>PPP types &amp; eligible sectors</b></li><li>• <b>Unsolicited bids</b></li><li>• <b>Foreign investor participation restriction</b></li><li>• <b>SOE participation restriction</b></li><li>• <b>Type of govt support</b></li><li>• <b>Governing law and dispute resolution mechanism</b></li><li>• <b>Lender's security rights</b></li><li>• <b>Compensation following termination</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Institutional set-up</b></li><li>• <b>Project planning</b></li><li>• <b>Risk allocation</b></li></ul>	<ul style="list-style-type: none"><li>• <b>PPP projects that reached financial close</b></li></ul>	<p><b>Availability and terms of financial products:</b></p> <ul style="list-style-type: none"><li>• <b>Commercial bank project finance loans</b></li><li>• <b>Multilateral Development Bank/Bi-lateral Agency loans and guarantees</b></li><li>• <b>Project bonds</b></li></ul>

## Sectoral Information

Sector-specific regulations

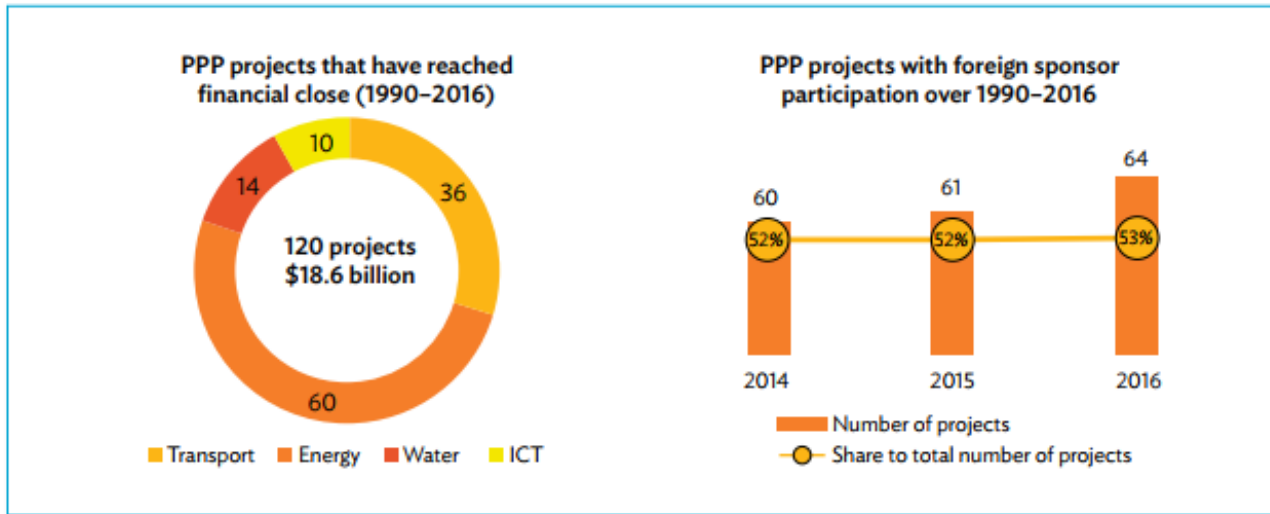
Pipeline of projects

Features of past PPP projects

Local capabilities

Challenges

# PPP Monitor – Sample Insights



← Snapshot of Indonesia's historical PPP activity levels

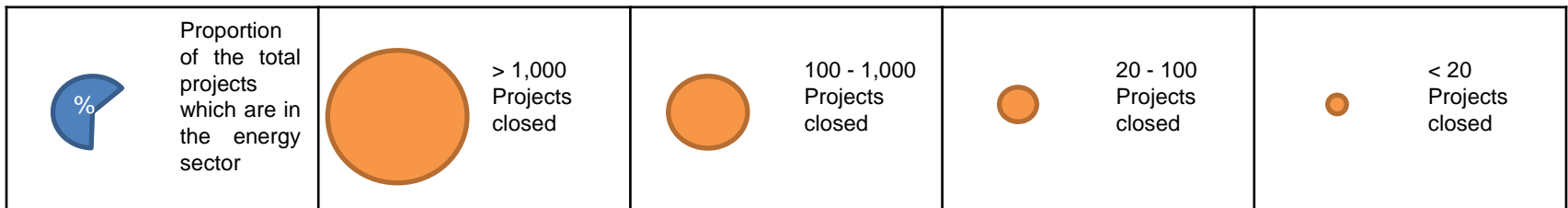
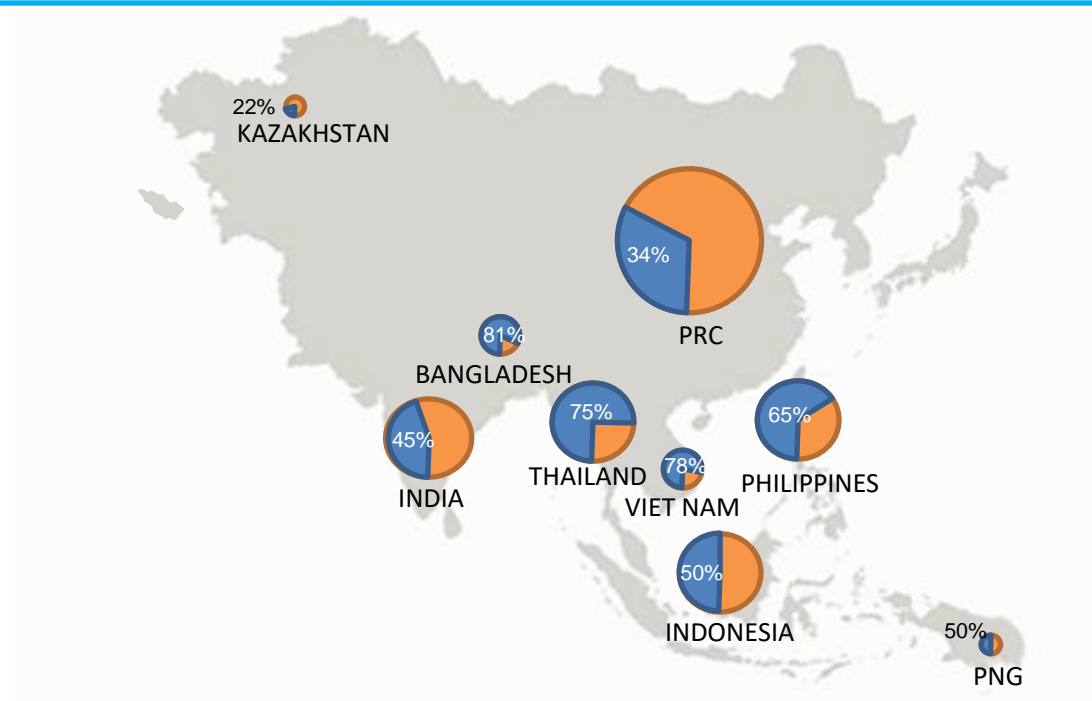
Snapshot of PPP opportunities in various Indonesian sectors/subsectors →

No.	Project Name	Length (km)	Value (\$ million)
1	Manado–Bitung Toll Road, Sulawesi	38	380
2	Balikpapan–Samarinda Toll Road, East Kalimantan	94	740
3	Serang–Panimbang Toll Road, East Java	84	808
4	Sukabumi–Ciranjang Toll Road, West Java	15	103
5	The 2nd Jakarta–Cikampek Toll Road, West Java	62	834
6	Tanjung Priok Access Toll Road, West Java	23	281
7	Jogyakarta–Solo Toll Road, Central Java	45	113
8	Jogyakarta–Bawen Toll Road, Central Java	72	270

km = kilometer, PPP = public–private partnership.

Sources: BAPPENAS. 2016. *Public Private Partnerships, Infrastructure Projects Plan in Indonesia—PPP Book 2017*. <http://pkps.bappenas.go.id/attachments/article/1340/PPP%20BOOK%202017.pdf>; KPPIP, <https://kppip.go.id/> (accessed 18 February 2017).

## Cross-country comparison of number of PPP Projects that reached financial close (1990-2016)



# PPP Monitor – Sample Insights

## Cross-country comparison of sector shares of PPP projects that reached financial close (1990-2016)

	Energy	Transport	ICT	Water	Social Infrastructure	Municipal Solid Waste
<b>Bangladesh</b>	81%	3%	12%	0%	4%	0%
<b>India</b>	45%	48%	4%	2%	1%	1%
<b>Indonesia</b>	50%	30%	8%	12%	0%	0%
<b>Kazakhstan</b>	36%	18%	36%	0%	9%	0%
<b>Philippines</b>	65%	23%	6%	5%	2%	0%
<b>PNG</b>	50%	0%	0%	50%	0%	0%
<b>PRC</b>	34%	24%	0%	42%	0%	0%
<b>Thailand</b>	75%	11%	4%	10%	0%	0%
<b>Viet Nam</b>	79%	14%	4%	4%	0%	0%

*\*Some percentages do not add up to 100% because of rounding up.*

## Cross-country comparison of development of financial markets

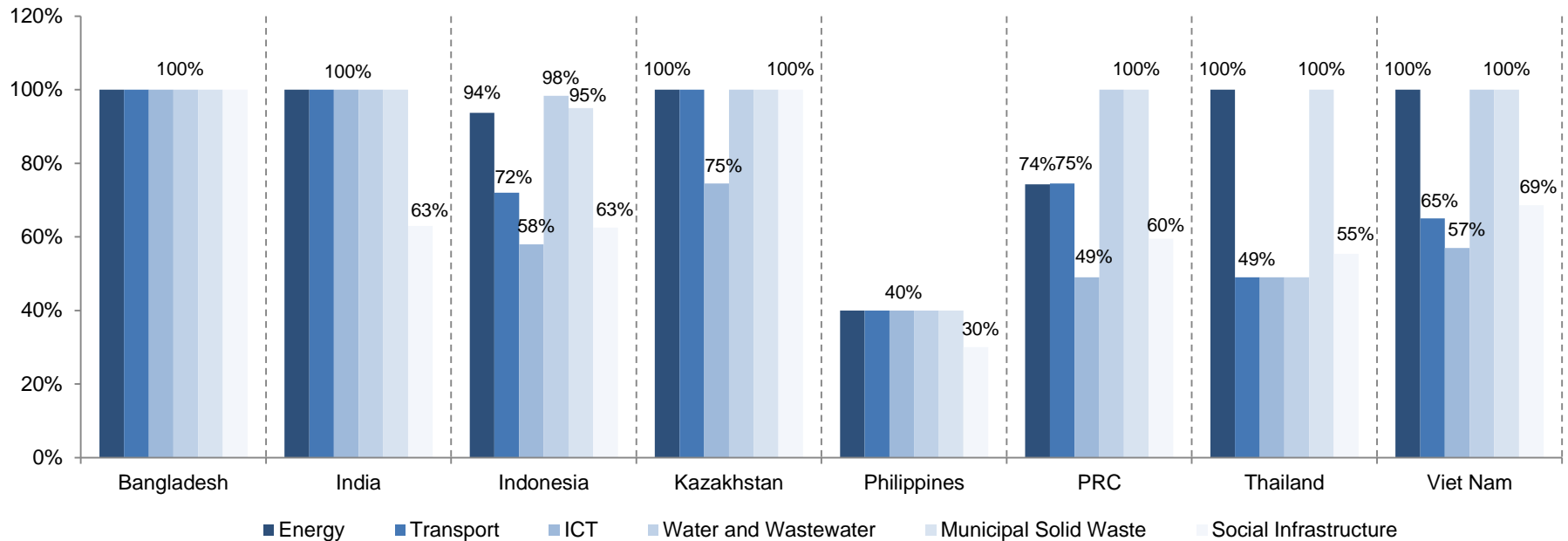
Indicator	Bangladesh	India	Indonesia	Kazakhstan	Philippines	PNG	PRC	Thailand	Viet Nam
Availability of project finance loans (local currency, limited recourse)	5-9 Years	10+ years	5-9 Years	<5 years	10+ years	<5 years	5-9 Years	10+ years	5-9 Years
Availability of currency swaps*	<5 years	✓	5-9 Years	<5 years	5-9 Years	x	✓**	10+ years	x
Availability of project bond financing (limited recourse)	x	✓	x	x	✓	x	✓	✓*	x
Availability of project financing from local public sector banks	10+ years	10+ years	✓	x	10+ years	x	✓	x	✓

\* Available at a commercially reasonable market rate

\*\* In February 2017, the People's Republic of China's State Administration of Foreign Exchange announced that it would allow foreign institutions investing in the People's Republic of China's interbank bond market to purchase currency forwards and currency swaps. (Asia Bond Monitor)

## Cross-country comparison of openness of key PPP Markets to foreign investment

Percentage of Maximum Allowed Foreign Ownership of Equity in Greenfield Projects



\*Data for PNG not included as there are no particular restrictions specified in the regulations.

# Next Steps

- Prepare second edition of PPP Monitor reflecting:
  - Updated information regarding 9 DMCs already covered
  - Coverage of 3 additional DMCs (Pakistan, Sri Lanka and Georgia)
- Expand coverage to all DMCs over time

PPP Monitor is now accessible via ADB web site.\*

Please review and share your feedback at [atiansay@adb.org](mailto:atiansay@adb.org).

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