



**World Bank Group's
Support Strategies and Special Programs in
Preparation for the Post-COVID-19 Era**

November 2021

Jaeyoung Jin, Head of Korea, MIGA



MIGA

Multilateral Investment
Guarantee Agency
WORLD BANK GROUP

Table of contents



World Bank Group (WBG)— Strategies and Programs

- 1 Devastating Impact of COVID-19 and Uneven Recovery
- 2 Integrated, longer-horizon Approach: Green, Resilient, and Inclusive Development (GRID)
- 3 Climate Finance: Advancing the Climate Change Aspect of the GRID Approach

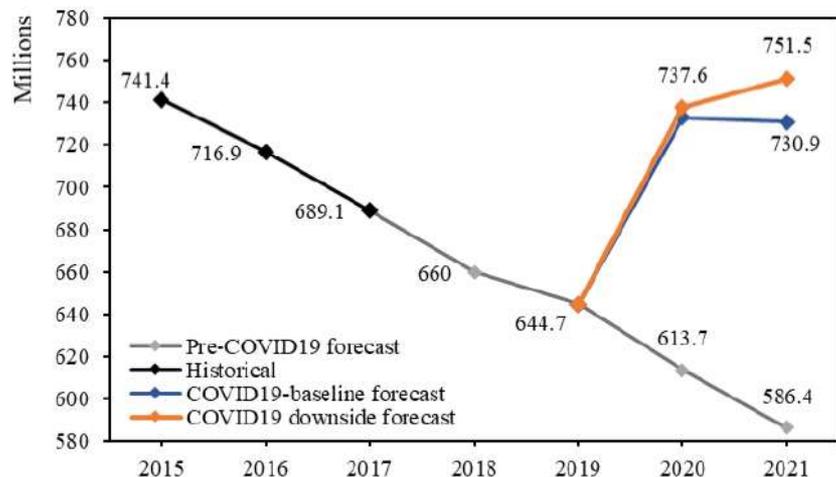


Multilateral Investment Guarantee Agency (MIGA): Strategies and Programs

- 1 Context for MIGA's FY21-23 Strategy and Business Outlook (SBO)
- 2 Overview and deep-dives into the core pillars of the SBO, focused on operationalizing the Forward Look

1 Devastating Impact of COVID-19 and Uneven Recovery

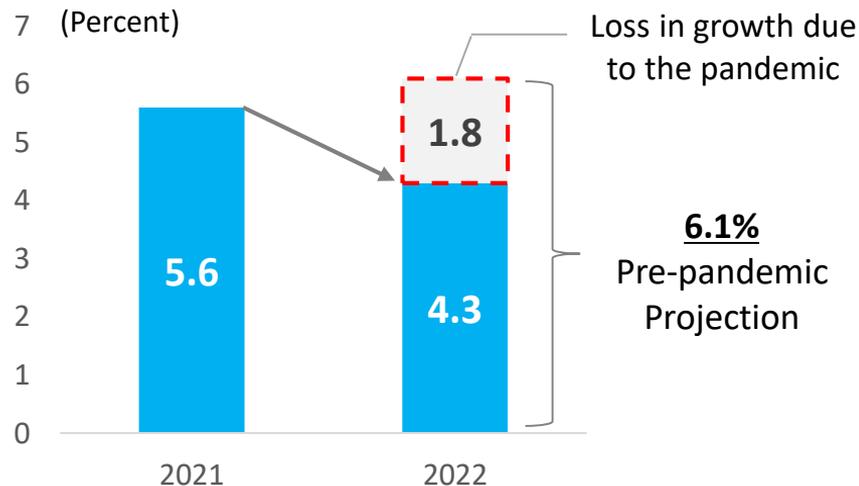
Impact of COVID-19 on Global Extreme Poverty (\$1.90 / day)



Source: Lakner et al (Jan 11, 2021), World Bank.

Poverty reduction has suffered its **worst setback** in decades

Global GDP Growth Projections



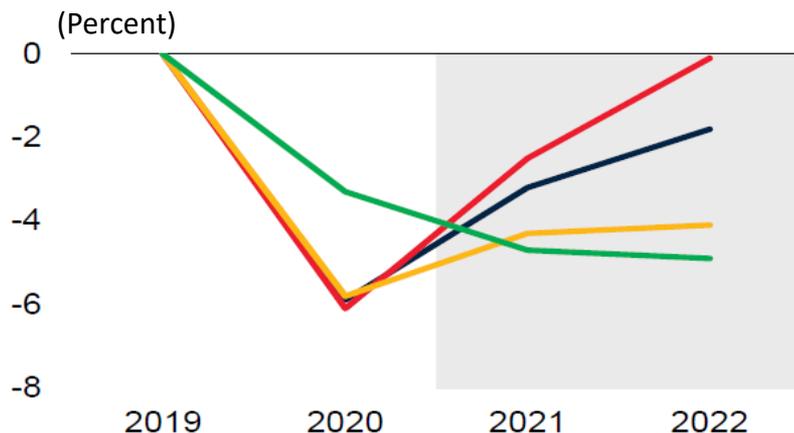
Source: Global Economic Prospects (June 2021), WBG

Long-term damage from the pandemic may **inhibit growth**

1 Devastating Impact of COVID-19 and Uneven Recovery

Deviation of output from pre-pandemic projections (GEP, 2021)

■ World
 ■ Emerging and Developing Economies (EMDEs)
 ■ Advanced Economies
 ■ Low Income Countries (LICs)



Source: World Bank.

Led by the advanced economies, **the global recovery from the economic downturn has been highly uneven.**

- Developing countries face a permanent output loss of **over 4%** of GDP

The pandemic's economic and social effects have **compounded Climate Change impact**

Global action must tackle **the combined impact of cascading crises while adapting to post-pandemic realities.**

2 Integrated, longer-horizon Approach: Green, Resilient, and Inclusive Development (GRID)

However, exceptional crises offer a unique opportunity to build a better future.

Need Strategies

- To repair the **structural damage** caused by the COVID-19
- To accelerate **climate change mitigation** and **adaptation** efforts
- To restore momentum on **poverty reduction** and **shared prosperity**



Green, Resilient, and Inclusive Development (GRID) approach pursues **poverty eradication** and **shared prosperity** with a **sustainability lens**. While crisis continues, the GRID satisfies the need to continue looking to the future.

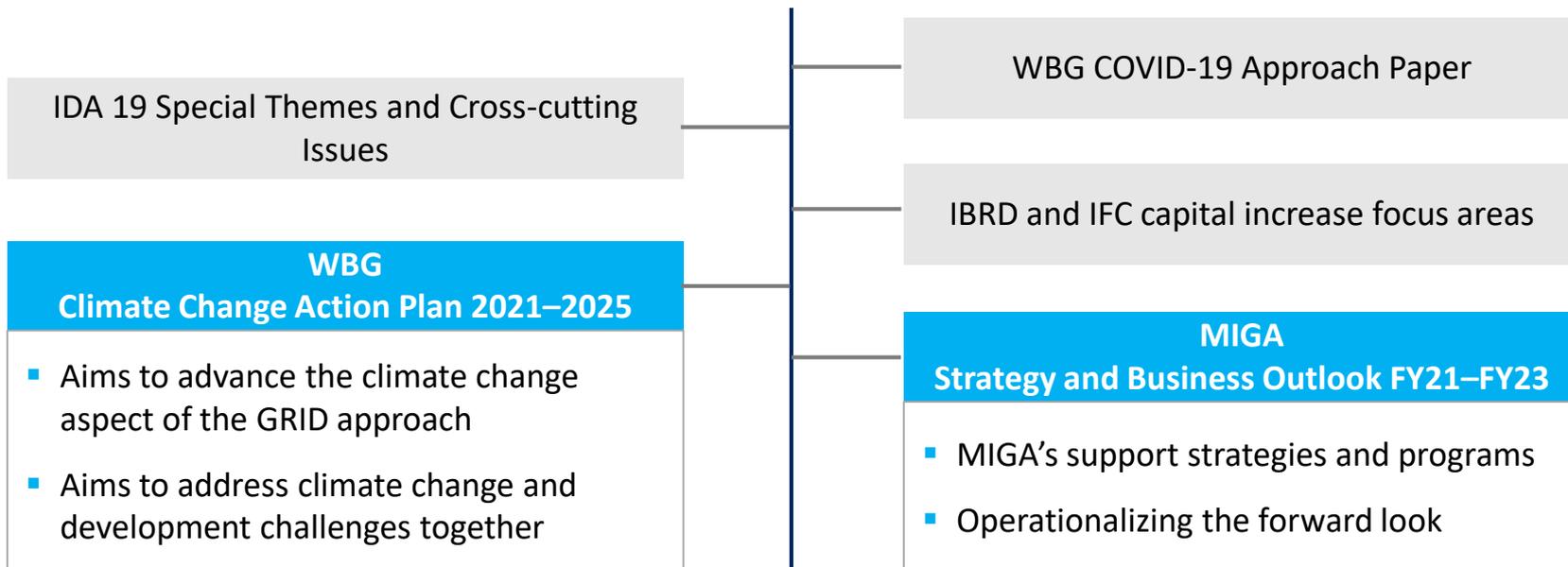
2 Integrated, longer-horizon Approach: Green, Resilient, and Inclusive Development (GRID)

	<u>Green</u>	<u>Resilient</u>	<u>Inclusive</u>
Three Dimensions of GRID	<p>Invest in solutions that sustain natural capital</p> <p>Driving transitions in:</p> <ul style="list-style-type: none"> Food & land use system Sustainable transport & urban infrastructure Energy system 	<p>Invest in risk management to increase crisis preparedness</p> <p>Mainstreaming risk management principles:</p> <ul style="list-style-type: none"> Risk identification Risk reduction Residual risk management Inclusion of vulnerable groups 	<p>Invest in human capital and foster inclusive growth</p> <p>Boosting human capital:</p> <ul style="list-style-type: none"> Health, education, and housing Social protection Inclusion of women and marginalized groups Access to infrastructure
Cross-cutting Enablers	<ul style="list-style-type: none"> Investing in all forms of capital Macroeconomic & structural policies, institutional strengthening and technical innovation Mobilizing private sector capital 		
WBG Capacity	<ul style="list-style-type: none"> Investment lending (IPFs, DPLs), IFC loans & equity investments, and MIGA guarantees Convening and coordinating international cooperation 		

2 Integrated, longer-horizon Approach: Green, Resilient, and Inclusive Development (GRID)

GRID Approach

WBG’s support strategies and programs for post-COVID-19 Era: Aims to provide a longer-term framework for enabling the needed economic and social transformations.



3 Climate Finance: Advancing the Climate Change Aspect of the GRID Approach



Climate Finance

WBG's Goal

\$100 billion annually in climate finance for developing countries

1. Definition

- In a narrow sense, **transfers of public resources from developed to developing countries** to provide “new and additional financial resources”
- In a wider sense, all financial flows relating to **climate change mitigation and adaptation**.

2. WBG strategies & programs

According to the WBG's *Climate Change Action Plan (CCAP) 2021–2025*:

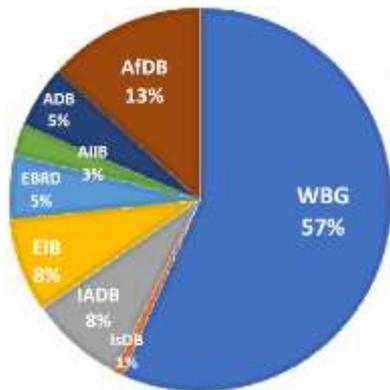
- WBG will support countries and private sector clients
- WBG's aims for measurable climate finance improvements and measurable reductions in GHG emissions.

3. Applications

- The world's first **green bond** issued by the World Bank in 2008 (\$1+ trillion market in 2021)
- IFC is leading private sector efforts to develop **blue bonds** (ocean sustainability and clear water resources)

3 Climate Finance: Advancing the Climate Change Aspect of the GRID Approach

MDB Climate Finance to LICs & MICs (2020)



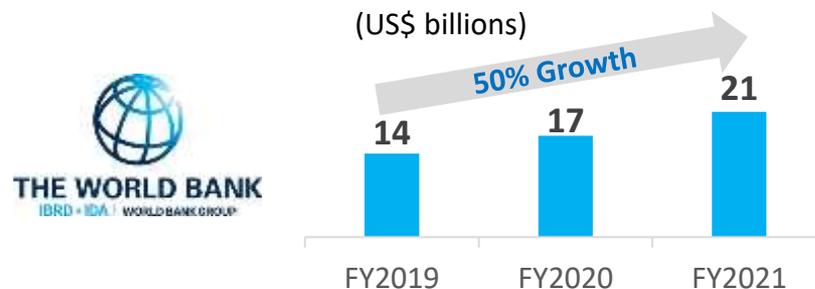
Source: Joint Report on MDB’s Climate Finance 2020

The WBG is the **largest multilateral provider of climate finance** for developing countries

- WBG delivered more than two thirds of total MDB adaptation finance.

The WBG has **increased financing to record levels** over the past two years.

Climate Financing



Global Environment Facility

- Piloting new technologies

Climate Investment Funds

- Promotes collaboration b/w MDBs and country authorities

Green Climate Fund

- Supports the transition towards climate resilient pathways

Table of contents



World Bank Group (WBG)— Strategies and Programs

- 1 **Devastating Impact of COVID-19 and Uneven Recovery**
- 2 **Integrated, longer-horizon Approach: Green, Resilient, and Inclusive Development (GRID)**
- 3 **Climate Finance: Advancing the Climate Change Aspect of the GRID Approach**



Multilateral Investment Guarantee Agency (MIGA)—Strategies and Programs

- 1 **Context for MIGA's FY21-23 Strategy and Business Outlook (SBO)**
- 2 **Overview and deep-dives into the core pillars of the Strategy and Business Outlook**

1 Context for MIGA’s FY21-23 Strategy and Business Outlook (SBO)

EMDE economic outlook



Stagnant and declining FDI globally



Increased macroeconomic volatility



Increased uncertainty in international trade



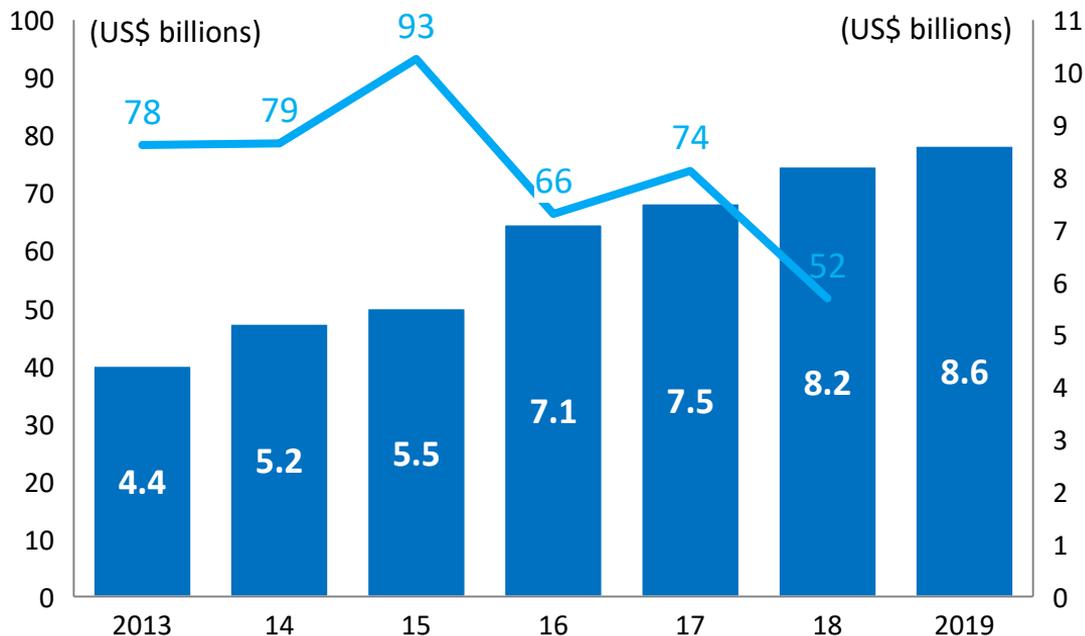
Subdued growth in emerging markets



Volatile commodity prices

MIGA has increased its exposure in IDA-17 and FCS countries despite declining FDI inflows

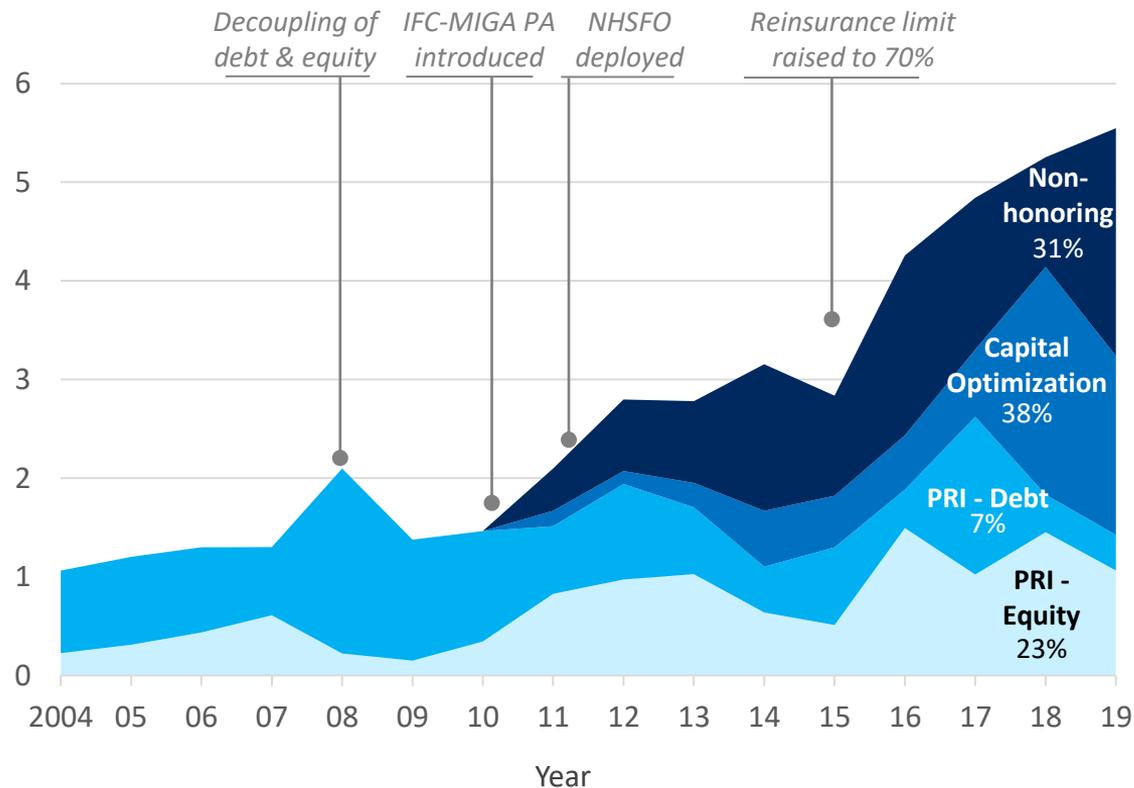
- MIGA Gross Outstanding Exposure in IDA-17, FCS, in \$B
- Net FDI Inflows to IDA-17, FCS countries, in \$B



1 Context for MIGA’s FY21-23 Strategy and Business Outlook (SBO)

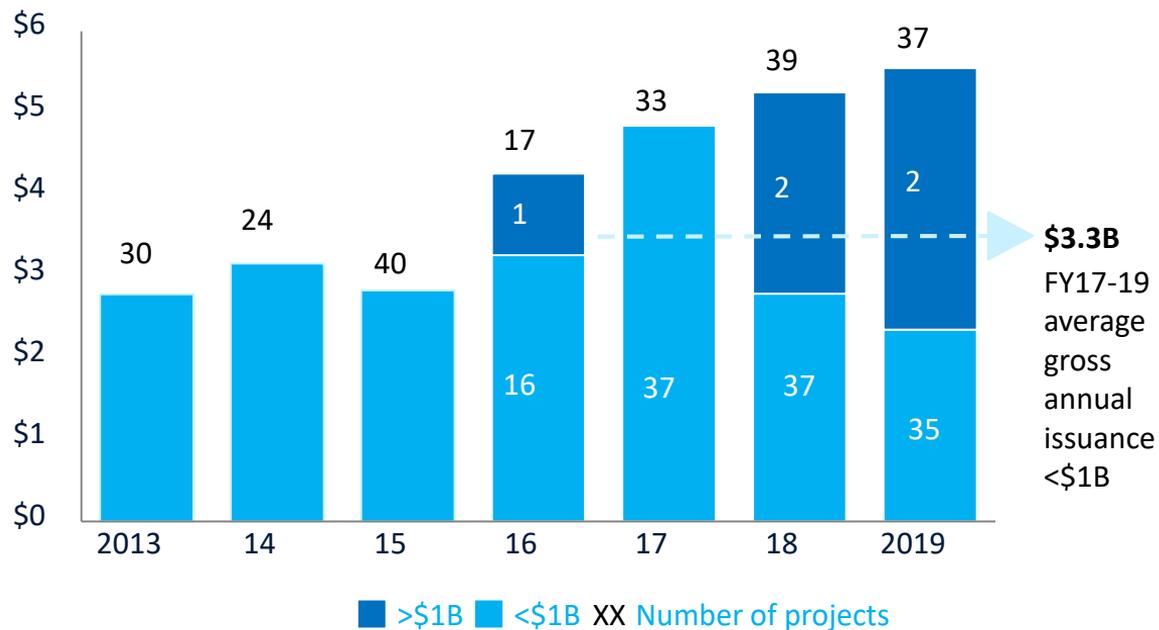
New product applications have fueled growth (vs. stable traditional PRI business.)

Gross issuance provided by MIGA, including share of overall book, US\$ billions



1 Context for MIGA’s FY21-23 Strategy and Business Outlook (SBO)

Gross issuance by project size and number of projects, \$B, Number



The FY21-23 SBO promotes a transaction size of less than \$1B

- Contribution of large transactions
- Volatility in issuance
- Diversification

2 Overview and deep-dives into the core pillars of the Strategy and Business Outlook

Operationalizing the Forward Look: The 3 pillars of the MIGA’s FY21-23 Strategy & Business Outlook aim to grow our core base of gross issuance from \$3-4B to \$5.5-6B



1

Expanding development impact by serving all clients

- **IDA/FCS:** Increasing share of investments (25% → 30-33%) (additional \$1.5B)
- **Non-IDA/FCS**

2

Leading on global issues

- **Climate:** Expand efforts on mitigation and adaptation of climate change
- **Knowledge & convening**
- **Gender**

3

Complementing market creation

- **Multilateral Development Bank collaboration:** Working together to build platforms for private sector financing
- **Mobilization**
- **Financing for Development**

2 Overview and deep-dives into the core pillars of the Strategy and Business Outlook

Pillar 1) Ambition to **increase share of IDA/FCS** issuance, **double climate finance** commitments, and **grow annual gross issuance** from \$5B to \$5.5-6B while reducing reliance on \$1B+ transactions



The Forward Look



General Capital Increase



Financing for Development

MIGA as a Core Partner

MIGA plays a critical role in Financing for Development (FfD) by mobilizing private investment into EMDEs through offering risk mitigation and guarantee solutions

FY21-23

vs.

FY17-19

25%

increase in **IDA/FCS** share of average annual gross issuance (from 25% to 30-33%)

100%

increase in **climate finance** share of average annual gross issuance (from 16% to 29-32%)

15%

increase in average annual **gross issuance** in all client countries (from \$5B to \$5.5-6B)

2 Overview and deep-dives into the core pillars of the Strategy and Business Outlook

Pillar 2) Leading on global issues means leveraging MIGA’s unique role and voice to move the needle on **climate, knowledge & convening, and gender**



Climate finance

- MIGA has committed to an average of **at least 35% of gross issuance** over FY21-25
- MIGA is exploring **new product applications** to grow its climate finance work



Knowledge & convening

- MIGA will continue to convene MDBs to drive towards **system-wide expansion of guarantees** and **expanded use of reinsurance**
- MIGA EVP co-chairing **Insurance Development Forum Steering Committee**



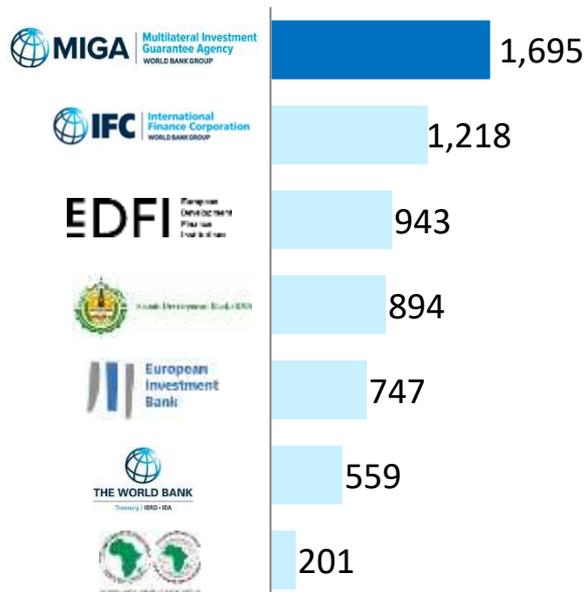
Gender

- MIGA is continuing to explore expanded opportunities of **WBG Gender Strategy**
- E&S team to ensure **enhanced trainings and due diligence on Gender-based Violence (GBV), sexual harassment and sexual exploitation**

2 Overview and deep-dives into the core pillars of the Strategy and Business Outlook

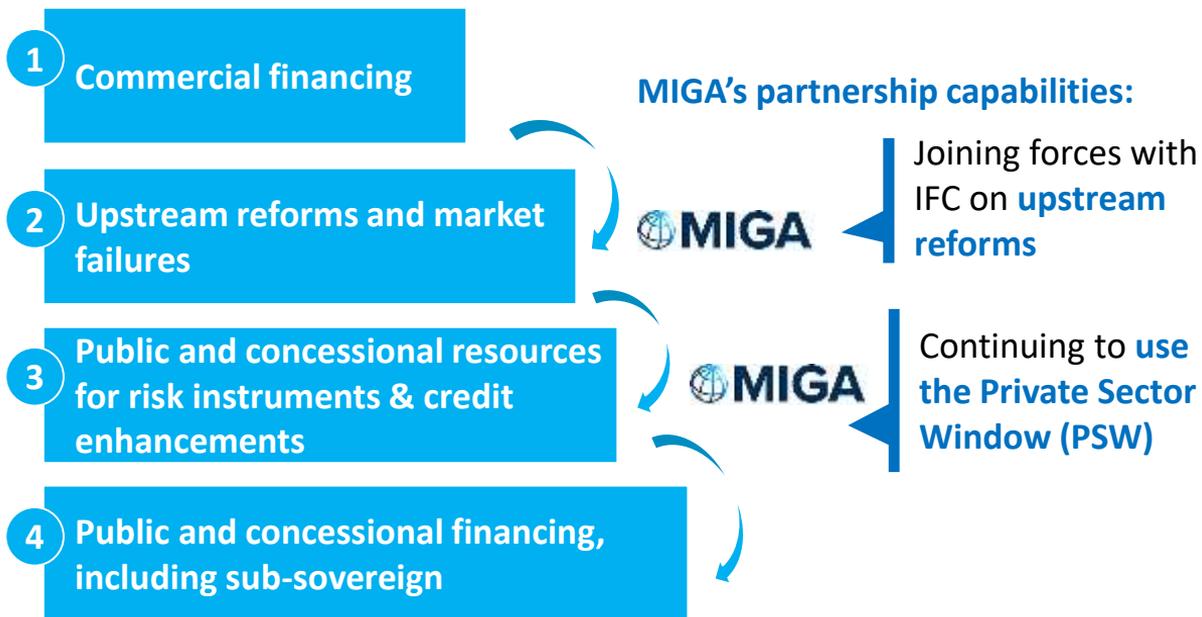
Pillar 3) MIGA will continue its trajectory of **catalyzing private investment** and further **complement market creation** alongside WB/IFC and in accordance with the FfD agenda

Private finance mobilized directly in LICs & LDCs by MDBs, CY2018¹, \$M



¹ CY2018 is most recent available data

Cascade approach to market creation

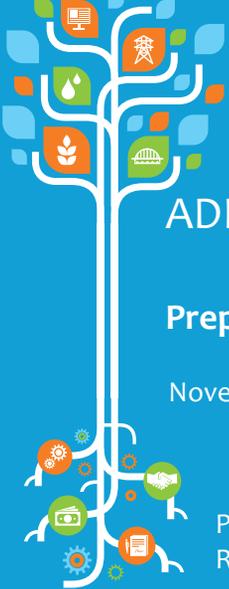


Concluding Remarks

Exceptional level of support to continue throughout the current fiscal year while cooperating with global, regional and local actors.



Thank you



ADB

ADB Office of Public-Private Partnership (OPPP)

Preparing Bankable Infrastructure Projects in Asia Pacific

November 2021

Presented by
Rosemary Ong, Senior PPP Specialist , OPPP

BUSINESS
OPPORTUNITIES

Good afternoon.

I am Rosemary Ong from the Asian Development Bank and it indeed a pleasure for me to present some current projects of the Office of Public Private Partnership (OPPP).

Contents

1. Introduction to ADB's Office of Public Private Partnership
2. PPP Opportunities in Selected Sectors across Asia



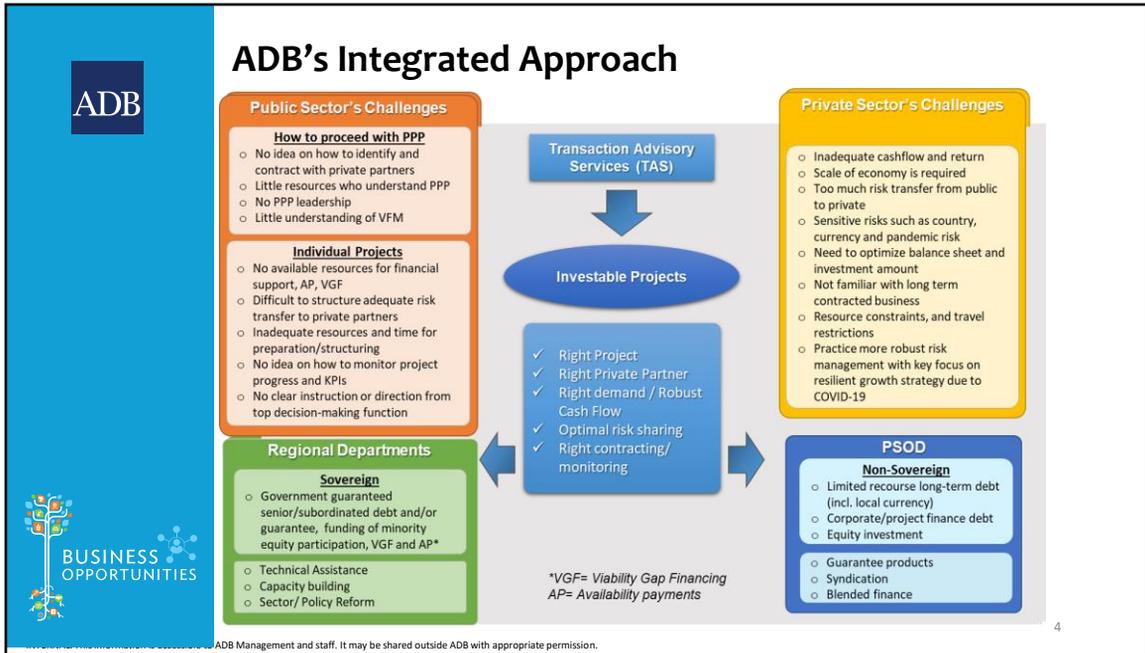
ADB's Approach to PPPs

ADB



BUSINESS
OPPORTUNITIES

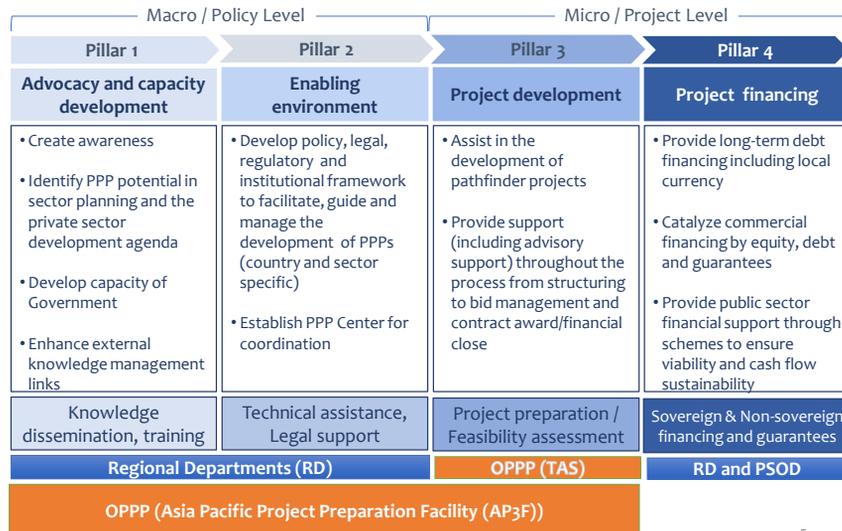
I will take you through a brief introduction of ADB's approach to enhancing private sector participation in delivering much needed infrastructure, which is exacerbated by the COVID-19 pandemic. Prior to the pandemic, the annual infrastructure gap in Asia Pacific was approximately USD 1.7 trillion. The protracted and evolving nature of the pandemic, has put more pressure on delivery and funding critical infrastructure, that the bedrock of post COVID-19 recovery.



- We bring together our expertise and knowledge in a range of areas across the intuition to provide a multidisciplinary and cross-sectoral solutions that are foundational to harnessing private sector expertise, efficiency and attracting capital investments.
- ADB understands the capacity constrains and funding pressure faced by the public sector in delivering infrastructure and brings to bear a range of sovereign funding solutions, through its Regional Departments and Resident Missions.
- OPMP also provides in-house specialist PPP advisory to define, scope and develop bankable projects that will attract

- qualified private sector players.
- Private Sector Operations Department supports privately held and state-sponsored companies.

ADB's PPP Strategy and Extent of OPPP Activities



ADB Management and staff. It may be shared outside ADB with appropriate permission.

5

ADB provides an extensive range of interventions from the macro or policy level through to the micro or project level. These are categorized into 4 Pillars.

At the macro or policy level, ADB supports:

- ✓ advocacy and capacity development for governments; and
- ✓ Enhancing the enabling environment for PPPs – by developing the legal, regulatory and institutional framework. In some cases, we support the establishment of a PPP Center.

At the micro or project level:

- ✓ ADB facilitates the development of complex, pathfinding projects and provide transaction advisory services through its in-house PPP specialist team; and
- ✓ We provide comprehensive and tailored financing solutions

including long-term debt (in local currency) and guarantee schemes to ensure long-term viability and cashflow sustainability.

PPP Opportunities

ADB



BUSINESS OPPORTUNITIES

INTERNAL This information is accessible to ADB Management and staff. It may be shared outside ADB with appropriate permission.

The slide features a blue background with a white graphic on the left side that resembles a tree or a network of nodes. The nodes contain various icons representing different sectors: a computer monitor, a person, a water drop, a leaf, a bridge, a gear, a hand holding a document, a gear, a hand holding a document, and a gear. The central image shows a large container ship docked at a port, with several cranes and a building under construction in the background. The text 'PPP Opportunities' is prominently displayed at the top, and 'ADB' is in the top right corner. 'BUSINESS OPPORTUNITIES' is written in the bottom right corner. A small disclaimer is located at the bottom left of the slide.

I will now present a few opportunities.

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) interoperation of the two lines

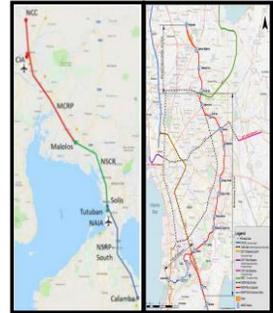
ADB Management and staff. It may be shared outside ADB with appropriate permission.

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 – 1H2022
- Projects award – 2H2022



One ADB Approach

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

In the Philippines

- The North South Commuter Railway 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). These include:

- The Projects are supported by Availability Payments

PRC: Elderly Care

Guangxi Elderly Care Facility

PQ expected Q4

Background

▶ Guangxi Zhuang Autonomous Region (GZAR) 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 2016 on the implementation of elderly care and health care integration, and for enhancing the involvement of the private sector.

▶ Guangxi Elderly Care Facility ("the Project") is the development of an elderly care facility in Hezhou City of GZAR, which will be procured as a PPP.

The Project

▶ The project will be tendered under the Public Build Private Operate (PBPO) modality, where the private sector will be responsible for Operations and Maintenance (O&M); providing the furniture and equipment and operating the internal clinic for basic medical care.

▶ The government will construct a 450-bed capacity elderly care facility, which will predominantly focus on providing long-term care at the post-acute stage; and provision of non-elderly care services (e.g. cleaning, facilities management). Contemplated care mix is as follows:

- ▶ 70% - Full-disabled;
- ▶ 20% - Semi-disabled;
- ▶ 5% - Dementia; and
- ▶ 5% - Light physical needs (Activity of Daily Living).



ADB's Support

- ADB sovereign loan to finance approximately 50% of capex
- Transaction Advisory Services

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

- On-going preparation for statutory approvals; and
- Finalization of project brief for the last round of market sounding.

Next Steps

- Target approval for the Implementation Plan by government in late Oct 2021; and
- Target project launch within Q4 2021.

8

ADB Management and staff. It may be shared outside ADB with appropriate permission.

In the PRC

▶ Guangxi Zhuang Autonomous Region (GZAR) has recognized the importance of integrated elderly care and health care services to respond to its rapidly aging population with the development of an elderly care facility with an internal clinic in Hezhou City within Guangxi.

The Project

▶ The project will be tendered under the Public Build Private Operate (PBPO) modality, where the private sector will be responsible for Operations and Maintenance (O&M); providing the furniture and equipment and operating the internal clinic for basic medical care.

▶ The government will construct a 450-bed capacity elderly care facility with an internal clinic, which will predominantly focus on providing long-term care at the post-acute stage; and provision of non-elderly care services (e.g. cleaning, facilities management). Contemplated care mix is as follows:

- ▶ 70% - Full-disabled;
- ▶ 20% - Semi-disabled;

- ▶5% - Dementia; and
- ▶5% - Light physical needs (Activity of Daily Living).

Azerbaijan: Construction and O&M Student Accommodation in Baku

RFQ expected

Background

► ADB has provided technical assistance to the Ministry of Education and Ministry of Economy in Azerbaijan in developing and implementing a pilot student accommodation PPP project in the capital city, Baku (the "Project").

► Lack of quality student accommodation in Baku has been perceived by local universities as a major impediment to sustainable growth in student enrolments in Azerbaijan, especially for international students and regional students from outside of Baku.

The Project

► The Project scope is expected to include design, build finance, operation and maintenance of a purpose-built student accommodation (PBSA) facility in central Baku with capacity for [1,000] residents.

► This project will be implemented by the Ministry of Economy under technical assistance of ADB.



Current Status of Implementation

- Pre-FS has been approved by Ministry of Education and Ministry of Economy for implementation

- Market sounding completed in Apr 2021

- Ongoing assessment of suitable payment models

Next Steps

- Expected Tender Launch by Jan-2022

ADB Management and staff. It may be shared outside ADB with appropriate permission.

9

In Azerbaijan

► The lack of quality student accommodation in Baku has been perceived by local universities as a major impediment to sustainable growth in student enrolments in Azerbaijan, especially for international students and regional students from outside of Baku.

The Project

► The Project scope is expected to include design, build finance, operation and maintenance of a purpose-built student accommodation (PBSA) facility in central Baku with capacity for [1,000] residents.

► This project will be implemented by the Ministry of Economy under technical assistance of ADB.

Uzbekistan: Power 1 GW Solar Program in PPP mode

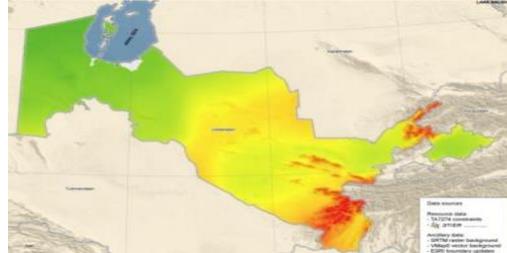
Award expected (Phase 1) / RFQ expected (Phase 2)

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 Mwa including a new 220kV substation and a 52km transmission line to connect to the Surkhan 220kV substation. The project is expected to achieve commercial closure imminently with a highly competitive tariff of 1.6144 US cents/kWh for the solar farm and 0.1901 US cents/kWh for the electric facilities.

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

- Government approvals currently under process to launch RFQ

Next Steps

- RFQ for Guzar Project expected to be launched in the Q4 2021



- ADB is advising the Govt. of Uzbekistan.
- The first project to be developed under the Solar Program is located in the Sherabad district of Surkhandarya region.
- The project is expected to achieve commercial closure imminently with a highly competitive tariff of 1.6144 US cents/kWh for the solar farm and 0.1901 US cents/kWh for the electric facilities.

The Project

The second project Guzar Solar 300MW solar PV IPP in the Guzar district of Kashkadarya region is to be

awarded through competitive tendering.

Pakistan: Wastewater Treatment Karachi Wastewater Treatment Projects (TP1 and TP 4)

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 with RFQ launch expected in Q4 2021 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.

RFQ expected to be launched soon



Next Steps

- Expected Tender Process
- TP4 RFQ Launch – Q4 2021
- TP1 RFQ Launch – Q1 2022

ADB Management and staff. It may be shared outside ADB with appropriate permission.

11

In Pakistan

The Government of the province of Sindh in Pakistan has identified the wastewater treatment and water reuse sector as a priority for public private partnership in the province.

The 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 the government will be

provided via viability gap funding (VGF) and minimum revenue guarantee (MRG) for initial years.

Kazakhstan: Healthcare 300 bed Karaganda University Hospital

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 2022

In Kazakhstan

► 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.

The Project

► Design, Build, Finance, Operate and Maintain a 300-bed university hospital structured under the Limited

Service Facility Management PPP modality.

► Structured on Availability Payments and based tried and tested \$680m Almaty Ring Road PPP under the Concession Law (2006).

Indonesia: Waste Management

South Tangerang Waste Treatment PPP Project

Background

- ▶ Indonesia is facing a rapidly growing volume of Municipal Solid Waste (MSW) generation especially in urban areas.
- ▶ Currently, most MSW are dumped in open, landfill sites with a few exceptions. (e.g. 100 ton per day pilot incinerator in Jakarta).
- ▶ To combat the issue, the Government of Indonesia has issued several presidential regulations as a catalyst to achieving its long-term goal of improving waste management.
- ▶ Namely, The Presidential Regulation No.35/18 that determines 12 cities including South Tangerang to build new Waste to Energy ("WtE") projects which will receive preferential tariff and central government budgetary support

The Project

- ▶ The South Tangerang Waste Treatment Project ("Project") is to design, build, finance, operate and maintain a new waste treatment facility in the city of South Tangerang.
- ▶ The facility is expected to treat 800 tons of waste per day. The latest cost estimate in the Outline Business Case is \$120 million
- ▶ The project concession period assumes a 3-year construction period followed by 20 years of operation



OPPP's Transaction Advisory Mandate

- Assistance in developing the Final Business Case based on the Outline Business Case finalized by Korea Environmental Industry & Technology Institute (KEITI) and accepted by MOF;
- Assistance throughout the tender process from preparation of the tender documents and Concession Agreement until finalizing the evaluation report to select preferred bidder;
- Assist the government contracting authority's (GCA) negotiation to conclude signing of the concession agreement with the preferred bidder, achieving commercial close; and
- Assist GCA to deliver against their Conditions Precedents to achieve financial close and support during the preparation and approval process including adequacy of the required guarantee amount from the SPC;
- Capacity building support to the GCA and key project stakeholders to ensure the project is supported through tender process.

Current Status of Implementation

- Ongoing assessment to confirm land availability

Next Steps

- Complete Final Business Case (FBC) after confirmation of land availability

13

ADB Management and staff. It may be shared outside ADB with appropriate permission.



In Indonesia

- ▶ Indonesia is facing a rapidly growing volume of Municipal Solid Waste (MSW) generation especially in urban areas.
- ▶ Currently, most MSW are dumped in open, landfill sites with a few exceptions. (e.g. 100 ton per day pilot incinerator in Jakarta).
- ▶ To combat the issue, the Government of Indonesia has issued several presidential regulations as a catalyst to achieving its long-term goal of improving waste management.

►The facility is expected to treat 800 tons of waste per day. The project concession period assumes a 3-year construction period followed by 20 years of operation

Uzbekistan: Solid Waste Management Tashkent Integrated SWM PPP Project

Background

▶ ADB has been supporting Uzbekistan's State Committee for Ecology and Environmental Protection (SCEEP), the Tashkent City Municipality (TCM), Tashkent's SWM company Maxsustrans and the PPP Development Agency (PPDDA) through Technical Assistance from AP3F and GIF to identify PPP opportunities in Tashkent and other cities.

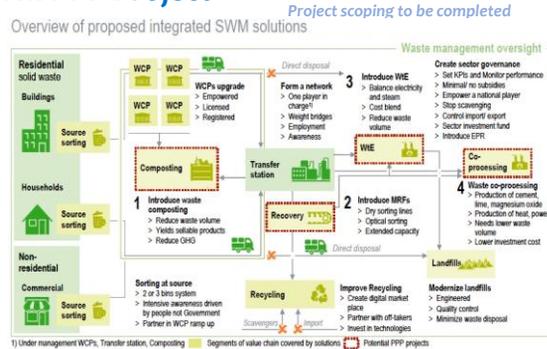
▶ The studies commissioned by ADB in 2020 have identified a number of areas where efficiency of SWM services could be significantly enhanced through the deployment of PPP structures, including incineration / WTE (in particular to reduce landfill transfers which are currently very high and unsustainable in the medium term)

The Project

▶ The final Project scope is still to be defined but is likely to combine a number of the individual PPP solutions identified by ADB in 2020

▶ The final Project scope is likely to include incineration facility at its core with additional items including potentially recycling, composting and other SWM services

▶ TCM is expected to act as Public Partner and Project preparation and tender process will be coordinated by PPDDA



OPPP's Support

- **Technical Assistance:**
 - Project Identification
 - Project Scoping
- **Project Preparation (planned)**
 - Feasibility Study, Project Structuring
- **Tender support: Support during the tender process including (planned)**

Current Status of Implementation & Next Steps

- AP3F Technical assistance for Project scoping, preparation and tender support in process



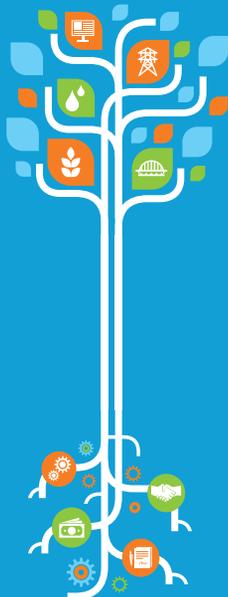
ADB Management and staff. It may be shared outside ADB with appropriate permission.

In Uzbekistan

- ADB has been supporting Uzbekistan's State Committee for Ecology and Environmental Protection the Tashkent City Municipality Tashkent's SWM company Maxsustrans and the PPP Development Agency.

The Project

- The final Project scope is likely to include incineration facility at its core with additional items including potentially recycling, composting and other SWM services



THANK YOU!

Rosemary Ong

Senior Public Private Partnership Specialist, OPA2,

Office of Public Private Partnership

Email: rong@adb.org

Tel: +63 2 999 999 4316

ADB



ASIAN INFRASTRUCTURE
INVESTMENT BANK

MDB Seminar AIIB's strategic priorities in the post-COVID-19 era

Woo-Hyun Kwon, AIIB
November 16, 2021



“



With A to Z experience in large-scale/climate-resilient infrastructure, Woo-Hyun Kwon is the **Transport Sector Coordinator at AIIB** since 2018. Prior to joining AIIB, his career includes a Transport Specialist in the World Bank, a sponsor/employer/advisor for large-scale infrastructure projects in government organizations (Korea Expressway Corp., DPWH Philippines, and Vietnam Expressway Corp.), and a TA consultant for MDBs.

”

Contents

1. About AIIB
2. AIIB COVID-19 Crisis Recovery Facility
3. AIIB's Strategic Priorities in the post-COVID-19 era
4. Challenges and Opportunities

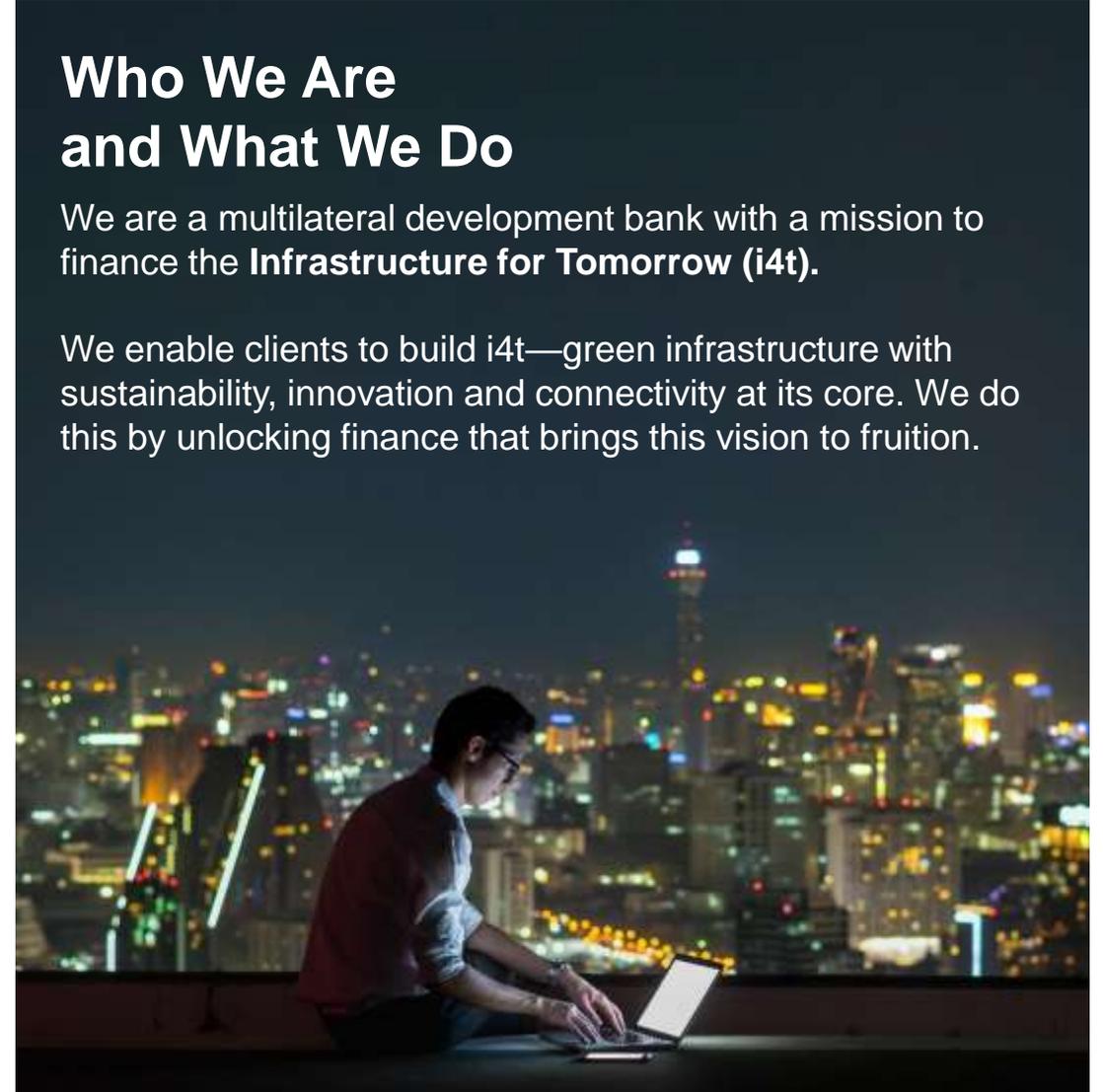
1. About AIIB

- 1.1 Infrastructure for tomorrow (i4t)
- 1.2 Fundamentals
- 1.3 Financing products
- 1.4 Project cycle
- 1.5 Investment operations

Who We Are and What We Do

We are a multilateral development bank with a mission to finance the **Infrastructure for Tomorrow (i4t)**.

We enable clients to build i4t—green infrastructure with sustainability, innovation and connectivity at its core. We do this by unlocking finance that brings this vision to fruition.



1.1 i4t

The **Infrastructure for Tomorrow (i4t)** reflects AIB's firm commitment to sustainability. i4t unlocks new capital, new technologies and new ways to address climate change and to connect Asia, and the world.

AIB Invests in i4t, the Infrastructure for Tomorrow:



1.2 Strong Fundamentals

Triple-A-Rated

Ratings	Long-term	Short-term	Outlook
S&P	AAA	A-1+	Stable
Moody's	Aaa	Prime-1	Stable
Fitch	AAA	F1+	Stable

- AIIB capitalized at USD 100billion

Global Shareholder Base: 103 Approved Members

● Regional Members

Armenia
Afghanistan
Australia
Azerbaijan
Bahrain
Bangladesh
Brunei
Darussalam
Cambodia
China
Cook Islands
Cyprus
Fiji
Georgia
Hong Kong, China
India
Indonesia
Iran

Israel
Jordan
Kazakhstan
Korea
Kuwait
Kyrgyz Republic
Lao PDR
Lebanon
Malaysia
Maldives
Mongolia
Myanmar
Nepal
New Zealand
Oman
Pakistan
Papua New Guinea

Philippines
Qatar
Russia
Samoa
Saudi Arabia
Singapore
Sri Lanka
Tajikistan
Thailand
Timor-Leste
Tonga
Turkey
UAE
Uzbekistan
Vanuatu
Vietnam

● Non-Regional Members

Algeria
Argentina
Austria
Belarus
Belgium
Benin
Bolivia
Brazil
Canada
Chile
Côte d'Ivoire
Croatia
Denmark
Djibouti
Ecuador
Egypt
Ethiopia
Finland
France

Germany
Ghana
Greece
Guinea
Hungary
Iceland
Ireland
Italy
Kenya
Liberia
Libya
Luxembourg
Madagascar
Malta
Morocco
Netherlands
Norway
Peru
Poland

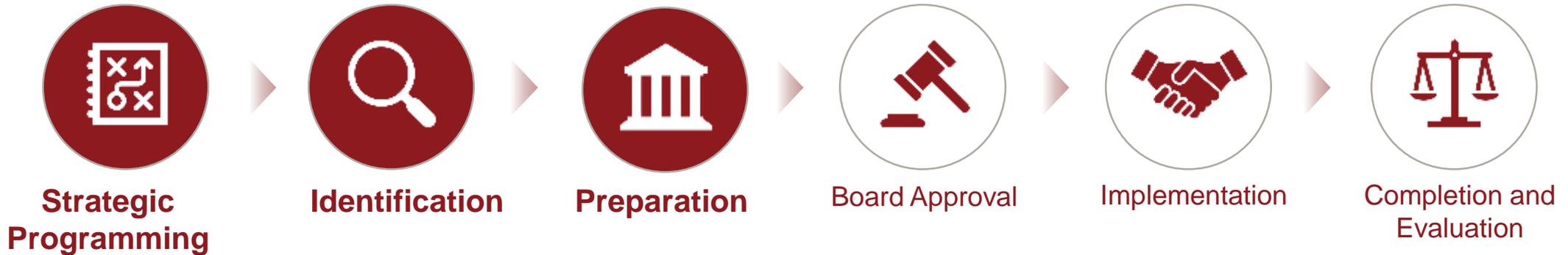
Portugal
Romania
Rwanda
Senegal
Serbia
South Africa
Spain
Sudan
Sweden
Switzerland
Togo
Tunisia
United Kingdom
Uruguay
Venezuela

1.3 Financing Products

- AIIB has flexibility to offer including debt/equity/guarantee products and provides financing to a wide range including sovereign, SOEs and private sector entities.

Sovereign loans	Nonsovereign-backed financing	Equity Investments	Guarantees
<ul style="list-style-type: none"> • Sovereign-backed loans will have an average maturity of up to 20 years and a final maturity limit of up to 35 years. • Appraisal of sovereign loans will take into account a full assessment of the project's benefits, risks and borrower implementation capacity. 	<ul style="list-style-type: none"> • Borrowers could range from sub sovereign public entities to private enterprises. • The terms and conditions will be set on a commercial basis and reflect the expected risk to the Bank and market conditions. • AIIB's exposure can be up to 35 % of the long-term capital of the obligor, or for a new project, up to 35 % of the project's value. 	<ul style="list-style-type: none"> • The Bank will only consider making equity investments under terms it considers fair, where clear potential exit strategies are present, and where an acceptable internal rate of return is projected. • Limit on Equity investments up to 10 % of available capital. • The Bank shall not seek a controlling interest in the target entity or enterprise. 	<ul style="list-style-type: none"> • Partial Debt Guarantee are available to clients. The product is currently introduced for non-sovereign operations and incorporates partial debt guarantees and unfunded risk participations. • Projects involving guarantees will be appraised, processed, and monitored the same way as loans.

1.4 Project Cycle-Sovereign Backed Financing



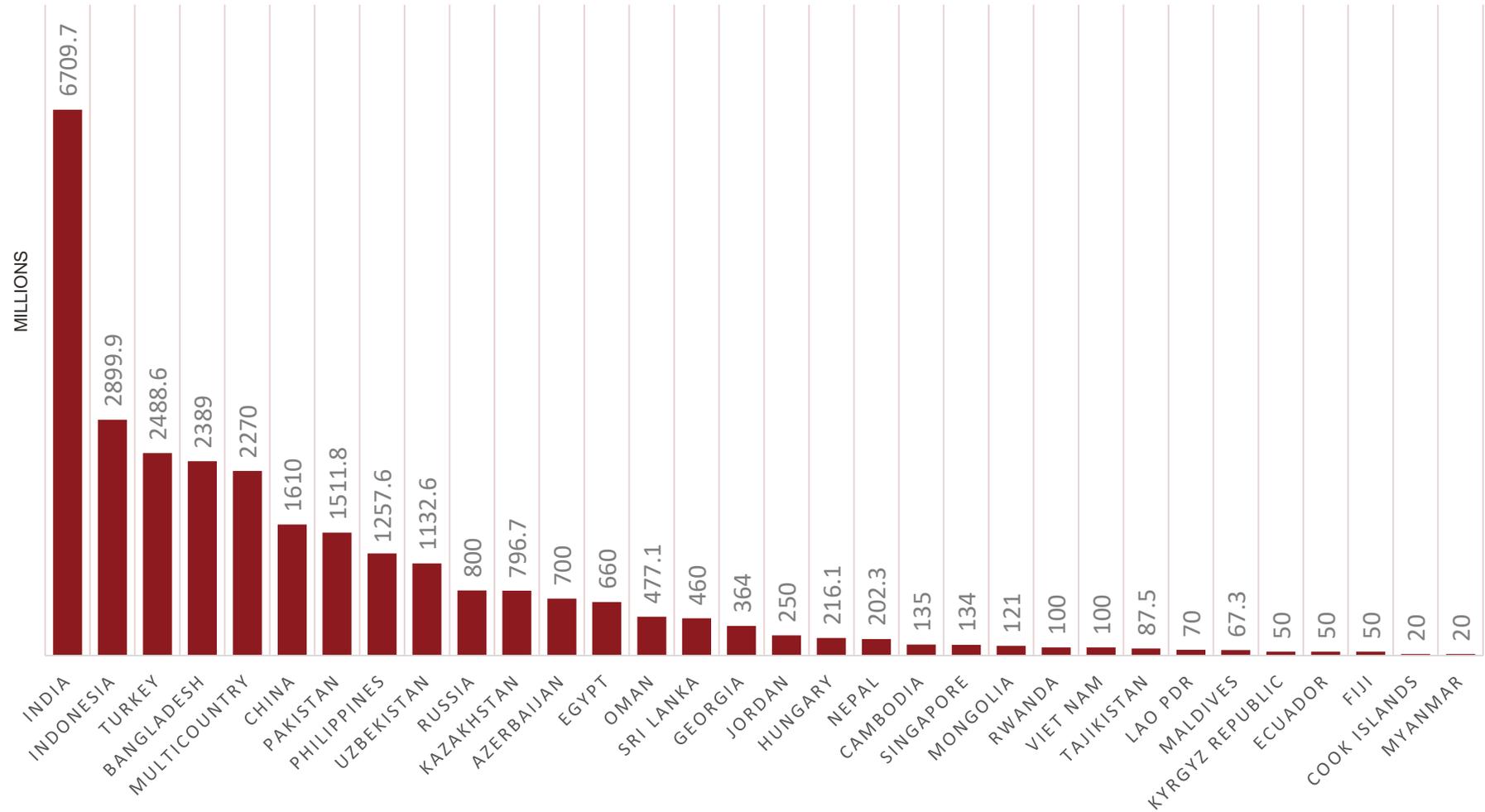
- Monitor www.aiib.org for Project Procurement Opportunities
- Tender notices (GPNs, SPNs) will be published on the AIIB website and the UN Development Business (UNDB) portal (<https://www.devbusiness.com/>).

The screenshot shows the AIIB Project Procurement Opportunities page. It includes a search bar and filters for Year, Month, Sector, and Type. Below the filters, there is a table of project notices with columns for Date, Member, Project Notice, Sector, and Type.

DATE	MEMBER	PROJECT NOTICE	SECTOR	TYPE
2021-04-27 Apr 27, 2021	Bangladesh	Power System Upgrade and Expansion Project Download	Energy	Time Extension to Submission of Tenders
2021-04-21 Apr 21, 2021	Sri Lanka	Support to Colombo Urban Regeneration Project	Urban	Contract Award Notice

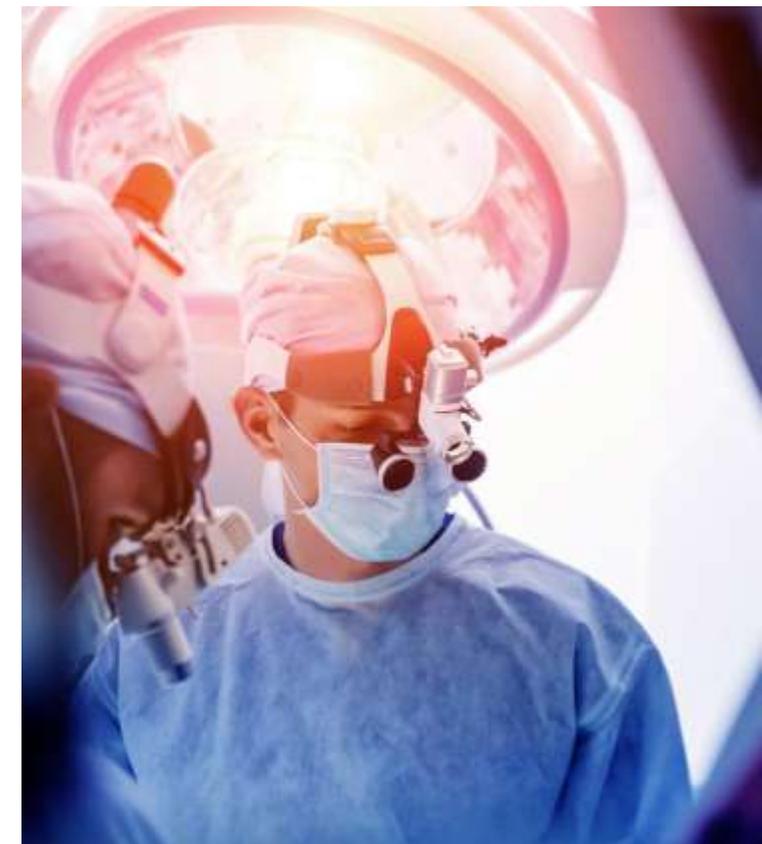
1.5 Investment Operations

- **Loans approved** since inception: USD**28.2** billion
- No. of projects approved: **142**
- **Investments in energy (19%), transport (18%), water & sanitation (13%), urban (7%), public health (7%) and others.**



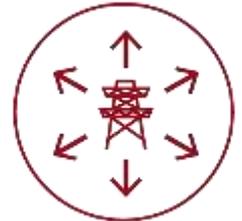
2. AIIB's Crisis Recovery Facility (CRF)

- **CRF:** For 2 years (until April 2022), the CRF will offer up to **USD13 billion** of financing to both public and private sector entities against COVID-19 impacts.
- **Types of eligible Projects:** (i) **immediate health sector needs**, (ii) **Economic resilience**, and (iii) **liquidity constraints** in infrastructure and other productive sectors.
- AIIB have approved over USD 6 billion so far
- **AIIB Special Fund Window (SFW)** under the CRF
 - ✓ Lower-income countries have become particularly vulnerable to COVID-19 impact
 - ✓ SFW is to provide **interest rate buy-down** for eligible sovereign-backed financing **for lower-income members**.



3. AIIB's strategic priorities in the post-COVID world

- 3.1 Green infrastructure
- 3.2 Connectivity and regional cooperation
- 3.3 Private capital mobilization
- 3.4 Technology-enabled infrastructure
- 3.5 Expanding into social infrastructure



3.1 Green Infrastructure

- Post-crisis recovery should not be carbon-dependent
- COVID-19 represented the linkage of the virus with future ecocatastrophes, which necessitates ESG (Environmental, Social and Governance) standards
- By 2025, AIIB's target is for Climate Finance¹ to represent **50%** of all financing approvals

[1. 2020 Joint Report on MDBs' Climate Finance](#)



3.2 Connectivity and Regional cooperation

- Connectivity infrastructure may face challenges (especially in Air Transport)
- AIIB's focus would include (but not limited to)
 - ✓ improving existing port efficiency through automation
 - ✓ Smarter road infrastructure with greater digitization and in preparation for electric future
 - ✓ More resilient supply chain: multi-modal logistics hub
- By 2030, cross-border connectivity projects should be 25-30% of what AIIB deliver



AIB Connectivity Projects

Oman: Connecting Commerce and Future-Proofing the Economy



An integral part of an ambitious project that seeks to diversify Oman's economy and reduce its dependence on oil and gas, Duqm Port stretches over 2,000 km² and encompasses everything from a dry dock and oil refinery to an industrial zone and logistics center. A critical component of the port is the commercial terminal and operational zone development financed by AIB.

Indonesia: Multifunctional Satellite PPP Project

With a USD150million non-sovereign loan to SNT for a multi-functional satellite, much-needed broadband internet service will be provided to over 150,000 unserved public service points for 45 million people, including schools, hospitals and local government locations in some of the least developed regions of Indonesia.





3.3 Private Capital Mobilization

- Significant need to establish reliable and agile infrastructure system especially in **low and middle-income** countries
- The **increased public debt levels** resulting from the pandemic have become fiscal constraints (i.e., COVID worsens debt-to-GDP ratio)
- Partnership with the private sector for **a better value for money**
- By enhanced multilateral financial support, **bankable projects with high standards** can be generated
- By 2030, AIIB is targeting **half** of our financing led by the private sector

3.4 Technology-enabled Infrastructure (Infratech)

- Most of technologies for infrastructure are already in place
- Fear of illiquid asset (underperforming and being obsolete)
- **AIIB Infratech Platform:**
 - ✓ Financing
 - ✓ Facilitation of adoption and development (building ecosystem)
- Digital infrastructure will be AIIB's next chapter together with social infrastructure



3.5 Social Infrastructure

- Social Infrastructure (SI) as one of the weakest links on the global production chain that COVID-19 exposed
- AIB's response includes the establishment of [SI Department \(SID\) in 2021](#) focusing on health and education
 - ✓ **Health:** Expanding and improving healthcare facilities and supply-chain infrastructure
 - ✓ **Education:** Scaling up deployment of new technologies especially for technical & vocational training



4. Challenges and Opportunities

- Build back better - Greener
- Accelerating digitization and infratech to make system smarter and more resilient
 - ✓ Long-lasting demand for digital platform (social distancing)
 - ✓ Technology divide (inequities in access to technology)
- Sustainability of public transport (mainly privately owned) in developing countries under disrupted demand
- Collaboration among public and private stakeholders to address global network of supply chain





ASIAN INFRASTRUCTURE
INVESTMENT BANK

AIIB

Tower A, Asia Financial Center
No.1 Tianchen East Road
Chaoyang District
Beijing, China
100101

+86-10-8358-0484
woohyun.kwon@aiib.org

aiib.org





EBRD GREEN CITIES

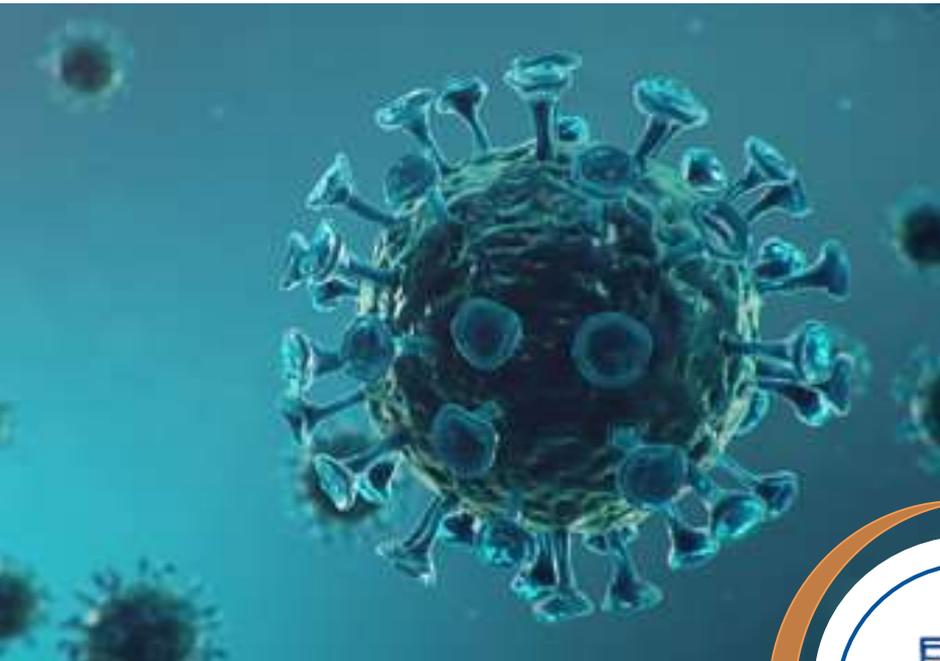


European Bank
for Reconstruction and Development

COVID and Climate Change: Two global challenges that meet in cities

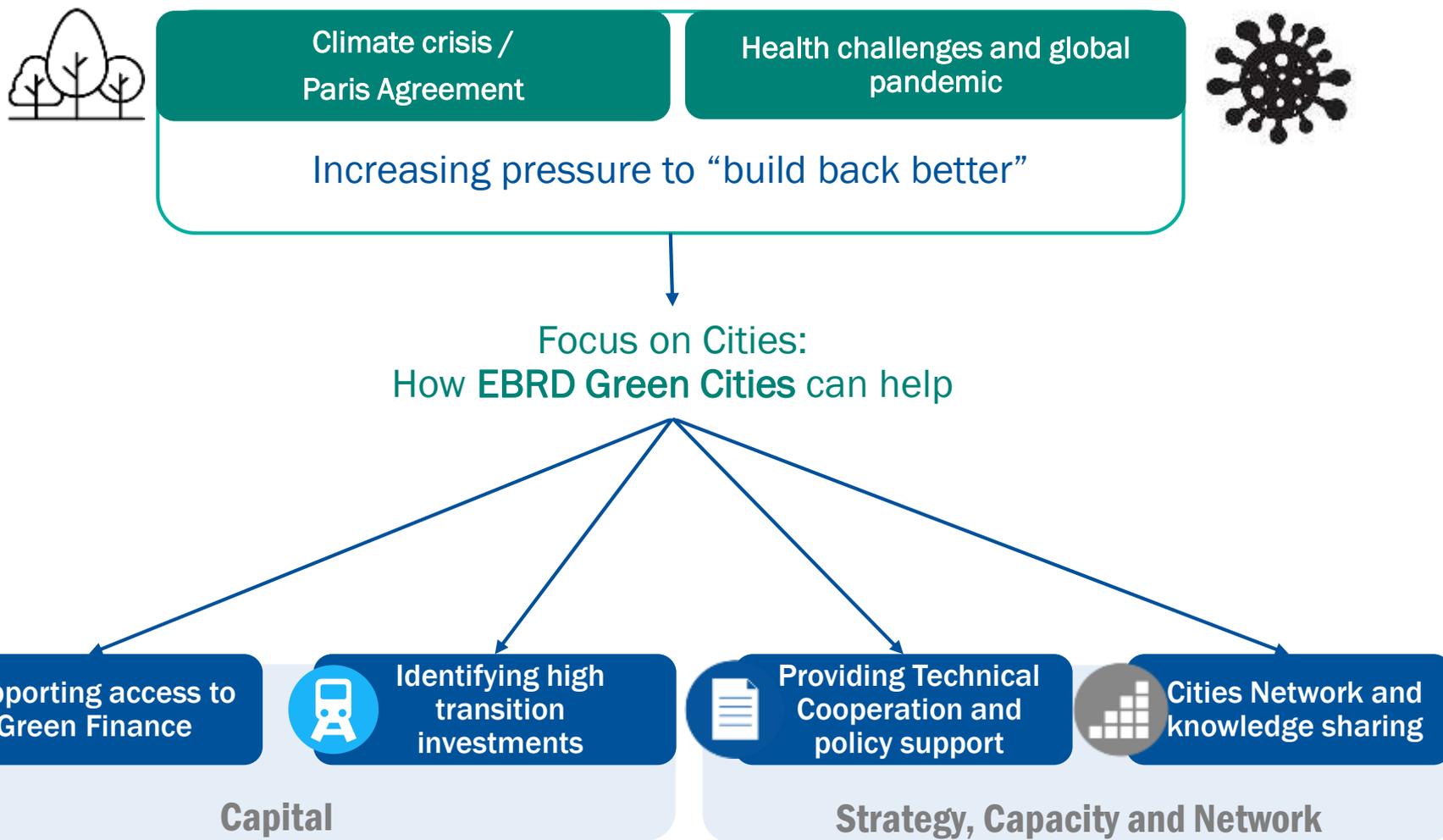


European Bank
for Reconstruction and Development



Cities as **cause** for the crises and sites where the crises have the strongest **impact**

EBRD Green Cities in the post-COVID-era





€3 billion framework to support cities to identify, benchmark, prioritise and invest in Green City measures to improve urban environmental performance through:



Delivery of strategy and policy support

Green City Action Plans (GCAP)
Policy dialogue



Facilitating and stimulating Green City infrastructure investments

Urban Transport	Water & Wastewater
District Energy	Building Energy Efficiency
Solid Waste	Distribution network
Renewable Energy	Street Lighting
Smart solutions	Climate Change Resilience
	Nature Based Solutions



Building capacity of city administrators and key stakeholders



Supporting access to green finance

Green Cities



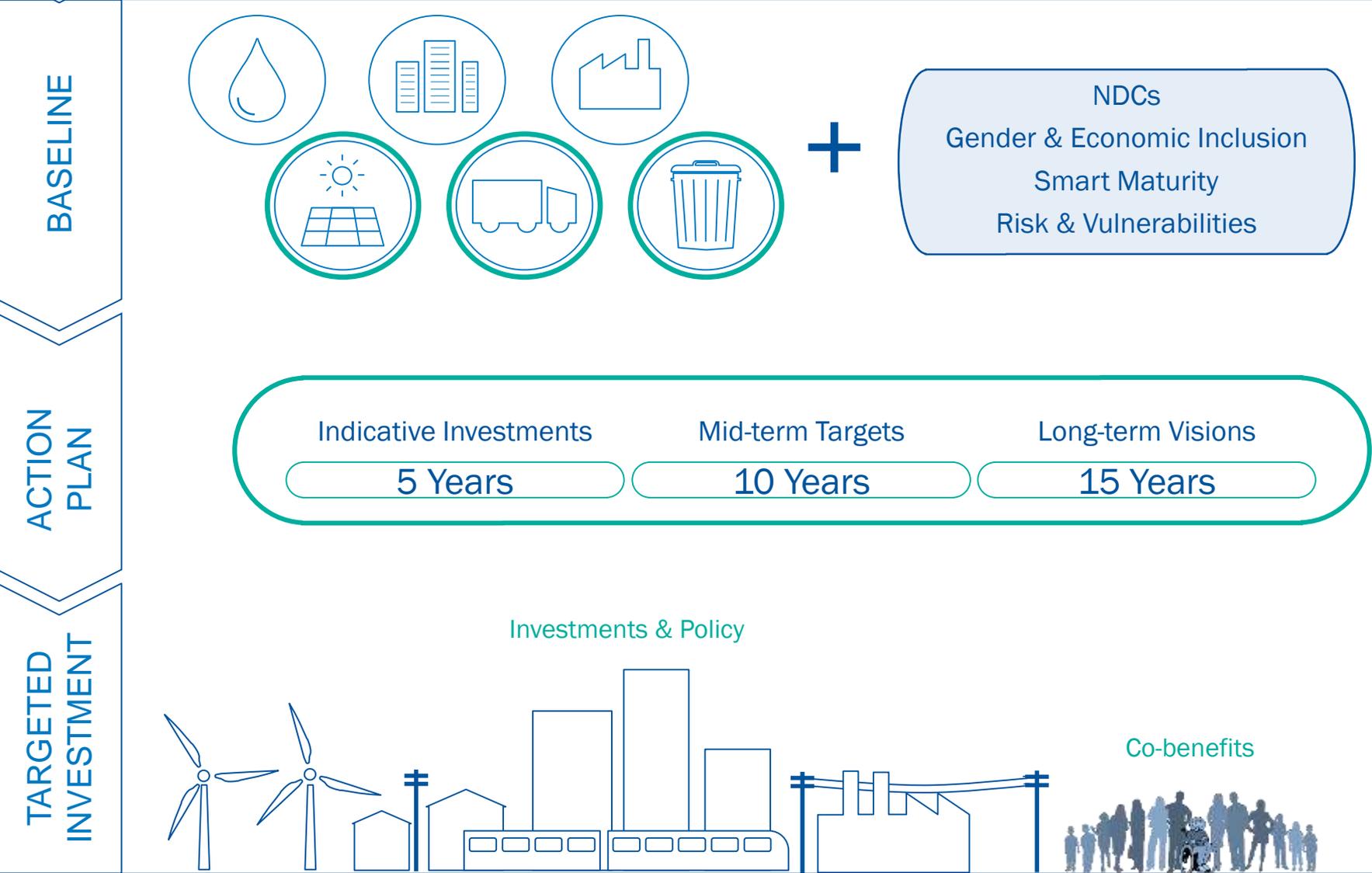
European Bank
for Reconstruction and Development



GCAPs: a Systematic Approach to Investments



European Bank
for Reconstruction and Development



City story: Ulaanbaatar, Mongolia



European Bank
for Reconstruction and Development

Ulaanbaatar GCAP

- Adopted in Dec 2019
- Donor: the Republic of Korea
- Priority Environmental Challenges:



Air Quality



Water Quality
& Availability



Climate
Adaptation



Climate
Mitigation



Green Space

Green Cities Investments

Total EBRD Finance **€ 17.15 million**

CO₂ Savings **215,700 ton CO₂ eq / yr**

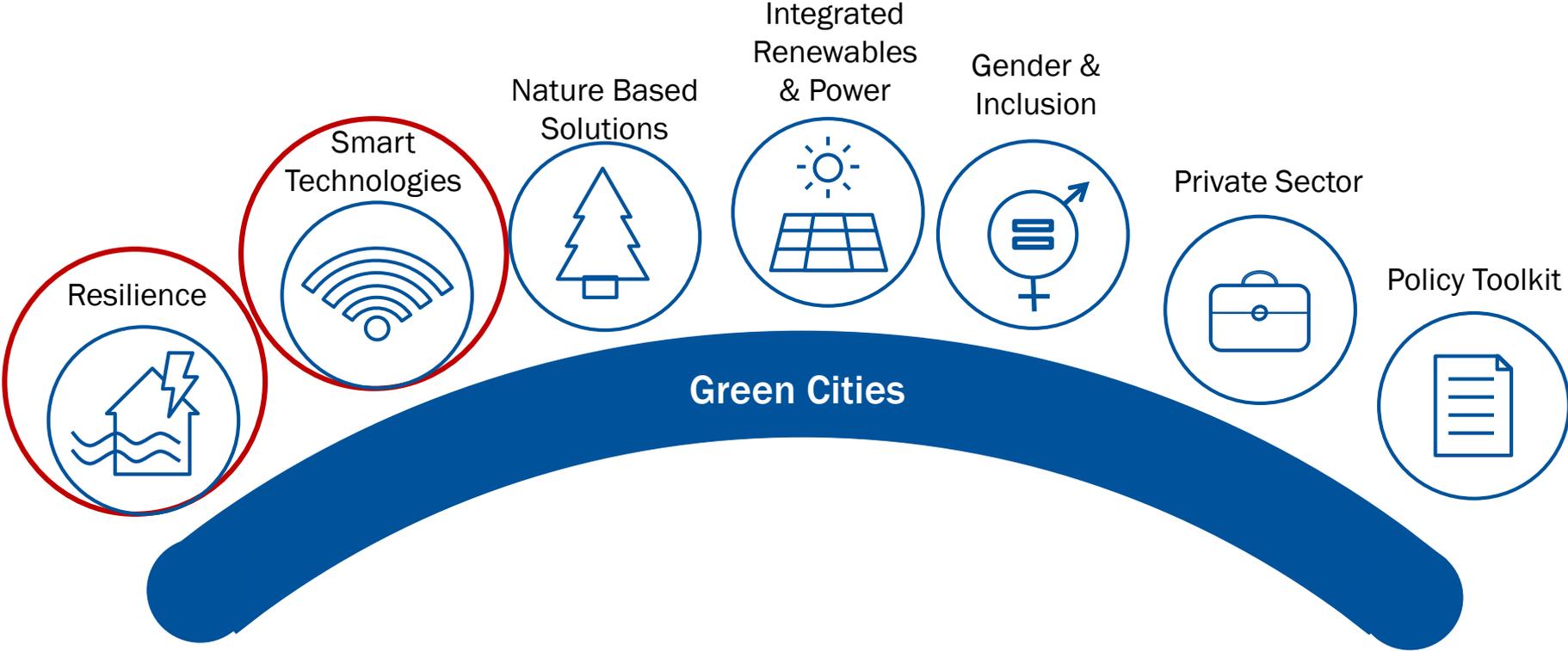
- Ulaanbaatar Solid Waste Modernization Project
- Ulaanbaatar District Heating

Partnerships / Best Practice

- GCF
- The highest CO₂ savings among GrC project from Ulaanbaatar District Heating project



Green Cities: Comprehensive Approach





EBRD GREEN CITIES .com



For all further enquiries, please contact:

Lin O'Grady
Co-Lead EBRD Green Cities
Sustainable Infrastructure Group (SIG)
OGradyL@ebrd.com

Nigel Jollands
Co-Lead EBRD Green Cities
Green Economy and Climate Action (GECA)
JollandN@ebrd.com

