

# Public-Private Partnerships

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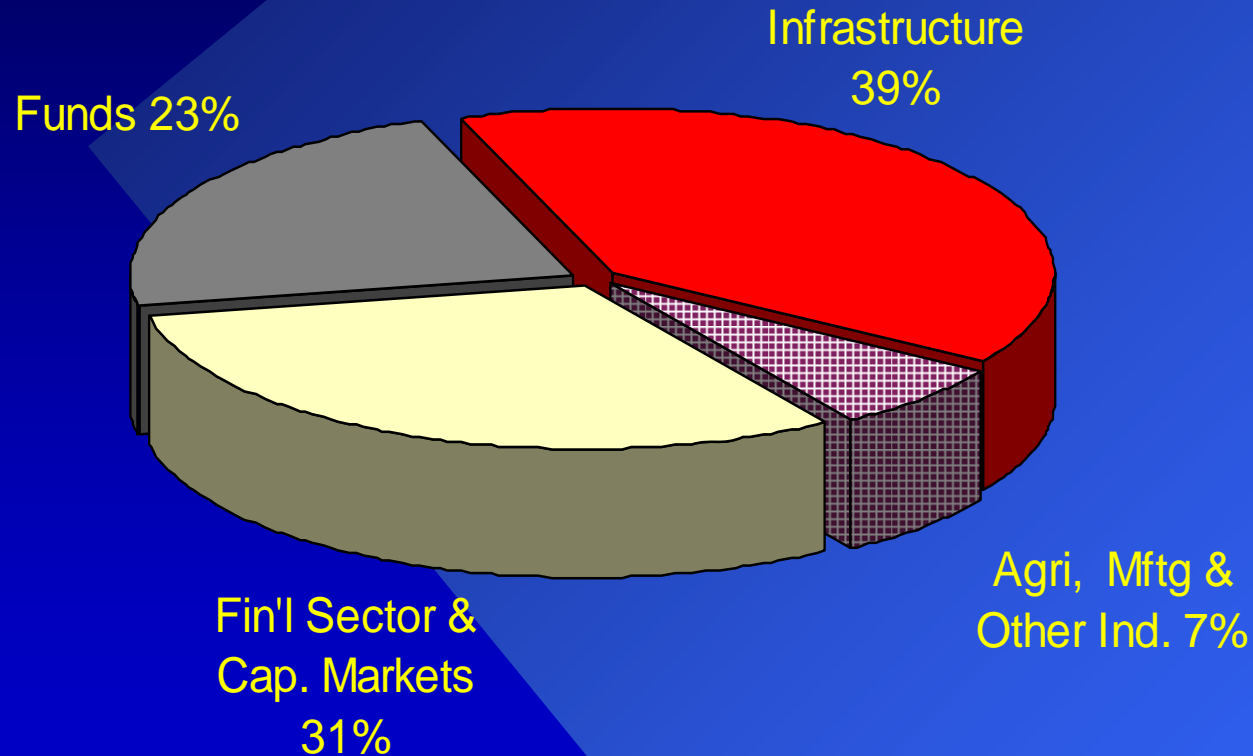
# Private Sector Operations Department (PSOD)

- \$1.5 billion assistance for private sector projects without sovereign guarantee in 2006
- Focus on infrastructure (including energy) and capital/financial market development
  - 2 infrastructure divisions
  - 1 capital market and finance division
- Promote private sector development and catalyze private financing for infrastructure and capital/financial market transactions

# Infrastructure

- Power (generation, transmission, distribution)
- Transportation (roads, railways, airport, ports, urban transportation)
- Environment (waste water, solid waste management)
- Telecommunications
- Water

# ADB Private Sector Portfolio - Sectors



# Private Sector Financial Assistance

# ADB Loan

- Long term direct loan in **foreign currency**
- Long term loan in **local currency** (PRC, India, Thailand, Malaysia and Philippines)
- Mezzanine debt
- Corporate or project bonds
- Loan syndication under ADB B-Loan coverage
- Loan syndication and underwriting

# ADB Guarantee

- Political risk guarantee
  - To protect commercial financiers from specifically identified political risks such as, expropriation, currency inconvertibility, political violence and breach of contract.
- Partial credit guarantee
  - To cover commercial financiers and/or bond holders against all risks both commercial and political for a portion of debt service.

# PRC: Chengdu Water Treatment Project

- Public-private partnership project
- Municipal government risks
- 1999 Infrastructure Deal of Year

## The Project

- 400,000 m<sup>3</sup>/day water treatment plant
- Project cost of \$106.5 million
- First BOT project in the PRC water sector
- First wholly foreign owned entity in the PRC water sector
- Project assumes municipal government risks
- ADB provided assistances for both government and project company

# PRC: Tsinghua Water Infrastructure Development Project

- Multi-project structure
- Small to medium-sized water and waste water projects

## The Project

- To establish a joint venture holding company to develop and acquire assets in the sector
- \$100 million investment in 5 years
- Project concept was developed by local sponsor and ADB
- ADB was mandated to invite international investors
- Local sponsor will transfer its existing assets at price subject to independent asset evaluation
- Local sponsor does not own majority (40%)

## Contact

Private Sector Operations Department (PSOD)

[www.adb.org/PSOD/default.asp](http://www.adb.org/PSOD/default.asp)

Infrastructure Finance Division I

(South Asia, West and Central Asia)

Infrastructure Finance Division II

(East Asia, South-East Asia, Mekong, and Pacific)

Capital Market and Financial Sectors Division