



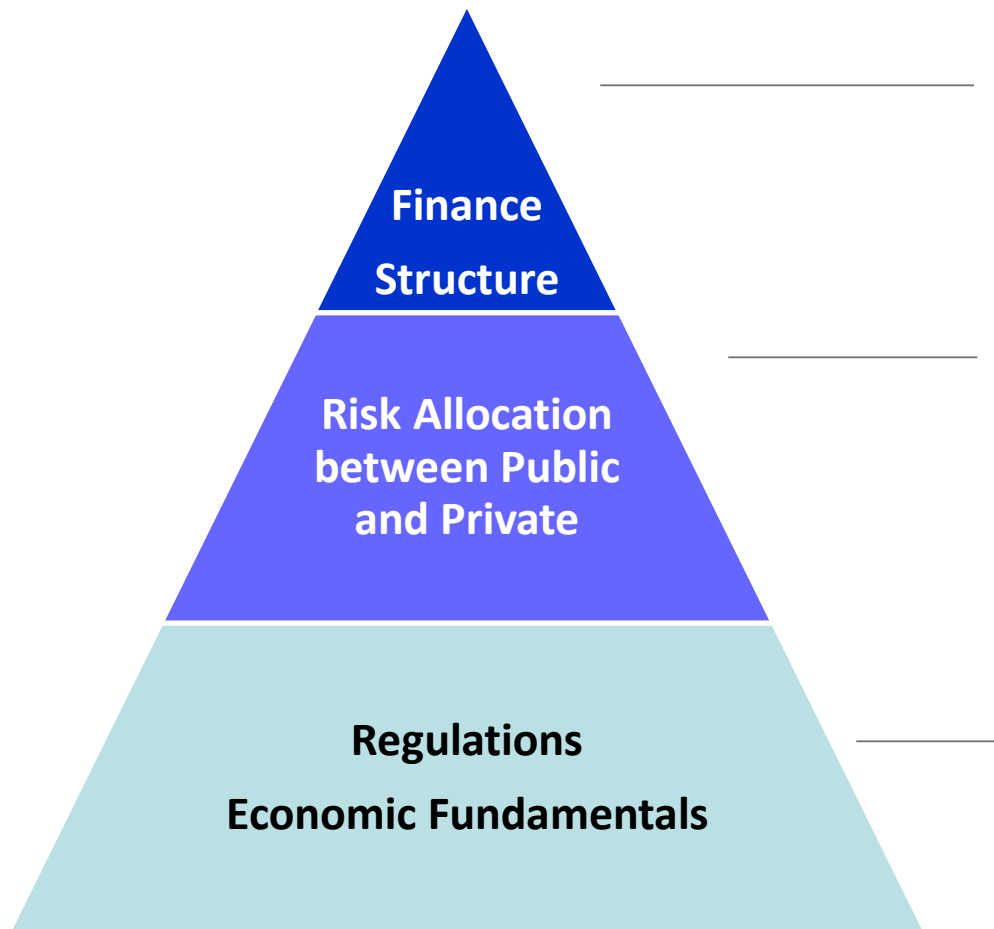
Financing PPP Projects

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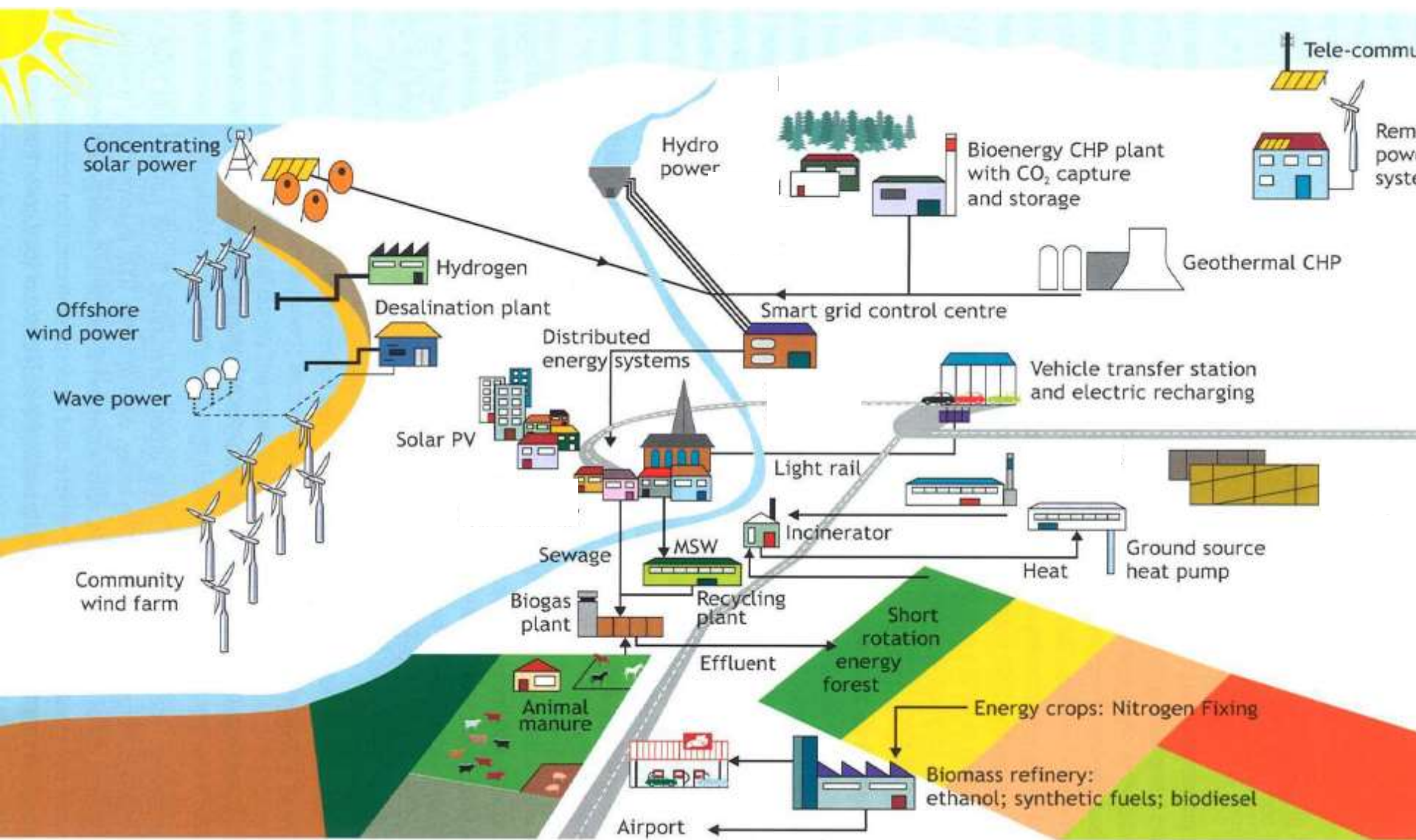
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PPP Key Ingredients



- Flexible financing structure
- Minimize transaction costs of smaller projects
- Equitable risk sharing : risk should reside with party most able to manage it. Commercial Issues such as tenure, termination regime and step-in rights.
- Key items:
 - Essentiality
 - Equitable tariff structure
 - Model concession agreement
 - Transparency



Sector Mapping Example (Water)



Raw water
Extraction

Tap water
treatment

Distribution/
Collection

Waste water
treatment

- Local government owned water companies

- BOT started in late 1990

1997/1999

- Local government owned water companies

2011/2013

- BOT/TOT started in 2004

2007 /2012

Reuse 2013

ADB Private Sector Infrastructure Finance

- More focus on Integrated Solution for Asia
 - **Inclusive green infrastructure** to reflect PRC's greater role in promoting low carbon and sustainable development in the international community and ADB's policies "Environment Operational Directions 2013-2020"
 - China has further potential to accumulate the world best practice – we view its future role as being a regional hub (for not only technologies but also finance) to help other countries to install more environmental infrastructure projects.
 - Integrated solutions to address multiple issues through value chain.
- More focus on Finance ++
 - Leverage (B-loan): ADB plays a catalytic role to arrange syndication to mobilize commercial banks
 - Technical assistance: corporate governance, energy management, etc