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6th Knowledge Sharing Platform Deepening Public Private Partnership Workshop

25-26 November 2014

Overview of Public Private Partnership in Bangladesh

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Chief Executive Officer
PPP Office (Prime Minister's Office)



1

Background: Vision of the
PPP program

Why has the PPP program been emphasised?
Why was the PPP program revised?

2

PPP Program: Key Reforms
(2009-2014)

What are the key changes introduced to PPP program?

3

PPP Project Pipeline
Development

What is the impact of the reforms on the PPP Pipeline?

4

Delivery of PPP Office Role
and Remit

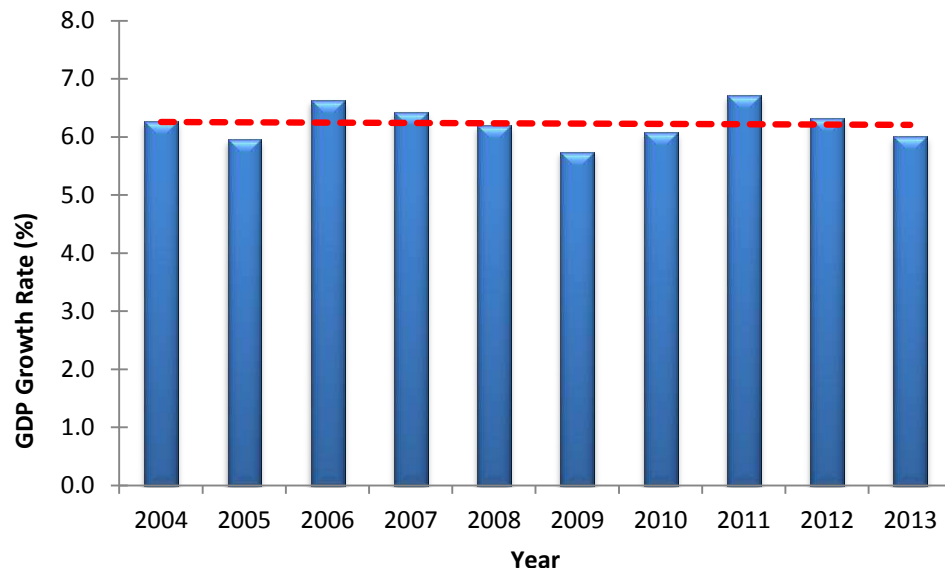
What has the PPP Office worked on for the last 18 months?

5

Recommendations and
Conclusions

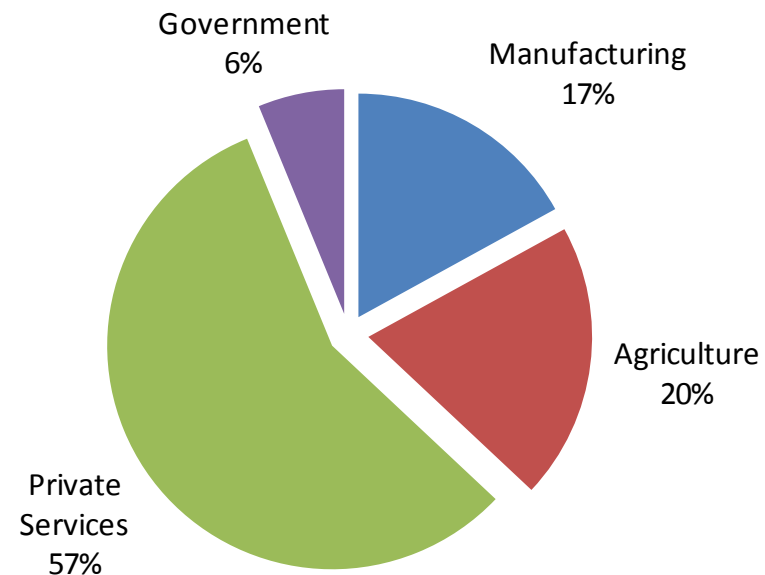
What can be done to accelerate and increase scale of delivery?

Bangladesh GDP Growth (2004-2013)



Bangladesh has registered steady and consistent growth over the last 10 years ... even during the GFC

Composition of GDP



- RMG drives growth, yet only contributes to 14% to GDP
- Economic growth underpinned by strong domestic demand



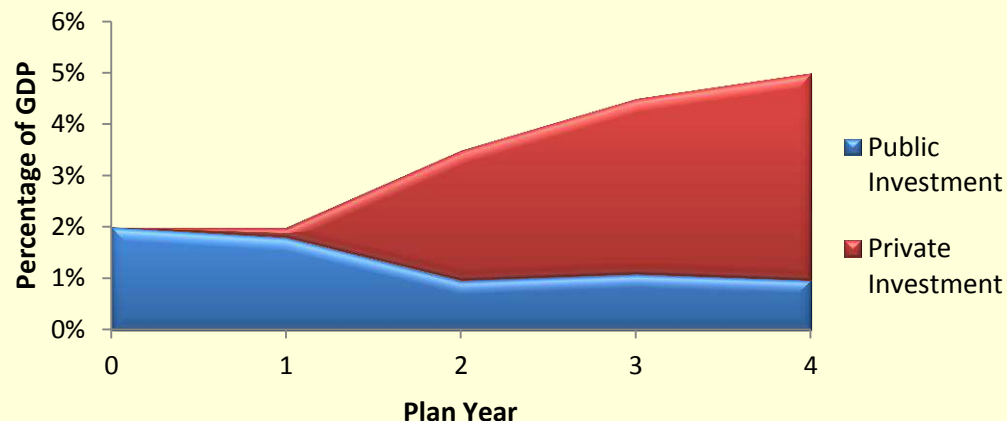
“The Government recognizes that strong public private partnerships can play a catalytic role in mobilizing additional resources as well as creating additional capacity & help for implementing public programs...accordingly, Government has put emphasis on PPP to ensure expeditious development of [public] services.”

- (Page 32), “Sixth Five Year Plan FY2011 – FY2015”

PPP is a key element of the 6th Five Year Plan to deliver the infrastructure investments required to deliver our target to become a Middle Income Country by 2021.

Sixth 5 Year Plan Infrastructure Target

- > Increase infrastructure investment from 2% to 6% of GDP
- > Target 77% investment from private sector



Targeted Outcomes:

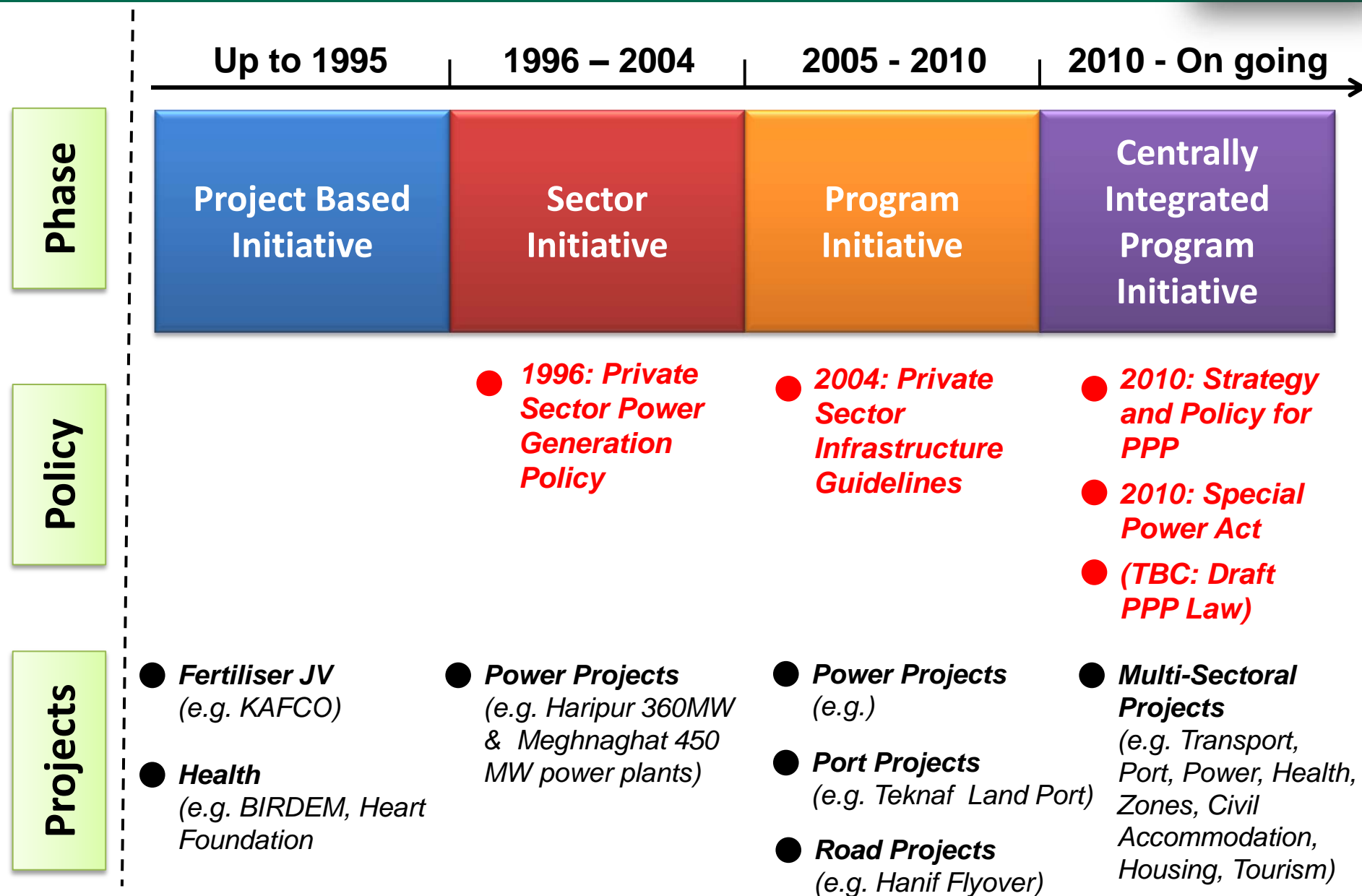
1. Accelerating investments
2. Improved quality
3. Timely delivery
4. Reduced costs
5. Innovative solutions

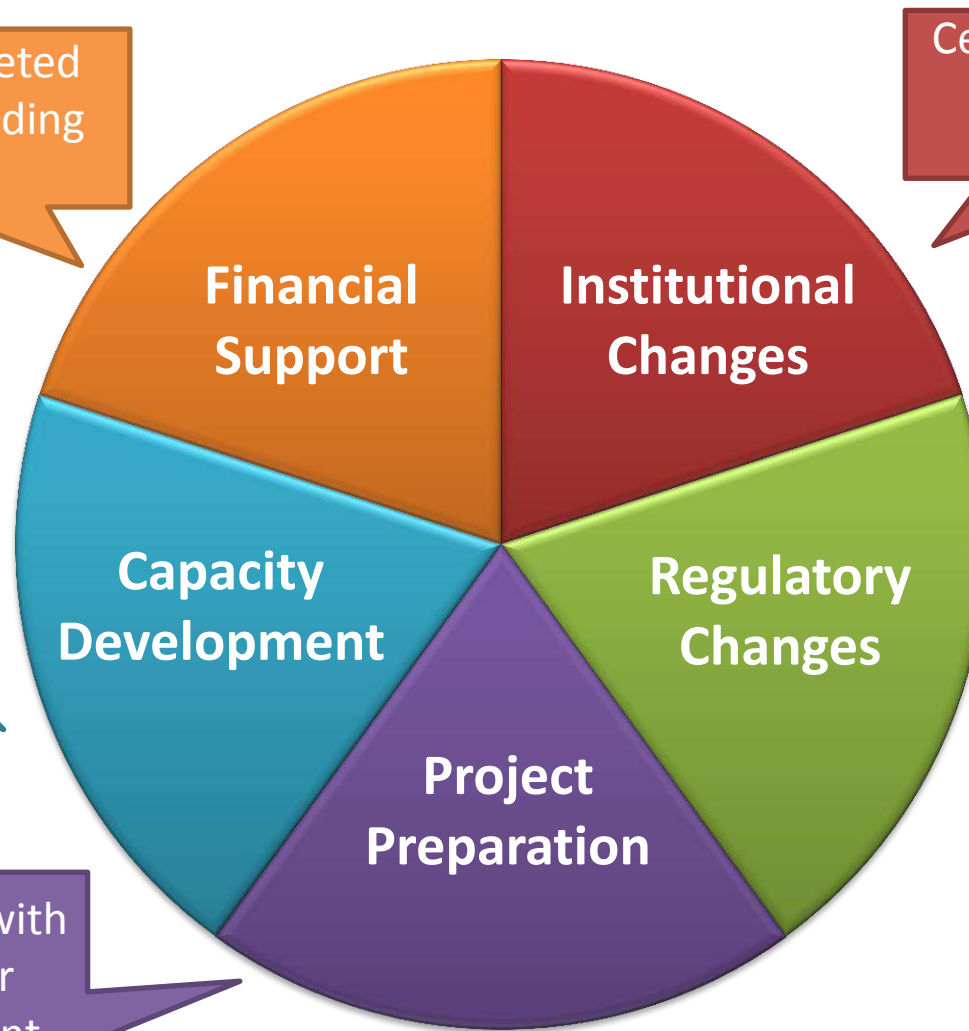
Win-Win-Win Benefits:

- a) **Consumer:** delivery of a services that people want and would not have access to at the same price, in a business as usual situation.
- b) **Government:** fulfillment of a political need, social obligation, development imperative.
- c) **Private Sector:** generate a profitable revenue stream and expand market access.



The use of PPP for essential social and economic infrastructure will enhance the quality of services and relieve the strain on the government budget





Injection of targeted
and catalytic funding
support

Centralised regulatory
unit and program
champion

Public and private
sector transaction
execution capacity
enhancement

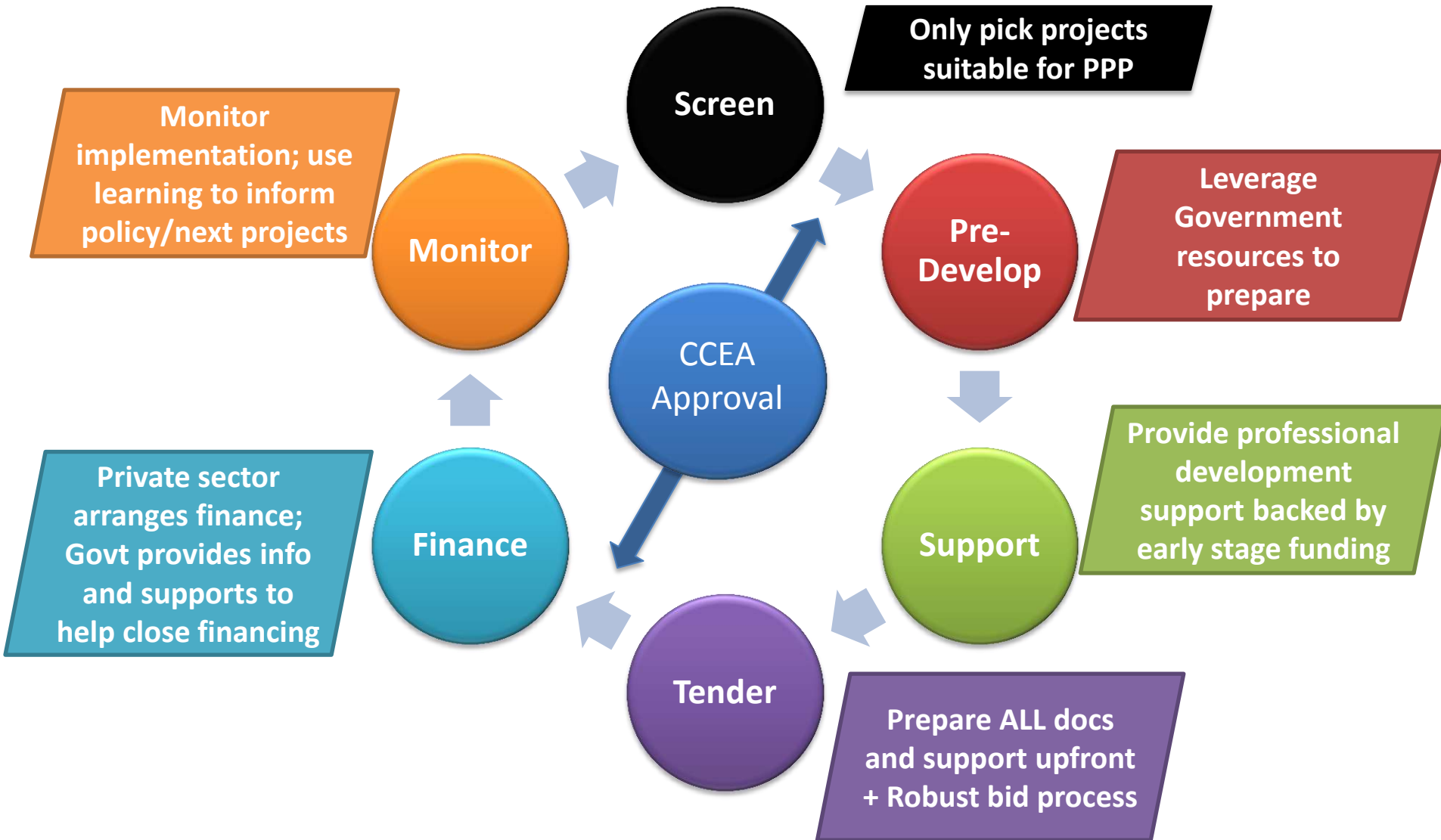
Streamlined
approval and
integrated policy
framework

Structured process with
expert support for
project development





Process specified in government Policy and Strategy for PPP, 2010



PPP Awareness and Capacity Building Events: 2012 - 2014

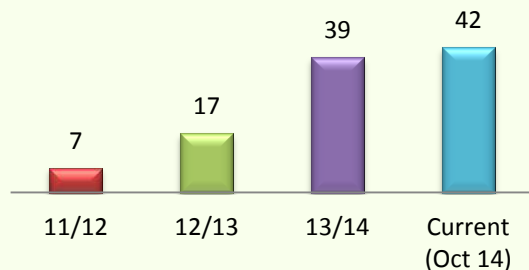


Provision of Targeted Financial Support

Fund	Technical Assistance Financing	Viability Gap Financing	Bangladesh Infrastructure Financing Fund
Objective	Support PPP project development	Enhance financial viability of PPP project	Provision of longer term Financing
Amount	TK 100 Crore (Approx. \$12m)	TK 400 Crore (Approx. \$50m)	TK 2500 Crore (Approx. \$315m)
Agency	PPP Office	PPP Unit	BIFFL

Bangladesh Project Pipeline

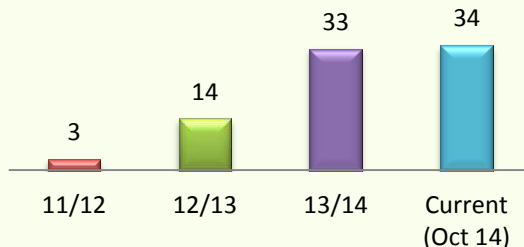
In Principal Approval (Number of projects)



In Principal Approval

Number of PPP projects with In Principal Approval and after completion of preliminary screening or prefeasibility

Advisor Engagement (Number of completed/on-going projects)

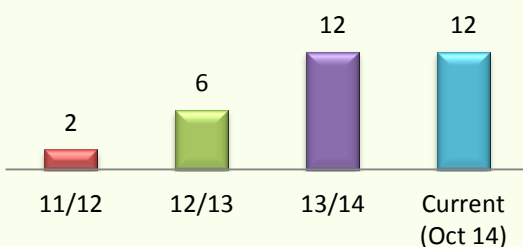


Advisor Engagement

Number of PPP projects where engagement of advisors have been completed or are on-going to carry out detailed feasibility study

Investor Selection

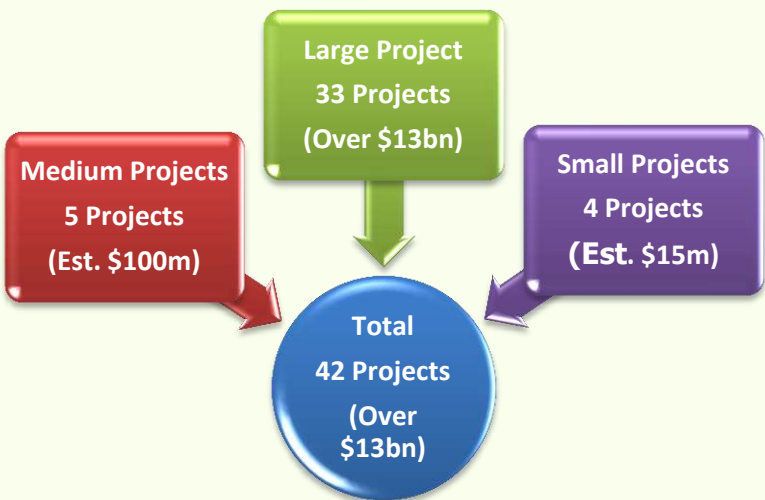
(Number of projects that have issued ROI, RFQ, RFP, CA)



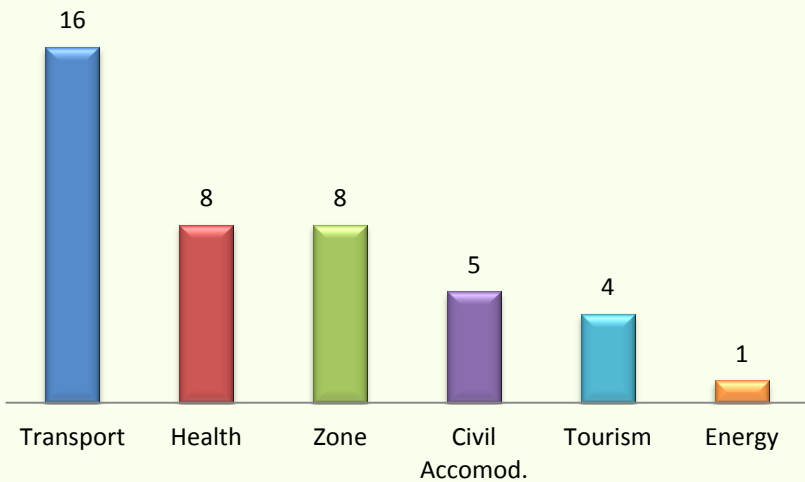
Investor Selection

Number of PPP projects where registration of interest, request for qualification, request for proposal or letter of award has been issued

PPP Projects by Size



PPP Projects by Sector



Key Messages

1

PPP – A universal model to support public finances

- ▶ With over 80% of the world applying PPP, it is now a globally accepted model for supporting public finances in accelerating the development and improving the delivery of infrastructure and public services.

2

Significant progress since PPP Office operationalization

- ▶ In-principal approved project rose to 42 projects valued at over \$14bn; 34 projects with advisors appointed or being processed for appointment
- ▶ First batch of contract award on projects expected from November/December 2014

3

Capacity building programs are critical

- ▶ Extensive public and private sector capacity building programs started
- ▶ Over 3600 people participated in over 60 events during 2012-2014; 30 public sector officials underwent intensive 1 yr. PPP training

4

Need for long term vision & commitment to reforms

- ▶ PPPs programs require substantial policy and procedural reform; capacity enhancement and clear regulatory mandate to ensure success
- ▶ Sustained long term policy commitment is vital to provide platform for delivery and success

5

PPP well placed for development target

- ▶ The PPP program in Bangladesh is well placed to meet the transformation goals envisaged in our Millennium Development Goals and Vision 2021.

Commentary

PPP Office: Delivery of Roles & Remit

