



UNESCAP Asia Pacific Forum on
Public Private Partnerships for
Transport Infrastructure Development

A Banker's Perspective
on Transport PPP Projects

Andrew Kinloch

Logie Group Limited

Bangkok, 22 January 2015

GEOGRAPHICAL COVERAGE

Each country is different ...

| | |
|---------------------|--|
| Australia | the most sophisticated market in the region but has at times taken significant commercial risk |
| Korea | the leading example of government support, suitably rewarded; now mainly domestic with major outbound |
| Japan | mainly domestic; major outbound |
| India | largest Project Finance market globally in recent years with almost all domestic funding; but structures need revisiting |
| Malaysia & Mid East | active capital markets and banks taking quasi sovereign risk |
| China | niche sectors only such as ports, water and wind farms |
| Philippines | leading SE Asia in its thinking on PPPs |
| Indonesia | great potential; making some progress ... |

FUNDING SOURCES - EQUITY

Equity

- Developer investors
- Project counterparties looking to create a customer
- Multilaterals
- Institutional investors

FUNDING SOURCES - DEBT

Debt

- Export Credit Agencies
- Multilaterals
- Capital markets
- Mezzanine
- International banks
- Domestic banks

BANKS NEED 1) A PROPERLY PREPARED PROJECT

Effective legal and regulatory framework

- ❑ Bidding and negotiations post award of Preferred Bidder status
- ❑ When bidding is unrealistic: unsolicited bids and negotiated contracts
- ❑ Mechanism to increase tariffs automatically
- ❑ Government powers of eminent domain
- ❑ Sharing of benefits with formal and informal occupants
- ❑ Consistency across projects and coordination of ministries via PPP Center

That asset's position in the greater picture

- ❑ Delivery of traffic to asset from elsewhere and completion of journeys
- ❑ Reliance on other projects: e.g. Manila LRT 1 xtn
- ❑ Consistency in specifications e.g. airports and ports

BANKS NEED 2) APPROPRIATE RISK SHARING

Allocation of risk to party best able / most willing to take it.

Political risk (incl breach of contract and denial of justice) shared when necessary with Export Credit Agencies & Multilaterals and / or Political Risk Insurance via MIGA or private market

Approvals, tax and regulatory, legal, corruption are not defined as political risks

Balance of risk and reward:

- Regulated versus unregulated revenue streams when asset cannot be thus split
 - Monopoly versus cut throat competition in e.g. ports
 - Reward via real estate development opportunities for taking unknown traffic risk
 - If extent of risk is unknown, Govt should keep it
-

BANKS NEED 3) APPROPRIATE GOVERNMENT SUPPORT - 1

If project is not viable on a standalone basis, Government support is justified by benefits generated elsewhere but not captured by ProjCo such as

- Less congestion on other routes
- Cleaner air, etc
- Increase in value of real estate – can be shared with ProjCo

Tools

- Viability Gap Funding (VGF)
- Contribute equity
- Tender only the less risky component e.g. Manila LRT 2

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_4574

