



**Public and Private Infrastructure  
Investment Management Center**

---

Welcome to the Public and Private Infrastructure  
Investment Management Center (PIMAC) at the KDI,  
a gatekeeper to public procurement and private  
infrastructure investment projects in Korea!

---

## **PPP Procurement**

## Overview

Public-Private Partnership (PPP) projects refer to arrangements where the private sector constructs and operates infrastructure facilities in order to help provide and deliver public services on behalf of the government.

Capital and technological/managerial know-how from the private sector is utilized through PPPs for constructing and operating infrastructure facilities that the government has traditionally been in charge of (roads, railways, schools, sewage systems, etc.).

Throughout the project period, the government and the private sector cooperate on an ongoing basis to provide public services related to infrastructure facilities.

Korea introduced Public-Private Partnership programs with the enactment of the Act on Promotion of Private Capital into Social Overhead Capital Investment in 1994.

PPP projects used to center around transportation infrastructure, but since the revision of the PPP Act in 2005, the scope of potential PPP projects now covers social infrastructure that is closely related to people's everyday lives, such as schools, healthcare facilities, culture and sports centers, and public housing.

## Role of PIMAC

Article 23 Paragraph 1 of the PPP Act stipulates the rationale for the establishment of PIMAC as follows: For comprehensive support of PPP as prescribed by the Presidential Decree, such as the review of Solicited Projects, analysis of project feasibility, and evaluation of the project proposals and other matters, the Public and Private Infrastructure Investment Management Center for Infrastructure Facilities is to be established within the Korea Development Institute established under the Act on the Establishment, Operation and Fostering of Government-funded Research Institutions..

## Article 20 Paragraph 1 of the Enforcement Decree of the PPP Act describes work of PIMAC as follows:

1. Support for work relating to the formulation of the Basic Plan;
2. Support for work regarding the formulation of the Request for Proposals as stipulated in the PPP Act;
3. Support for work regarding the designation of the concessionaire such as review and assessment of the project proposal, and conclusion of the concession agreement;
4. Review and assessment of the project proposal by a party in the private sector;
5. Processing various applications for such matters as the approval and permission regarding PPP projects for other organizations;
6. Support services for foreign private investors such as investment consultation and other activities to induce foreign investment to PPP projects;
7. Review of potential PPP projects and feasibility studies thereof;
8. Development and operation of capacity building programs related to the implementation of PPP projects;
9. Improvement of private investment systems and research of related fields;
10. Finding potential PPP projects and support for work related thereto; and
11. Other work related to the implementation of PPP Projects.

## History of PPP Act

Support for work relating to the formulation of the Basic Plan;

<b>~1994</b>	Individual Laws - Toll Road Act - Harbor Ac
<b>August 1994</b>	The Act on Promotion of Private Capital into Social Overhead Capital Investment - Introduction of PPP legal framework
<b>December 1998</b>	The Act on Public-Private Partnerships in Infrastructure - Government support measures, risk sharing mechanism
<b>January 2005</b>	2005 Amendment of PPP Act - Introduction of BTL - Diversification of PPP project facility types - Expansion of investor profile

## History of PPP Act

<b>~1994</b>	Individual Laws - Toll Road Act - Harbor Act
<b>August 1994</b>	The Act on Promotion of Private Capital into Social Overhead Capital Investment - Introduction of PPP legal framework
<b>December 1998</b>	The Act on Public-Private Partnerships in Infrastructure - Government support measures, risk sharing mechanism
<b>January 2005</b>	2005 Amendment of PPP Act - Introduction of BTL - Diversification of PPP project facility types - Expansion of investor profile

## Eligible Infrastructure Facility Types

According to the PPP Act and its Enforcement Decree, following facilities in 18 sectors are defined as eligible infrastructure types for PPP projects.

Type	Types of Infrastructure Facilities
Road (4)	- Roads and appurtenances
	- Off-road parking lots
	- Intermodal transfer centers, intelligent transport systems
	- Public garage for taxis
Rail (3)	- Railroads
	- Urban railroads
	- Railroad facilities
Harbor (3)	- Harbor facilities
	- Fishery harbor facilities
	- Infrastructure facilities linking new harbors to the supporting arterial network
Airport (1)	- Airport facility
Water resources (4)	- Multi-purpose dams
	- River facilities
	- Waterworks systems
	- Intermediate waterworks

Information and Communications (5)	- Telecommunication facilities
	- Super-high speed information and communication networks
	- Information and communications networks
	- Spatial information systems
Energy (4)	- Infrastructure for ubiquitous (smart) cities
	- Electric source facilities
	- Gas supply facilities
	- Integrated energy facilities
Environment (6)	- New and renewable energy facilities
	- Sewage systems, public sewage treatment facilities, excrements facilities
	- Facilities for reuse of sewage and wastewater
	- Waste disposal facilities
Distribution (2)	- Wastewater treatment terminal facilities
	- Public treatment facilities
	- Recycling facilities
	- Logistics terminals, logistics complexes
Culture, Sports and Tourism (10)	- Bus terminals
	- Tourist facilities, Resort complexes
	- Specialized sports facilities, Public sports facilities
	- Libraries
	- Museums, art galleries
	- International conference facilities
	- Cultural facilities
	- Facilities for bicycle riding
	- Youth recreation facilities
	- Science museums
Education (3)	- Urban parks
	- Kindergartens
	- Elementary and secondary schools
National Defense (1)	- Higher education facilities
Housing (1)	- Installations attached to military units for education, training and other purposes
Industrial Complex (1)	- Public rental housing
	- Industrial cluster infrastructure
Welfare (5)	- Nursing facilities
	- Childcare facilities
	- Residential care facilities for the elderly, medical care facilities for the elderly, facilities for home care for the elderly
	- Public health and medical service facilities
	- Welfare facilities for the disabled

---

Distribution (2)	- Natural and recreational forests
	- Arboretums
Public Office (1)	- Public office buildings limited to central government affiliated institutions (excluding local police departments and police stations)
Cremation (1)	- Cremation facilities

---

## Implementation Type

Solicited Projects: the government finds a potential PPP project and then seeks concessionaires

Unsolicited Projects : the private sector can propose a PPP project that is in high demand but has been delayed due to government budget constraints

## Performance

### Performance of PPP Project Assessment and Review by PIMAC

		'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	
<b>Assessment of project at ex-ante</b>																			
1	VFM test, review of project proposals	9	31	29	22	43	19	15	13	23	25	107	35	27	30	24	26	20	
2	Review of Announcement of Request for Alternate Proposals/Requests for Proposals	7	7	9	7	12	11	48	57	62	42	42	35	18	14	12	11	10	
3	Evaluation on behalf of competent authority of project proposals to select preferred bidder	1	2	8	7	-	7	16	8	17	5	1	7	4	2	-	-	1	
4	Negotiation on behalf of competent authority for contract award and other Consultations	3	32	23	25	29	20	6	8	6	8	4	4	3	3	-	4	-	
5	Review of draft concession agreement	3	5	3	2	2	7	2	41	78	80	72	45	25	20	13	16	16	
<b>Review and consultation at ex-post</b>																			
6	Review/consultation of plans for refinancing	-	-	-	-	-	-	-	-	4	12	14	9	16	4	11	6	9	
7	Alteration of Project Conditions	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	4	
8	Consultation on dispute resolution	-	-	-	-	-	-	-	-	-	-	-	-	-	3	1	2	2	

## Performance

Performance of PPP Project Assessment and Review by PIMAC

		'16	'17	'18
<b>Assessment of project at ex-ante</b>				
1	VFM test, review of project proposals	15	21	40
2	Review of Announcement of Request for Alternate Proposals/Requests for Proposals	8	4	8
3	Evaluation on behalf of competent authority of project proposals to select preferred bidder	1	1	-
4	Negotiation on behalf of competent authority for contract award and other Consultations	2	1	-
5	Review of draft concession agreement	11	9	7
<b>Review and consultation at ex-post</b>				
6	Review/consultation of plans for refinancing	16	13	11
7	Alteration of Project Conditions	6	-	3
8	Consultation on dispute resolution	-	-	-