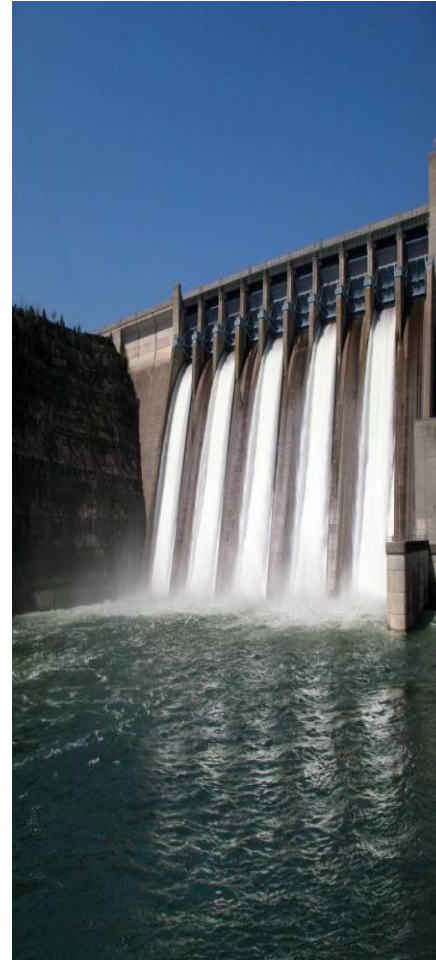




Public Private Partnership

Government of Sindh



Sindh Public Private Partnership Unit

The Sindh PPP Unit was established in 2008 with the assistance of the Asian Development Bank. The Unit is housed within the Finance Department of Government of Sindh and is the focal point for all public private partnership (PPP) initiatives within the province.

The Sindh PPP Unit is empowered by the Sindh PPP Act, 2010. The Act provides a legal cover to the PPP institutional framework, regulates the contractual relationship between public and private sector participants and covers processes regarding project approval including spending for feasibility development and viability gap funding.

The PPP Unit is headed by a senior bureaucrat and comprises of a of public and private sector professionals from a variety of fields including consultancy, investment banking, corporate law, civil engineering and capital markets.

Executed Projects

#	Line Department	Project Name	Private Party	Project Cost	Operational Date
1	Works & Services	Hyderabad-Mirpurkhas Dual Road	Deokjae Construction	Rs. 6.8 billion	Sep 2012
2	Health	Security & Safety NICH	Security n Commun	Varying Costs	2013
3	School Education	Education Management Organization	Various Partners	Varying Cost	2016
4	Health	Sindh Ambulance Services	Aman Foundation	Rs. 1.8 billion	2016
5	Health	Health Facilities Management Contract	Various Partners	Varying Cost	2016
6	Works & Services	Jhirk-Mullakatiar Bridge Project	NKB & Kainatt	Rs. 4.5 billion	Feb 2017
7	Energy	Sindh Nooriabad Power Project 100MW	Technoman Kinetics	Rs. 13 billion	Jan 2018
8	Health	Regional Blood Centres	Various Partners	Varying Cost	Feb 2018
9	Works & Services	Karachi-Thatta Dual Road	FWO	Rs. 8.2 billion	Mar 2018
11	School Education	Teachers Training Project (Hussainabad)	Durbeen	Rs 458 million (O&M cost)	2019

Project under construction / implementation

1	Works & Services	Ghotki-Kandhkot Bridge Project	Sachal Engineering	Rs. 14 billion	
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PPP Projects under Investor Solicitation

#	Line Department	Project Name	Structure
1	Local Government	Malir Expressway Project	DBFOMT (Revenue model)
2	Local Government	KMC Theme & Safari Park	DBFOMT (Revenue model)
3	Education	Education Management Organization (RFP No.5)	Management Contract
4	Investment Department	Dhabeji Special Economic Zone	DBFOM (Revenue Model)
6.	W&S Department	Link Road Project	DBFOMT (Revenue model)

PPP Projects under Feasibility Study & Consultant Selection

#	Line Department	Project Name	Status
1	Local Government	50MW Power Plant for K-IV Project	Feasibility under process
2	Culture & Tourism	Lab-e-Mehran Tourism Project	Feasibility delayed due to lack of cooperation of line Department
3	Education	Teacher Training Project	Feasibility under process
4	IT	Domicile & PRC Automation Project	Feasibility under process
5	IT	Arfa Karim IT City Project	Feasibility deferred/delayed due to unavailability of land.
6	Agriculture	Larkana Fruit & Vegetable Market	Feasibility delayed due to lack of cooperation of line Department
7	Local Government/KWSB	Waste Water Treatment Plant	Consultants to be hired for carrying out feasibility study
8	Investment	NED Technology Park	Approval obtained from PPP Policy Board to carry out feasibility study
9	SELD	Non Formal Education Project	Consultants to be hired
10	Livestock & Fisheries Dept.	Foot & Mouth Disease Vaccination Project	Consultants to be hired
11	Investment	Mega Infrastructure in Sukkur	Approval obtained from PPP Policy Board to carry out feasibility study

List of Ambitious PPP Projects to be undertaken

#	Line Department	Project Name	Status
1	Local Government/KW&SB	Corporatization of Karachi West	<ul style="list-style-type: none">• Internal discussion for project development
2	Local Government/KW&SB	HUB Canal Revamping Project	<ul style="list-style-type: none">• Internal discussion for project development
3	Local Government/KW&SB	TP-IV and Malir Basin Works	<ul style="list-style-type: none">• ADB's technical team has agreed to carry out the feasibility study for the project, including project structuring, under a grant from the supranational.
4	Energy Department	Waste to Energy Project	<ul style="list-style-type: none">• Policy under preparation
5	Energy Department	Thar Coal Water Works	<ul style="list-style-type: none">• Energy Department is aiming to execute this project as a G2G transaction under the umbrella of an MOU signed with Kuwaiti SOE. Formal agreement for this engagement need to be finalized.• Clarity on water pricing/tariff mechanism needs to be ascertained.

PPP Development Program

Enhancing Public Private Partnership Project



ASIAN DEVELOPMENT BANK

- Total Project Value is 184.13 MUS\$
- ADB is contributing 100 MUS\$ Loan
- GOS is contributing 64.90 MUS\$ as Counterpart Funding.
- DFID is contributing 19.23 MUS\$ in Grant and
- 4.75 MUS\$ in technical assistance (TA)

Project Status:

The **Loan & Project Agreements with the ADB** were signed in Sept. 2017 and the same became effective in March 2018

PPP SUPPORT FACILITY (PSF)

PSF is the financial intermediary (FI) which was incorporated under laws of Pakistan as condition to the effectiveness of ADB loan. **Its aim is to manage the new Viability Gap Fund (VGF), thereby enhancing corporate governance, transparency, improve the delivery of public infrastructure and social services by achieving better value and improving PPP project related fiscal risk management.**

GoS and ADB teams are working on the Project pipeline in order to identify, map and develop PPP projects to be executed by PSF.

Project Implementations - Key Achievements

- Amendments in PPP Act 2018, approval from Law Department, Sindh Cabinet & Provincial Assembly.
- NPO License Issuance, Incorporation of PSF Company under section 42 of Companies Act, 2017 and GoS Equity Injection of 550 Million in PSF.
- Updating Guidelines for Viability Gap Fund, Project Development Facility, PPP Policy and Project Selection Criteria for Public Private Partnership
- Developed Operations, Risk, Financial Management and Human Resource Manuals of PSF.
- Environmental Guidelines notified by Sind Environmental Protection Agency.
- Developed model documentation formats of Project Selection Criteria (PSC) and Project Appraisal Reports (PAR) for PSF.

EIU Ranks Sindh PPPs at 6

The Economist Magazine's Intelligence Unit ('EIU') Report rates Public Private Partnership Unit Sindh As **Sixth Best Performer** for Enabling PPP Environments in Asia.

The EIU usually evaluates countries only but because of extraordinary performance and results, two regions have been included in the list, namely Gujrat (India) and Sindh (Pakistan).

OVERALL SCORES ASIA INFRASCOPE 2018		
Rank		Score/100
1	Thailand	83
2	Philippines	81
3	PRC	80
4	India	77
5	Gujarat state	75
6	Sindh province	67
=7	Bangladesh	66
=7	Viet Nam	66
=9	Indonesia	61
=9	Kyrgyz Republic	61
=9	Pakistan	61
12	Kazakhstan	58
13	Mongolia	54
14	Georgia	48
=15	Armenia	45
=15	Sri Lanka	45
17	Timor-Leste	44
18	Tajikistan	41
19	Papua New Guinea	28

Category	Score/100	Rank/19
Overall score	67	6
1) Regulations	74	5
2) Institutions	95	2
3) Maturity	73	=6
4) Investment & business climate	66	12
5) Financing	23	=15

Lessons Learned

- Introducing PPP legislation can be an important, but not by itself sufficient, prerequisite for successful PPPs.
- Sustained political and bureaucratic commitment is essential
- PPPs work best when the procurement process is transparent and competitive
- PPPs are most suited to sectors where the pace of change is gradual;
- PPPs do not work in every sector (eg. in sectors that experience rapid change such as IT);
- Procuring agencies should not lose sight of long-term affordability, both to government and to users, when considering PPP programmes.
- Successful PPPs involve meaningful, yet realistic, risk transfer. Luring private partner to assume a risk, it can not mitigate, shall fire back.
- PPP is the most secured business avenue for private partner where changes in demand and supply does not affect the price.

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