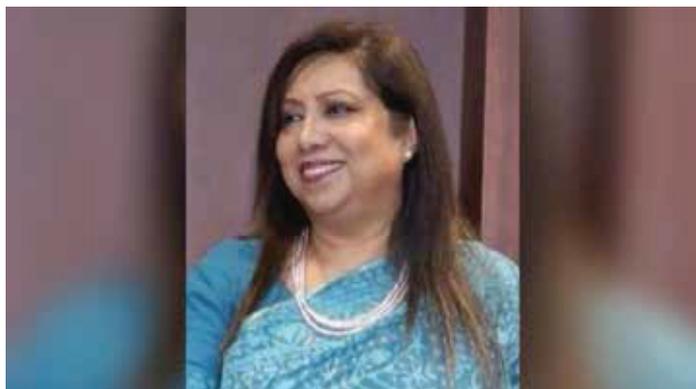




PPP

Newsletter

A Quarterly Publication of **Public Private Partnership Authority**



Sultana Afroz

Secretary to the Government & CEO
PPPA, Prime Minister's Office

It gives me immense pleasure to announce that PPP Authority (PPPA) under the Prime Minister's Office, Government of Bangladesh, is going to publish first volume of its Quarterly Newsletter. I wish that this new endeavor of PPPA will fulfil the intended purpose and will continue to get enriched with each new installment.

Public infrastructure and services of high quality are prerequisites for the well-being of the people, ease of life, sustainable development of the country as well as correctly utilizing inclusive Value for Money for the government's effort. Bangladesh is advancing fast towards achieving its Vision 2041 and Delta Plan 2100. To keep pace with this growth rate and demand, the country needs a large amount of investment in public infrastructure and services. Needless to say, it is extremely difficult for the government alone to provide such amount, so participation of private sector investments is required towards the public assets.

After the establishment of the PPP Authority back in 2012, it has been facilitating the government to achieve its long-term goals by encouraging private participation in public infrastructure and services through direct financing, implementation, management and operation. As the PPP mode of procurement is complex, risk prone and different from the conventional procurement method, PPPA is assisting ministries, regulatory bodies and public sector implementing authorities as well as private organizations for their capacity building, project selection; providing consulting services from internal and external sources and supervising project implementation.

Since the beginning, PPPA has facilitated 79 projects to be delivered through the PPP Scheme which has an aggregated investment value of USD 29 billion. These projects cover almost all primary infrastructure

sectors such as healthcare, transportation, industry, IT, civil accommodation, social infrastructure, shipping, urban facilities, economic zone, tourism, energy, education and food. One healthcare project is already operational while others are in different phases such as under construction, procurement, feasibility study or in the preliminary stage.

PPPA is working towards achieving the Sustainable Development Goals by building resilient infrastructure, promoting sustainable industrialization and fostering innovation (SDG Goal 6, 8, 9, 11, 17). It is also taking other initiatives that will cater to achieve others SDGs such as Goal 2: Zero Hunger, Goal 3: Good health and well-being, Goal 5: Gender Equality, Goal 6: Clean Water and Sanitation and Goal 13: Climate Action.

It is noteworthy that an additional funding of USD 928.48 billion would be required from 2017 to 2030 for Bangladesh to achieve all SDGs which denotes that USD 66.32 billion is required annually on an average. According to the 7th Five Year Plan (FYP), 5.5% of this needs to come from PPPs. To obtain this financing Government of Bangladesh has put emphasis on keeping 30% of investment projects under PPP from the Annual Development Plan (ADP) and this is going to be reflected in the 8th FYP as well.

PPPA also has signed Memorandum of Understandings (MoU) with Japan, Singapore, South Korea and United Arab Emirates to attract foreign private partners and bring direct financing for PPP projects on Government-to-Government (G2G) basis. It is also having discussions with other governments like India, Canada and Denmark for G2G PPPs.

During the last few months, ambassadors from different countries have visited PPPA to explore opportunities in Bangladesh. Many other investors and developers from PPP-centric countries are contacting PPPA to find suitable investment projects. International financiers and development organizations are also interested to be involved with PPP Projects and their senior management has visited the office of PPPA. These clearly indicate that the market for PPP in Bangladesh is growing and it will create successful stories.

Countries like UK, Australia, Canada, USA, Brazil, Turkey, South Africa, Japan, China, Thailand, Malaysia as well as our neighboring country India have seen the light of success of the PPP scheme. Our motherland has also been successful in power and energy sectors using the PPP model. Now we need to put our efforts in achieving success in other sectors as well. To meet this goal, our PPP Authority is working relentlessly.

Finally, I want to thank all who have been directly and indirectly associated with the publication of the Quarterly Newsletter.. I wish a continued and successful publication of this newsletter.

Bangladesh is growing, let us all be a part of it.



Abul Bashar

Director-General, Programming and Investment Promotion
PPP Authority

PPP: FROM CONCEPT TO REALITY

Public Private Partnership (PPP) in Bangladesh has gone through a long journey from a mere concept to reality. This is probably the case for nearly all the countries pursuing PPP to scale up their infrastructure investments. PPPs are not easy fixes for any country. Bangladesh had to undergo institutional developments and legal changes along with increased awareness and capacity building programs to facilitate implementation of PPP projects. Even after the enabling environment for PPP is created, substantial time and resources are required to assess the commercial, legal and technical aspects of the projects under consideration.

Public-Private Partnership means a PPP contractual arrangement between the contracting authority (public sector) and the private partner pursuant to which the private partner:

- i. Assumes the responsibility of carrying out public work and providing public goods and services
- ii. Receives consideration for work and services from public funds, charges/fees from users of public goods and services and share of the profit
- iii. Accepts the risk in accordance with the terms and conditions of the PPP contractual agreement

Source: PPPA PPP Regulatory Framework. January 2019

Individual public-private projects first appeared in Bangladesh in the mid-1990s, particularly in the power sector. In mid-2009, a policy promoting public-private partnership was included by the Government of Bangladesh in the national budget legislation. At the time, there was not any clear policy and strategic guidelines on how to actually implement PPP projects. An official 'PPP Policy and Strategy for Public Private Partnership 2010' was issued to pave the way for institutional changes, regulatory reform, project development, capacity development and financial support mechanisms. This policy was replaced into PPP Law that came into effect in 2015.

The PPP Office (PPPO) was established in 2011 under the Prime Minister's Office, indicating high level support for effective implementation of PPP projects. Its role is to support line ministries to identify, develop, tender and finance bankable PPP projects. The PPP Office became fully operational in January 2012 following the appointment of Syed Afsor Uddin as the Chief Executive Officer (CEO). He was followed by Md. Alkama Siddiqui. On April, 2020, Sultana Afroz, Secretary to the government, became the newly appointed CEO of PPP Authority.

The PPP Office was converted to a statutory authority as PPP Authority in 2017. It has an independent mandate and budget. A PPP Unit was also established in 2011 under the Ministry of Finance to provide project financing support, including technical



assurances, viability gap funding and other forms of payments. The PPP Authority also developed a network of focal points at all relevant Line Ministries and agencies who are in charge of PPP projects.

PPP Authority worked closely with experts, technicians, advisers and consultants from leading global and local firms in establishing international standard regulatory framework, institutional building for the development and procurement of PPP Projects. The Procurement Guidelines for PPP Projects in 2016 sets out clear and comprehensive requirements for project preparation documents and clear and streamlined procedures for PPP procurement. The PPP Screening Manual was also developed to see if the project met the requirements of PPP policies and regulations.

PPP Authority with the support of internationally acclaimed experts designed training programs for government officials with focus on financial, commercial, legal and negotiation skills. PPPA also organized workshops and seminars at home and abroad to create awareness among local and international investors and other stakeholders.

Two long-term infrastructure financial institutions were established: (i) Infrastructure Development Company Limited (IDCOL) in 1997 was mandated to fund predominantly private-sector-led infrastructure and industrial projects, such as private power generation; and (ii) the Bangladesh Infrastructure Finance Fund Limited (BIFFL) in 2011 was mandated to fund infrastructure projects, such as public roads and highways.

An innovative 'Policy for Implementing PPP projects through Government to Government (G2G) Partnership 2017' for developing mega public infrastructure assets with other countries. The policy provides the framework for engagement and modality for the delivery of PPP projects whereby the implementation of projects will be carried out with the support of other Government and through their state owned or private sector entities. PPPA has already signed Memorandum of Understanding (MOU) or Memorandum of Cooperation (MOC) with the Governments of Japan, Singapore, Republic of Korea and United Arab Emirates.

In 2009-10 there were only 3 active PPP projects. Now the PPP Authority has a pipeline of 79 PPP projects with 1 in operation, 6 under construction, 15 under procurement stage and 27 projects are under the detailed feasibility stage

Bangladesh has been highlighted as an example for LDC countries in APMG PPP Certification Program in 2018 and was the runners up in the 'Government PPP Promoter of the Year' category in 2017 PPP Bulletin's Asia-Pacific edition.



M. Murshed Haider
PPP Specialist. PPP Authority, Bangladesh

DHAKA BYPASS: COUNTRY'S FIRST PPP TOLL EXPRESSWAY IN HIGHWAY NETWORK



The Dhaka Bypass project has been conceived by Roads and Highways Department under Road Transport and Highways Division, Ministry of Road Transport and Bridges, to be implemented through a Public-private partnership (PPP) model. Once implemented, this project is going to be the first PPP toll expressway project in highway network in Bangladesh.

The existing road between Kodda and Madonpur faces huge traffic congestion as trucks and covered vans are not allowed to ply through Dhaka city during the daytime. This is why an alternate route for road users with high level of travel time reliability and reduced vehicle operating cost in National Highway N105 became a much needed proposition. The Value for Money (VfM) analysis reflects that undertaking this project using PPP (DBFOM) model will be 13% less costly comparing to procuring through the traditional method. The 48-kilometre expressway will allow vehicles to drive at a speed of 120kmph speed, which means the vehicles will not take more than 40 minutes to travel from Narayanganj's Madonpur to Gazipur's Kodda. The upgrading of the road will ensure a major arterial connection between the industrial zone northeast of Dhaka and national highway N1 connecting to the port city of Chittagong, as well as to N2, N3, and N4 highways leading to other major cities.

PPP projects pass through a rigorous process of project development phase followed by a transparent procurement phase. Following PPP's procurement method, the Dhaka Bypass project has been awarded to the consortium of Sichuan Road and Bridge Group (SRBG), Shamim Enterprise Ltd., and UDC Construction Limited. Currently, the private partner of this project is in the process of securing the finance and getting ready for the construction phase. The private partner, through

its project company, will design, build, finance, operate, and maintain the tolled expressway over a 25-year concession period, and will be able to charge tolls based on vehicle types. The total cost of the project is BDT 3,500 crore, with the government offering viability gap funding of Tk310 crore and a minimum revenue guarantee to the consortium to optimize the cost of financing.

The commercial road will have service lanes on both sides for vehicles operating without paying tolls. These lanes will make the road communication easier between Dhaka, Gazipur and Narayanganj cities, through Purbachal Residential Area. The contract also provides the government with a share of revenues generated by the project company over a certain threshold. This project will certainly bring a new dimension to public service delivery in Bangladesh.

News Brief

UNITED NATIONS RESIDENT COORDINATOR IN BANGLADESH VISITS AUTHORITY



The United Nations Resident Coordinator in Bangladesh, Ms. Mia Seppo made a courtesy visit to Ms. Sultana Afroz, Secretary to the Government of Bangladesh and CEO of the PPPA, PMO on 22nd December 2020. The meeting highlighted on selected projects that are in alignment with the UN Sustainable Development Goals (SDGs), such as dialysis centers, hospitals, urban water supply and waste water treatment, which are already in the PPP pipeline. Office of the UNRC and PPP Authority showed their commitment in forming strong partnership for overcoming the SDGs related PPP implementation challenges.

REVIEW MEETING ON G2G PPP PROJECTS WITH JAPAN



The Public Private Partnership Authority convened a meeting on 14 December, 2020, to review the progress and the status of the proposed projects with Japan under the Government-to-Government (G2G) modality. The meeting was chaired by Dr. Ahmad Kaikaus, the Principal Secretary to the Prime Minister. The meeting was also participated by Mr. Md. Nazrul Islam, Secretary of Road, Transport and Highways Division and Mr. Md. Salim Reza, Secretary of Ministry of Railways. The Heads of the implementing agencies of the projects Mr. Md. Shamsuzzaman, Director- General, Bangladesh Railway, Mr. M A N Siddique, Managing Director, Dhaka Mass Transit Company Ltd (DMTCL) and Mr. Quazi Shahriar Hossain, Chief Engineer, Roads and Highway Department along with the respective Project Directors discussed the status of each project under consideration. Officials of PPP Authority and other officials from the line ministries and agencies also attended the meeting with a hope that Bangladesh can strengthen their partnership with Japan through implementing PPP projects on G2G basis.



Dr. Najmus SAYADAT
Director, PPP Authority, Bangladesh

The Government of Bangladesh has been employing PPP Policy tool since 1990s to facilitate interaction between the government and the private sector for improving public infrastructure and public service delivery. Since then, PPP Policy performance indicates a major policy implementation deficit as there are differing performances among different PPPs. Some are successful, some are moderately successful and some are unsuccessful. For explaining this policy performance, PPP experts and practitioners in Bangladesh mostly emphasize on the policy framework, regulatory environment, institutional arrangement, project development activities, technical expertise & due diligence and transparency in the procurement. However, if we consider the PPP life cycle with five phases i.e., PPP project identification, development,

PPP POLICY IMPLEMENTATION IN BANGLADESH: AN APPLIED PERSPECTIVE

i.e., PPP project identification, development, transaction, implementation and transfer phase-these above-mentioned factors mainly deal with the first three phases. Whereas, the factors during project implementation phase, which is the longest period of PPP project life cycle, are mostly overlooked.

Indeed, policy implementation i.e., the transformation of policy goals into action depends upon the interaction of actors who have distinctive interests and

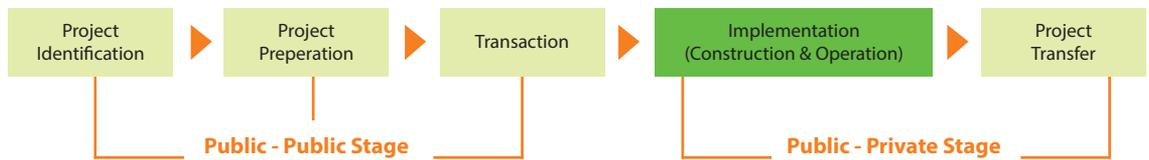
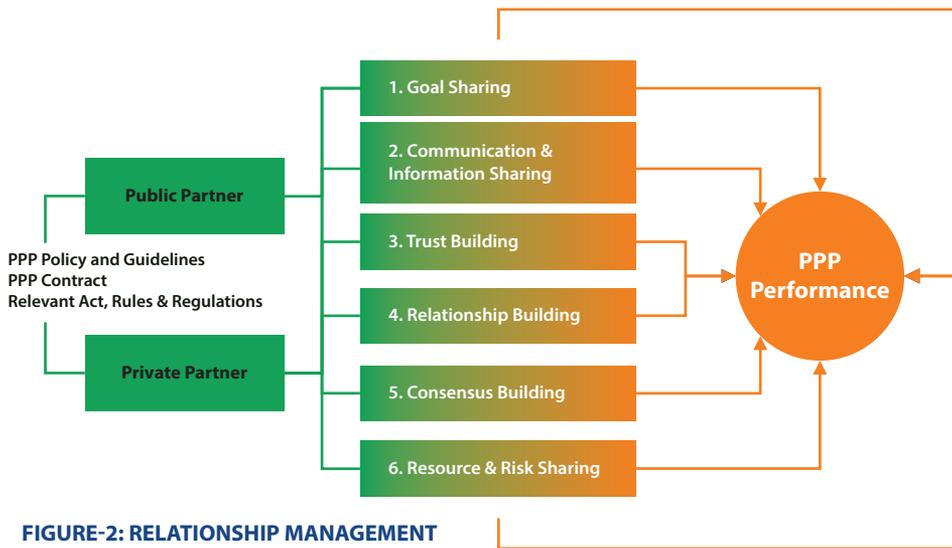


FIGURE-1: FIVE PHASES OF PPP PROJECT'S LIFE CYCLE

strategies. Therefore, to overcome the PPP policy implementation deficit, we need to focus on the interaction of actors (mainly among public and private partners) during implementation phase. Sharing goals, enhanced communication and information sharing, building mutual trust and relationship, joint decision making on complex issues with win-win situations, resolving dispute following proper escalation levels and sharing risks and resources among the partners throughout the implementation phase are some of the important processes during implementation phase which require special attention by implementing partners of a PPP project. Theoretically and practically, it has been established that higher cooperation based on these implementation processes is the key determinant for policy performance. Thus, action of implementing agency officials and their capabilities in enhancing cooperation for addressing those processes require significant attention.



In case of non-successful PPP policy performance in our country, lower level of cooperation and interaction among the public and private actors are evident. However, besides lower level of cooperation among the implementing agencies, there are some other important challenges of PPP policy implementation in the context of Bangladesh. Some of the major challenges are: a) While the most important roles are expected to be played by the business level officials than strategic level at the top of implementing agencies or policy level officials at the Ministry, the business level officials do not always play a proactive role, b) There is persistent incompetence on the part of the public partner in dealing with the issues connected with other governmental organizations, c) Political interference may occur sometime during implementation phase creating imbalance in the policy process,

FIGURE-2: RELATIONSHIP MANAGEMENT STRATEGIES WHICH AFFECT PERFORMANCE

which, in turn, undermine the performance of the PPP policy implementation, d) Implementing agencies are not sufficiently equipped with required personnel, contract management manual, sufficient fund during implementation phase and e) Decision making in addressing these emerging issues and disputes is not efficient and effective.

However, these challenges are not insurmountable because these are also connected with reinvigorating enhanced interaction among the implementing public and private partners. Though PPP Authority is a regulatory body, it aims to facilitate implementing agencies in relation to the mentioned issues through its capacity building initiatives among the Ministry and agency level officials, along with its assistance in all other phases of PPP life cycle. It is expected that through these initiatives, Bangladesh will experience successful PPP policy performances in the coming days.

BULLETIN BOARD

3RD BANGLADESH-KOREA JOINT PPP PLATFORM MEETING



The Public Private Partnership Authority convened a meeting on 14 December, 2020, to review the progress and the status of the proposed projects with Japan under the Government-to-Government (G2G) modality. The meeting was chaired by Dr. Ahmad Kaikaus, the Principal Secretary to the Prime Minister. The meeting was also participated by Mr. Md. Nazrul Islam, Secretary of Road, Transport and Highways Division and Mr. Md. Salim Reza, Secretary of Ministry of Railways. The Heads of the implementing agencies of the projects Mr. Md. Shamsuzzaman, Director- General, Bangladesh Railway, Mr. M A N Siddique, Managing Director, Dhaka Mass Transit Company Ltd (DMTCL) and Mr. Quazi Shahriar Hossain, Chief Engineer, Roads and Highway Department along with the respective Project Directors discussed the status of each project under consideration.

CANADIAN HIGH COMMISSIONER TO BANGLADESH PAYS A COURTESY VISIT TO THE PPP AUTHORITY.



Excellency Benoit Préfontaine, High Commissioner of Canada in Bangladesh, accompanied by Ms. Corinne Petrisor, Counsellor and Senior Trade Commissioner of the High Commission, paid a courtesy call to Sultana Afroz, Secretary to the Government of Bangladesh and CEO, PPPA on 25 November 2020. Dr. Khalilur Rahman, Bangladesh High Commissioner-designate to Canada, also attended the meeting. They showed interest in broadening the scope of the bilateral economic partnership with Bangladesh recognizing the importance of public private partnership to leverage resources for undertaking projects beneficial to both the Canadian private sector and Bangladesh. The importance of PPP for accelerating Bangladesh's development was highlighted and focused on possible areas of working together.

AMBASSADOR-DESIGNATE OF THE REPUBLIC OF KOREA PAYS A COURTESY VISIT TO THE PPP AUTHORITY



Lee Jang-Keun, Ambassador-designate of the Republic of Korea paid a courtesy visit to Sultana Afroz, Secretary & CEO, Public Private Partnership Authority yesterday. Ambassador Lee highlighted his firm commitment to promote a stronger Korea-Bangladesh relationship through infrastructure development during his tenure. Also, he conveyed his sincere gratitude to the PPP Authority for a warm welcome. In addition, Ambassador Lee expressed Korea's support for Bangladesh in overcoming the formidable challenges caused by COVID-19. Since the establishment of diplomatic ties between the Republic of Korea and Bangladesh in 1973, the cooperation in various fields, such as politics, economy, culture, development cooperation, and the technology transfer, has been maintained. Additionally, more than 150 Korean companies are present in Bangladesh, making the Republic of Korea as one of the largest investors.

U.S AMBASSADOR TO BANGLADESH PAYS A COURTESY VISIT TO THE PPP AUTHORITY.



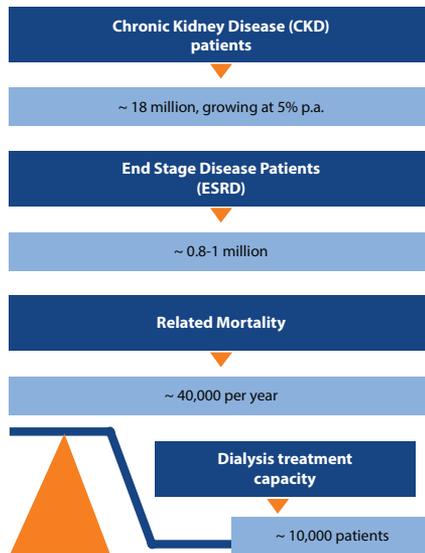
H.E. Mr. Earl R. Millar, Ambassador of the United States to Bangladesh paid a courtesy call to Ms. Sultana Afroz, Secretary to the Bangladesh government & CEO of the Public-Private Partnership Authority (PPPA) on 24 November 2020. He was accompanied by Mr. John Smith-Screen, Office Director-Economic Growth Office, USAID, American Embassy. Ms. Ferdousi Shahriar, Director-General of Americas, Ministry of Foreign Affairs also participated in the meeting. The meeting acknowledged the outstanding contributions of the United States of America in Bangladesh's economic and social development, climate change and combating terrorism and trafficking in persons.



Emtiazul Hassan Mazumder
Consultant, PPP Authority, Bangladesh

PPP IN HEALTH SECTOR: SAVING LIVES

There are around 160,000 patients with End Stage Renal Disease ('ESRD') in need of dialysis or kidney transplant in Bangladesh. However, national capacity for conducting dialysis in Bangladesh is limited to around 650 dialysis machines that can only treat around 10,000 patients. Every year, 40,000 people in Bangladesh die due to kidney diseases; around 150,000 patients lead restricted lifestyles due to lack of access to treatment. The lack of modern dialysis machines and supporting equipment restrict the ability to offer quality dialysis services to patients suffering from ESRD, hindering their ability to lead a normal life and shortening their overall lifespan.



Development:

The need for enhancing Dialysis Services was identified by the executing agency responsible for these services. The PPP option was considered following a field visit and reviewing of case studies. The project was then approved by the PPP Authority and the Health Ministry. The feasibility study concluded that the project could be successfully implemented on a PPP basis. The contract was signed on January 2015 with Sandor Medicaid Private. Ltd., India. Financial closure was reached in March 2015 and Infrastructure Development Company Ltd. (IDCOL) was the financier of the project.



Implementation:

The project is located within existing public health facilities at NIKDU Institute (Dhaka) and CMCH Hospital (Chattogram). Total floor space allocated at NIKDU is 7,500 sqft and at CMCH is 4,750 sqft. The private partner installed a total of 90 machines as per the PPP contract. The private partner is providing 19,500 dialysis sessions per year at BDT 400 per session to the poor patients. They will also provide 1950 dialysis session free of cost. The financially solvent patients can also receive dialysis at BDT 2190, whereas private centres charge around BDT 6000-7000.

Impact:

This project increased the capacity of the country's dialysis services by approximately 12%, providing access to treatment to over 1000 additional patients who previously did not. This enabled these patients to lead a life of higher quality through better health services. The project structure ensures that patients have access to increased number of dialysis sessions, at higher quality standards but at reduced charges. Additionally, patients can also access private healthcare facilities at charges below prevailing market prices. Patients can also avail walk-in services, with 24 hour service coverage. The private partner has provided more subsidized sessions than stipulated in the contract in the last fiscal year. This project has already earned international recognition as a successful health and social welfare PPP project.

Way Forward:

This project was developed as a pilot PPP project. Now as it has been implemented successfully, replication of the project is necessary at national level across other regions of the country where there is acute need for dialysis services. The project is a first step towards enabling introduction of private sector providers in delivery of health services within the public sector framework. The key factors for successfully expanding the project and replicating it into a wider program are already in place. Wider stakeholder consultation and discussion will be vital for the success of future similar projects.



News Brief

HIGH COMMISSIONER OF INDIA TO BANGLADESH PAYS AN INTRODUCTORY VISIT TO THE PPP AUTHORITY



H.E. Mr. Vikram K Doraiswami, High Commissioner of India to Bangladesh paid a courtesy call to the Public-Private Partnership Authority (PPPA) on 16 November 2020.

A presentation outlining the roles, responsibilities and achievements of PPPA was given. Bangladesh has a pipeline of 79 projects of which 6 projects have started construction work. PPPA is supporting projects in various sectors, such as transportation, tourism, health, housing and more. High Commissioner conveyed his sincere gratitude to Ms. Sultana Afroz, Secretary and CEO of PPPA for the warm hospitality and fruitful discussion on investment and building India-Bangladesh partnerships for infrastructure development through PPP. Both the High Commissioner of India Mr. Doraiswami and Secretary, Ms. Sultana Afroz agreed that it was important for countries to grow together so that the people in the region have better lives.

DANISH AMBASSADOR TO BANGLADESH MEETS SECRETARY AND CEO, PPP AUTHORITY.



Danish Ambassador to Bangladesh, H.E. Ms. Winnie Estrup Petersen paid a courtesy visit to Sultana Afroz, Secretary & CEO, Public Private Partnership Authority.

She conveyed her intention of continuing Denmark’s long-standing relationship with Bangladesh through public-private partnerships on development, foreign policy and trade. Danish investment present in Bangladesh record back to the 1970s in areas such as the dairy sector (DANO-Arla), pharmaceutical (Novo Nordisk), shipping & logistics (Maersk), and fertilizer sector (KAFCO). Today, the investment portfolio is much broader with new investments in the fast-moving consumer goods sector, building materials, and constructions. She adorned the G2G PPP program as transformation from aid to trade. Green growth and infrastructure collaboration options were also discussed as an area of mutual interest.



A. M. Al-Amin
PPP Specialist, PPP Authority, Bangladesh

SUCCESS OF PPP PROJECTS AROUND THE WORLD

In order to bridge the investment gap and meet infrastructure needs worldwide, private-sector involvement is necessary. Public-private partnerships (PPPs) are an important mechanism for meeting and promoting worldwide needs for infrastructure. PPPs will contribute to national development and growth across all socioeconomic sectors if properly planned, built and implemented, benefiting both the private and public sector players. The design of high-performance and productive PPPs involves taking into account unique requirements at the various stages of planning, structuring and execution of such projects at the level of the sector and the country and through four key ecosystem levers: governance, policy, transaction phase and execution/monitoring. Many governments around the world are looking at public-private

partnerships (PPPs) as a tool to help meet their infrastructure needs and to harness the innovation and skilled management capacity of the private sector to meet national development goals, while many countries have already been successful in the implementation of PPPs.

SUCCESS OF PPP MODEL IN THE UK



The UK was the first country in the world to develop the concept of public private partnerships (PPPs) catering to public service projects. Through partnership with the private sector, PPPs enable the delivery of efficient, cost-effective and measurable public services within modern facilities whilst minimizing the financial risk.

PPPs are common in almost every aspect of public infrastructure in England and Wales, including:

- Roads, schools, university student accommodation, prisons, defense, healthcare and hospitals
- Waste to energy and waste management;
- Public security and border control;
- Waste water transportation;
- Certain natural resource developments; and
- Street lighting, energy transmission and other energy projects, including solar.



SUCCESS OF PPP MODEL IN THE USA

For many years, a public-private partnership in the US mostly meant surface transportation. But other kinds of P3s are becoming more and more common. For example:

- Kentucky closed in 2015 a \$275 million P3 to build a 3,000-mile statewide broadband network.
- Miami-Dade County in Florida is moving ahead with its P3 program for several major civic and waste and water projects.
- Seth Miller Gabriel, director of the Office of Public-Private Partnerships for the District of Columbia, says government buildings, including schools are the main areas in which his city is looking at P3s.
- Other types of P3-sponsored government building projects are also on the rise. For example, the city of Long Beach, California closed on a \$530 million P3 to build a new civic center in 2016.
- Public universities are also interested in P3s. Montclair State University in New Jersey began the trend with a P3 for housing facilities in 2011.

Since then, universities in Georgia and Kentucky have done similar deals, while The Ohio State University closed on a P3 to develop parking facilities and is using a P3 to upgrade its energy system. Purdue University and the city of West Lafayette closed in 2016 with the Plenary Group on a P3 to turn State Street into a pedestrian-friendly urban hub. The University of California (UC) at Merced also closed in 2016 with Plenary on a \$1 billion P3 to build campus facilities. The UC Merced project's size and ambition could pave the way for even more major university projects.



SUCCESS OF PPP MODEL IN THE CANADA

Canada has quietly become a leading player in the global PPP space. The unique Canadian version of the procurement model has evolved from an innovative idea promoted through the wisdom and passion of a few early believers and visionaries into a widely applied approach, embraced by all three levels of government and in every region of the country.

What might seem like an "overnight success" has, in fact, taken 25 years of listening and learning to develop a smart, innovative and modern approach to infrastructure and service delivery using Public-Private Partnerships. It is an approach that ensures real value for tax dollars and the efficient use of valuable public resources.

Today, there are 267 active PPP projects in Canada, and those that have reached financial close are valued at nearly 123 billion Canadian dollars (US \$95.4 billion). Independent researches indicate the Canadian PPP portfolio has saved governments as much as \$27 billion Canadian dollars (US \$20.9 billion) and added 115,000 jobs and \$5 billion Canadian dollars (US \$3.9 billion) in additional wages on average per year. Moreover, these projects are delivered 13% faster than those procured in the traditional way.

P3s across Canada have already been successfully used to deliver 170,000 square feet of new school space, 4,790 hospital beds, 170 court rooms, 930 kilometers of roads and other infrastructure.

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