



Investor Conference

Malir Expressway Project

(Local Government Department, Government of Sindh)



A Public-Private Partnerships Project

Overview:

This conference aims to bring to light the developments of PPP projects in the province of Sindh, with a specific focus on the upcoming mega project, Malir Expressway Project (MEP). This session aims to target the private sector investors to join hands with the GoS through secure, long term arrangements that will not only provide a healthy return on investments, but also enable companies to contribute positively towards the development of their country.

The government of Sindh is making concerted efforts to make PPPs as one of their most effective vehicles to attract private sector participation in public services delivery and increase economic growth. PPP Unit was created in Sindh province to tap private investment and increase managerial abilities for the provision of world class public infrastructure and service delivery. In consolidating Pakistan's growth trend, private sector involvement is vital for the development of an efficient and well-developed infrastructure system as it will facilitate a competitive economy and augment socio-economic growth.

Thursday, 1st March 2018
3:00 pm to 5:00 pm

Ballroom A - Mövenpick Karachi

Guest Speakers:



TANVEER AHMED KHAN
Head of Operations/Director
Projects at EA Consulting



Huzefa Mazahir Ali
Principal, Transaction Advisory
Services at EY



Ali Asgher Khan
Partner at
Haidermot aBNR

Schedule:

Topic	Speaker	Time
Welcome Address & Introduction	Khalid Mehmood Shaikh (DG PPP Unit)	3:00 – 3:10
Technical aspects of MEP	Tanveer Ahmed Khan	3:10 - 3:25
Project financial plan	Huzefa Mazahir Ali	3:25 – 3:40
Project structure and legal considerations	Ali Asgher Khan	3:40 – 3:55
Question and Answer session		3:55 – 4:15
Farewell note	Muhammad Ramzan Awan (Secretary LGD)	4:15 – 4:30
Hi-Tea		4:30 – 5:00



Organizers:

Local Government Department in collaboration with Public Private Partnership Unit, Finance Department

Speakers



Muhammad Ramzan Awan

Secretary, Local Government Department
Government of Sindh

Mr. Awan is a dedicated public servant with experience in various government departments and has been involved in deploying several successful projects for the government.



Khalid Mehmood Shaikh

Director General, PPP Unit
Finance Department, Government of Sindh

Mr. Shaikh was a member of the founding team of the Sindh PPP Unit where he developed legislative, institutional and legal framework. He also played an integral role in the creation of the PDF and VGF funds for PPP initiatives. He currently holds the charge of Director General of both the PPP unit and the Karachi Neighborhood Improvement Program.



Tanveer Ahmed Khan

Head of Operations / Director Projects
EA Consulting

Mr. Ahmed Khan is an accomplished Highway Engineer. He has natural flair for highway design and has to his credit, the design and project management with successful completion of several mega highway projects in Pakistan and the Middle East. Mr. Khan leads a dedicated team of highly skilled and experienced highway engineers offering integrated transport network solutions to clients in public and private sector, at home and abroad.



Ali Asgher Khan

Partner
HaidermotaBNR

Mr. Khan possesses a wide ranging practice which includes corporate/M&A advisory, project development & financing (including PPPs) – leading both the corporate and finance aspects of these transactions. Ali Khan specialises in advising on the energy sector, the oil & gas sector, public private partnerships, infrastructure projects & transactions, construction industry, project financing and the telecommunication sector.



Huzefa Mazahir Ali

Principal – Transaction Advisory Services
Ernst & Young

Mr. Mazahir is a Principal in EY's Transaction Advisory Service department and leads the Project Finance and Infrastructure Advisory service line. Prior to EY, he worked in an investment banking division of a financial institution – which is widely recognized as the pre-eminent corporate finance team. His key sectors include Power & Utilities, Oil & Gas, Transportation, Construction materials and Fertilizers.



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Sindh PPP Project Timeline

2008 Formation of the PPP Unit in Sindh

2009 Hyderabad Mirpurkhas Dual Carriageway

Pakistan's first indigenously structured PPP project that consisted of a 60 km dual carriageway, consisting of 8 bridges and 62 culverts, that complemented regional agribusiness and created 5,000 direct and 22,000 indirect jobs.

2012 Sir Aga Khan Jhirk Mulla Katiyar Bridge

This is the largest over-Indus bridge that provides a corridor which is perpendicularly cutting all big arteries and providing them access to N5 and subsequently M9.

2014 Sindh Nooriabad Gas Power Plant

This project consisted of two 50MW Gas Fired Power Plant and a 95 km transmission line.

Contracting Out of Health Facilities through performance based agreements

Government of Sindh contracted out more than 160 health facilities including Districts Head Quarter (DHQs), Taluka Health Quarters (THQs), Regional Blood Centres (RBCs), dispensaries, ambulance and emergency management services under PPP mode.

2015 Karachi Thatta Dual Carriageway

This project enhanced the quality of the existing N5 highway. The larger economic benefit of this Project is linked with connecting this corridor from Thatta onwards to Mithi, taking it further down to Islamkot and Thar – carrying over all road length to 296 km. The project cost was PKR 8.9 billion

Education Management Organizations (Performance Based Contracts)

The management of 23 public schools, that were constructed by the USAID, has been outsourced to credible educational organizations from private sector.

2016 Sindh Peoples Ambulance Service for Thatta and Sujawal

This project encompassed operation of 25 ambulances equipped with state-of-the-art lifesaving gear. 220 locals were also trained and hired as drivers, nurses and paramedics.

2017 BRTS Orange Line & Green Line (Bus Operations)

The Green Line is a 21 km BRTS corridor running from Surjani Town to Municipal Park which further extends in a loop of 6.5 km of the Central Business District of Karachi. The Orange line is a 6.5 km BRTS project that runs from TMC Orangi to Board office.

2018 Ghotki – Kandhkot Bridge

This project will reduce traveling distance between Ghotki and Kandhkot from 152 km to 30 km. The project consists of a two lane highway and four lane bridge over Indus.

BRTS Blue Line (Infrastructure)

10.1 km BRTS line running from Guru Mandir to Al-Asif Square. Project will increase connectivity of Karachi City Centre to the educational, residential, economic and industrial areas under development in the North of Karachi.

Malir Expressway Project

A 39.3 km long corridor that will be the biggest provincial PPP project in Pakistan which aims to alleviate problems of traffic jams, concession, wastage of time and fuel, environmental pollution and accidents in Karachi. This is a strategic expressway that will facilitate increased economic activities, carrying traffic from the port and industrial areas to the main highways.



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PPP Projects in Sindh



Sir Aga Khan Jhirk Mulla Katiyar Bridge



Hyderabad Mirpurkhas Dual Carriageway



Karachi Thatta Dual Carriageway



Sindh Nooriabad Gas Power Plant



Motor Vehicle Inspection & Certification System



Regional Blood Centres



Education Management Organization



Contracting Out of Health Facilities through performance based agreements



Sindh Ambulance Services

Projects Pipeline

- Ghotki-Kandhkot Bridge
- Link Road (M9-N5)
- Malir Expressway
- Karachi Theme & Safari Park
- BRTS Yellow Line
- BRTS Green Line & Orange Line (Bus Operations)
- BRTS Blue Line (Infrastructure)
- Mango Processing Plant

- Khairpur Wholesale Dales Market
- Larkana Wholesale Fruit & Vegetable Market
- Solar Dehydration Plant for Dates Project
- Fish, Meat, Fruit & Vegetable Retail Market
- Lab-e-Mehran Tourism (Sukkur)
- Livestock Farms

- Cambridge & Comprehensive Schools (English Medium)
- Teachers Training Institute for Education
- Domicile & PRC Automation
- Arfa Karim IT City



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Keynote Project

Malir Expressway Project

The project:

Local Government Department ("LGD"), Government of Sindh intends to develop the Malir Expressway which will be a 4-lane dualized expressway along the Malir River from Hino Chowk near KPT Flyover to Karachi-Hyderabad Motorway (M-9) near Kathore via link road. The total length of the Malir Expressway will be 39.3 km. The proposed expressway will provide a new southern alternative route for carrying port traffic and traffic from industrial areas to main highways. The Expressway will provide speedy access to key real estate schemes along the route, reducing commuting time from KPT Flyover to Super highway (M-9) to only 25 minutes.

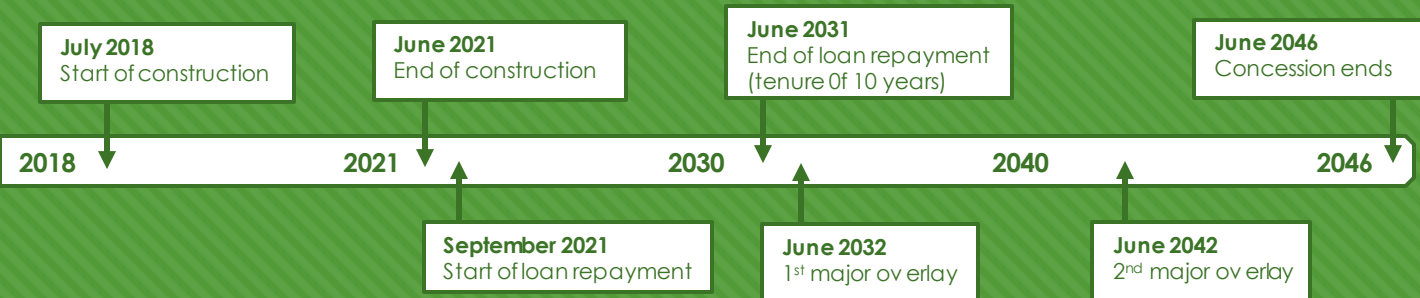
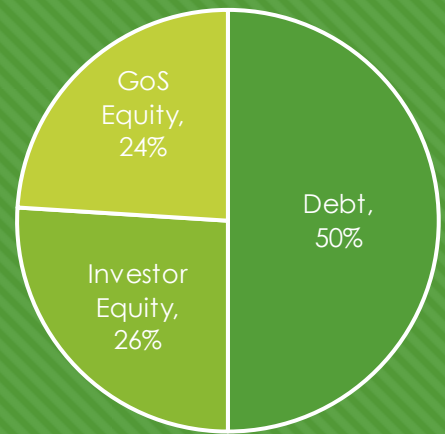


Concession Features:

The project has been structured on a Design, Built, Finance, Operate & Maintain and Transfer (DBFOT) arrangement with a concession period of 28 years (which includes 3 years of construction and 25 years of operations and maintenance).

- ▶ During the concession, the private party will be responsible for:
- ▶ Construction;
- ▶ Financing;
- ▶ Operations and Maintenance of the Project;
- ▶ Concessionaire will also undertake two major overlays on the project during the Concession period;
- ▶ The Concessionaire will be entitled to levy and collect toll from the commuters of the project.

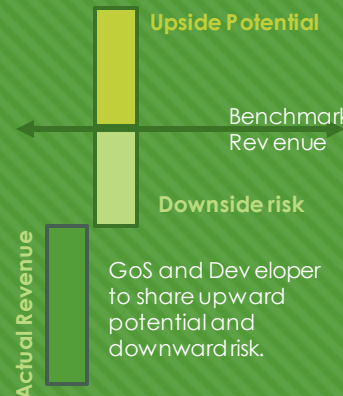
Capital Structure



Minimum Revenue Guarantee (MRG) Mechanism

The demand risk of the project is equally shared between the Concessionaire and the GoS through the Minimum Revenue Guarantee (MRG) structure which is explained below:

- ▶ The concept of Benchmark Revenue has been introduced in the project structure
- ▶ If actual revenue is less than the Benchmark Toll Revenue in any given year, the shortfall shall be borne on equal basis between the GoS and the Concessionaire
- ▶ If actual revenue is above the Benchmark Revenue in any given year, the excess shall be shared between the GoS and the Concessionaire on a 50:50 basis



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Awaiting to welcome You

For queries and information:

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