



PPP Presentation

*Agencia Nacional de Alianzas para el Desarrollo de Infraestructura Económica –ANADIE–
PPP Unit of Guatemala*

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Alianzas para el Desarrollo
de Infraestructura
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ANADIE

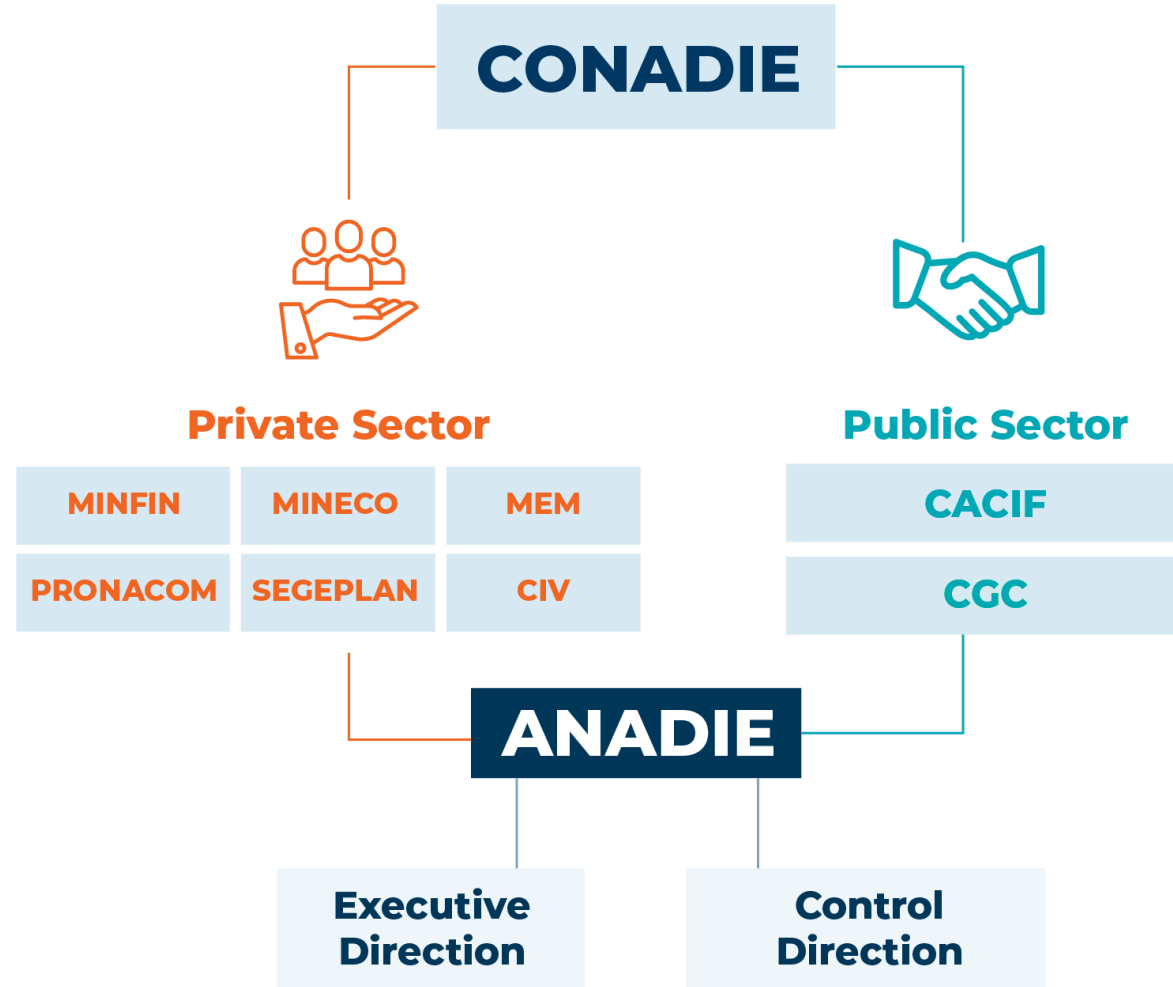
Created under Decree 16-2010 of the Congress of the Republic - Law of Alliances for the Development of Economic Infrastructure and its Regulations of the Law of Alliances (Governmental Agreement 360-2011)

- State decentralized entity
- Own equity
- Promote projects of Alliances for the Development of Economic Infrastructure known as Public Private Partnerships -PPP-
- Projects with high quality standards
- Requested by State Contracting Institutions





Structure of ANADIE



Who does **PP Projects** in Guatemala?



Projects requested

By State entities and
Municipalities

Based on the current PPP
law (Decree 16-2010)



PORTS



ROADS



RAIL TRANSPORT



AIRPORTS



ELECTRIC POWER



PUBLIC BUILDING



Opportunities for PPPs in Guatemala

Current portfolio

Guatemala has attractive projects for Direct Foreign Investment



Reform of the law

Socialization of the PPP model with the Legislative Organism and the new law initiative



New projects

Identification, evaluation and structuring of new projects



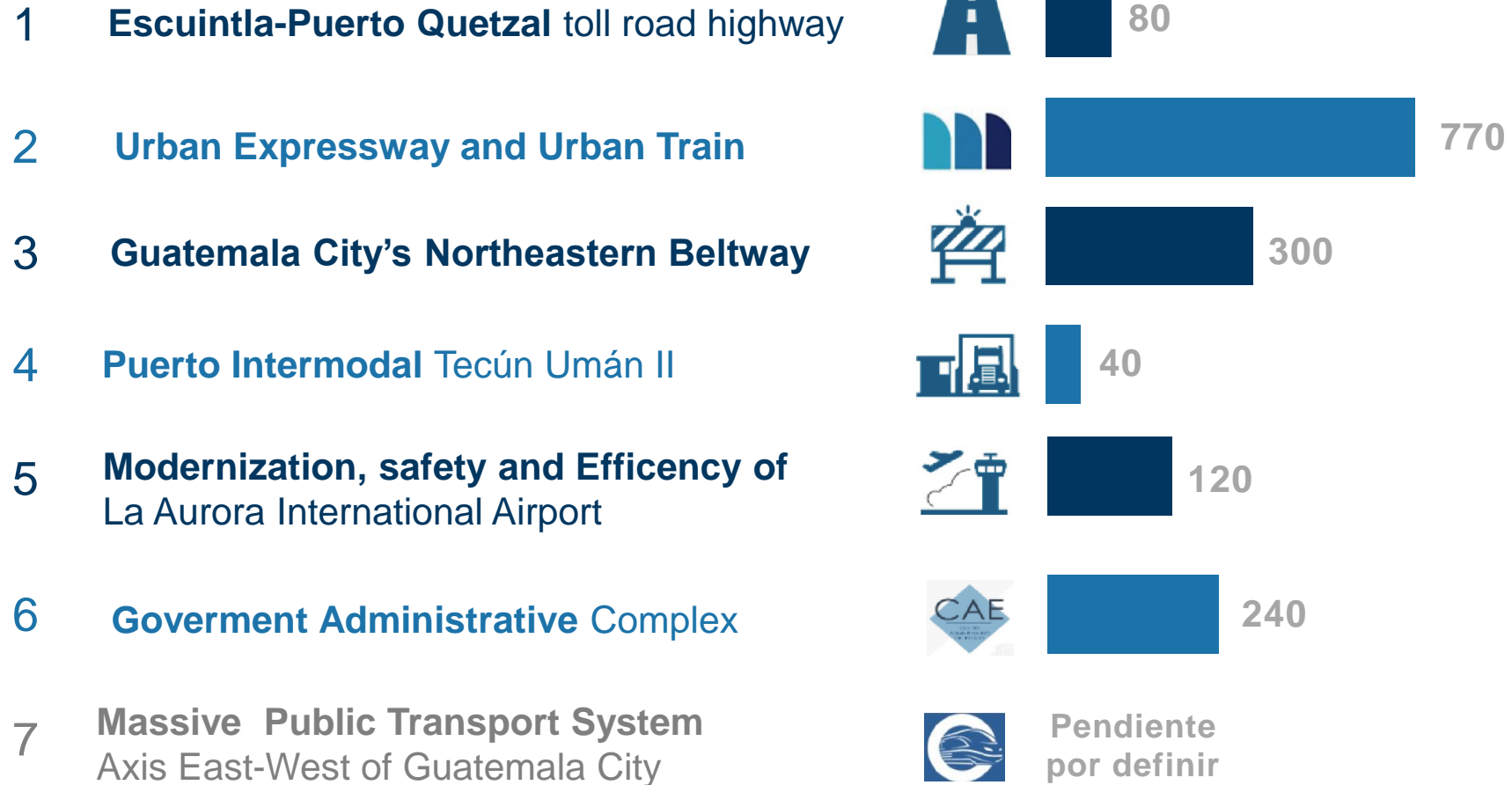
The Public Private Partnership is an investment with cooperation that benefits the population



1 Project portfolio

Project portfolio

Estimated investment are US \$
1,598 millions



①

Modernization, Safety and Efficiency of La Aurora International Airport

Estimated investment

USD 158 millions; Air Side and Land Side.

Contract Term

25 years.

Actual status:

Feasibility studies completed, ready for prequalification in 2022

Income:

Airport fees and commercial income

Benefits / impact

- Maximize the use of an important asset of Guatemala, moving from a spending model to an income model
- Airport goes from 3.1 mm / pas / year to 7 mm / pas / year
- Profit / Cost of 4.1x, and the Social IRR is 29%

Generation of **6,000**
direct and **75,900**
indirect jobs

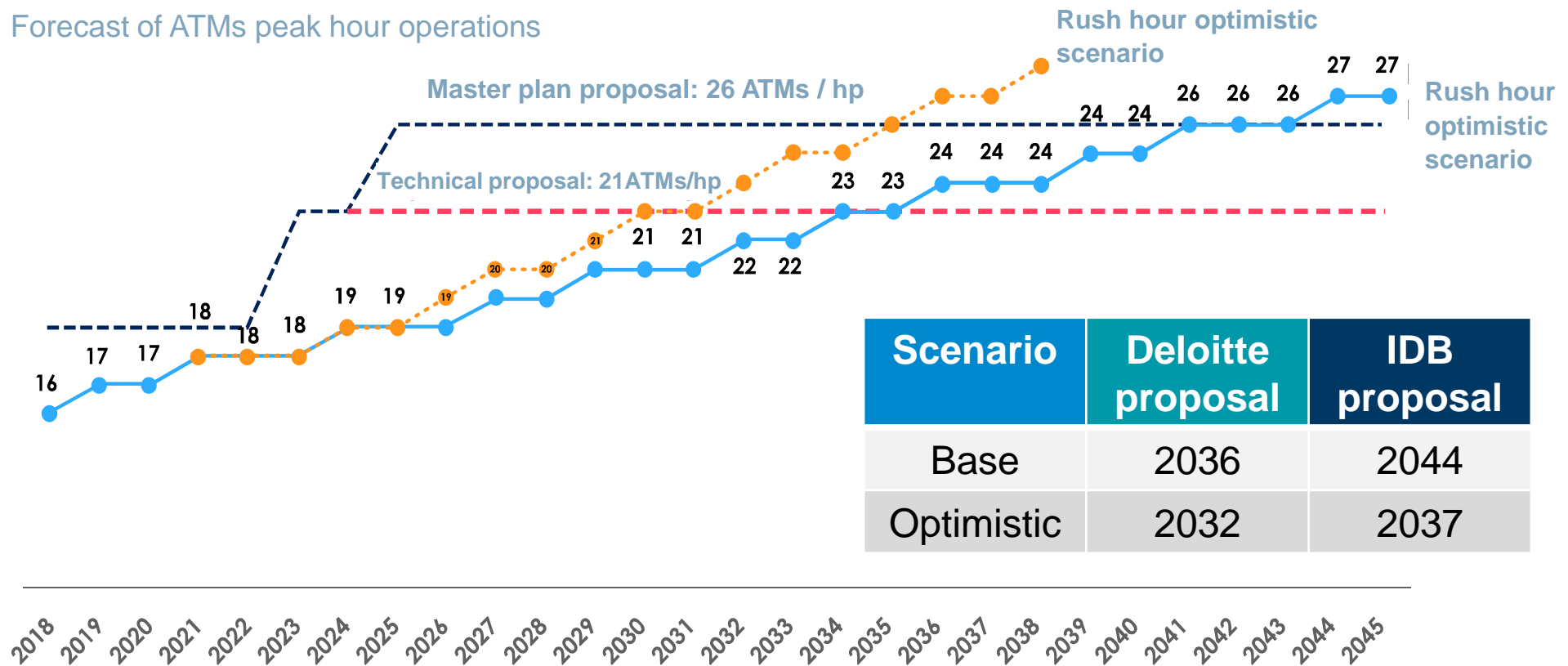


¿Why is action urgent?

It currently has a rush hour operation at 17 ATM / hr, the maximum for normal operation is 19 ATM / hr, which will arrive in 2026 (updated 2020)

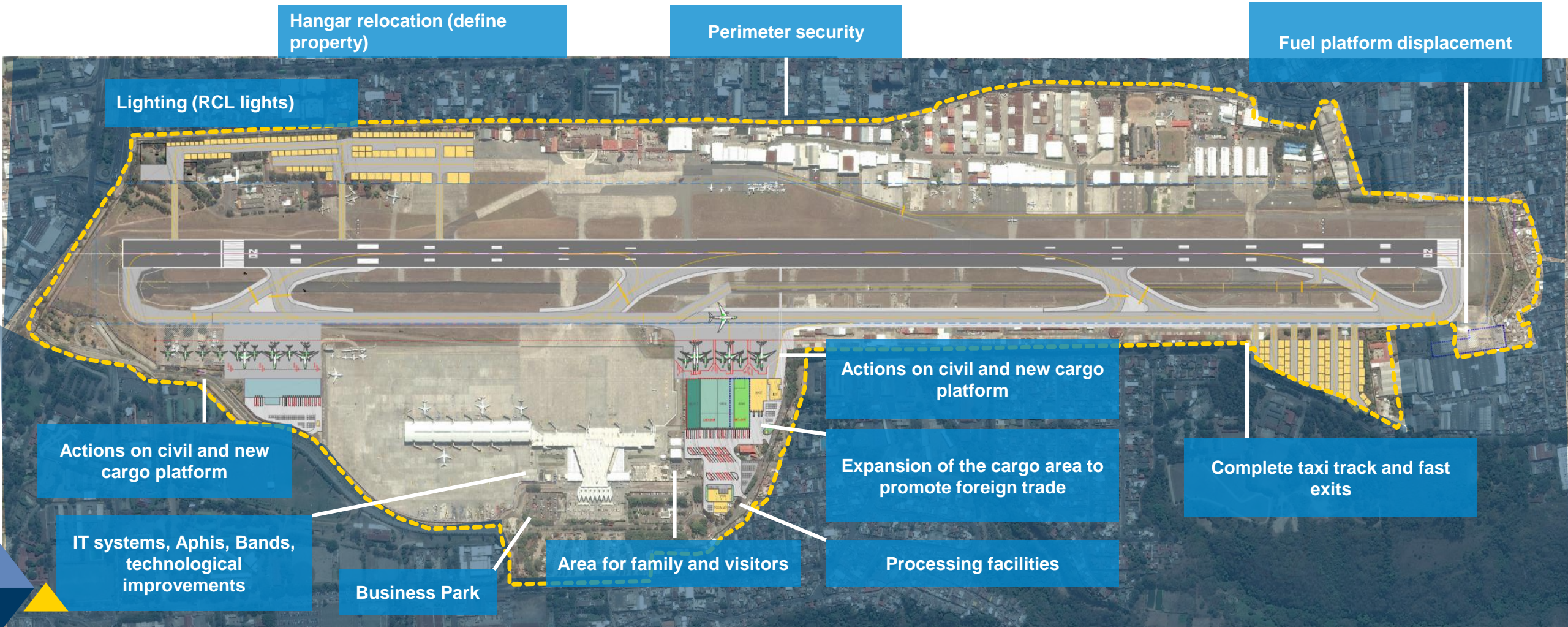
The IADB proposal based on the master plan allows reaching beyond 2044, while the technical proposal would be limiting in 2036

Forecast of ATMs peak hour operations



Technical solution

- The airport capacity increases to 62.5% of the existing one today
- It will allow the sustained development of air connectivity in Guatemala until beyond 2044



② Escuintla-Puerto Quetzal toll road highway

Contract Term:

The contract has a term of 25 years (3 years of construction + 22 years of operation)

Financial and Economic Data:

CAPEX: USD 80 millions (according to pre-investment estimate)

Canon to the State on gross income

1 -8 years of operation: 4%

9- 25 years of operation: 41.13%

Potential savings of USD 10M

when doing it under APP scheme

Project IRR: 13.06%

IRR-Economic: 19.04%

Benefit / Cost Ratio: 1.67

Project income: Toll for use of infrastructure.

Users benefited per day

14,000 during the first year of operation

Generation of 1,500 jobs during the term of the contract



Escuintla-Puerto Quetzal toll road highway

Project Objectives

- Achieve **the interconnection** between the CA-9 Sur "A" and the CA-9 South highways
- **Improve the roads of the section called Port Circuit** to improve the fluidity and the quality of the service
- Improve the current four-lane road "Escuintla-Puerto Quetzal" on the Central American Route CA-9 South "A" (kilometer 60 + 900 to kilometer 102 + 100 of route CA-09 South "A") **and raise it to a highway level**



¿WHAT DOES THE STATE RECEIVE FROM THE PROJECT ACCORDING TO INITIATIVE 5506?

Contribution during the exploitation phase

From the beginning of operation to the 8th year = 4% on gross income (not including tax)

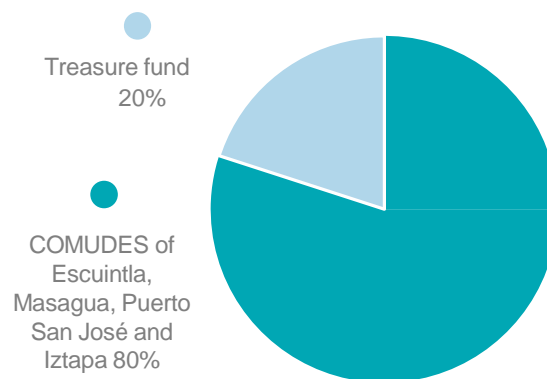
From year 9 to termination of the contract = 5% + 36.13% (offered = 41.13% on gross income (not including taxes))

Distribution and partial allocations (initiative 5506) during the exploitation phase

In the project's areas of influence, for infrastructure projects, sustainable tourism and social investment, as follows:

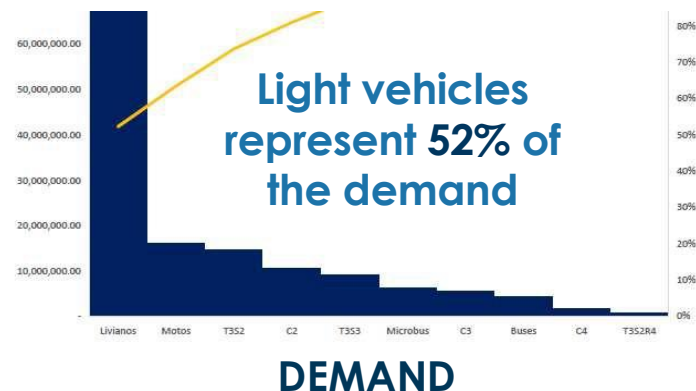
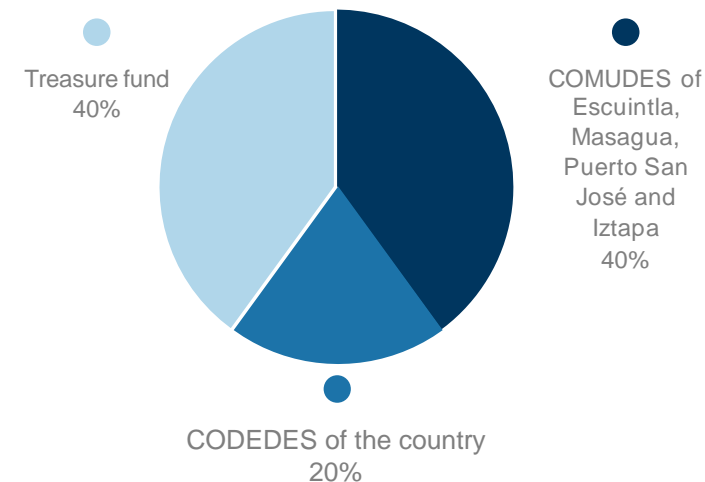
From the start of operation to the 8th year

Fee distribution



From year 9 to termination of the contract

Fee distribution



Fee, which amounts to **Q1,110,500** Approx.

③ Urban Expressway and Urban Train (Metro Riel)

Contract Term:

30 years (3 years of construction + 27 years of operation)

Financial and Economic Data:

Initial investment: USD 930 million (preliminary data)

CAPEX: USD 772 million

Other structuring expenses: USD 158 million.

Potential savings of USD 209M

(10.7%) when doing it under the PPP scheme

Project IRR: 11.03%

IRR-Economic: 36.9%

Benefit / Cost Ratio: 3.74

Project income:

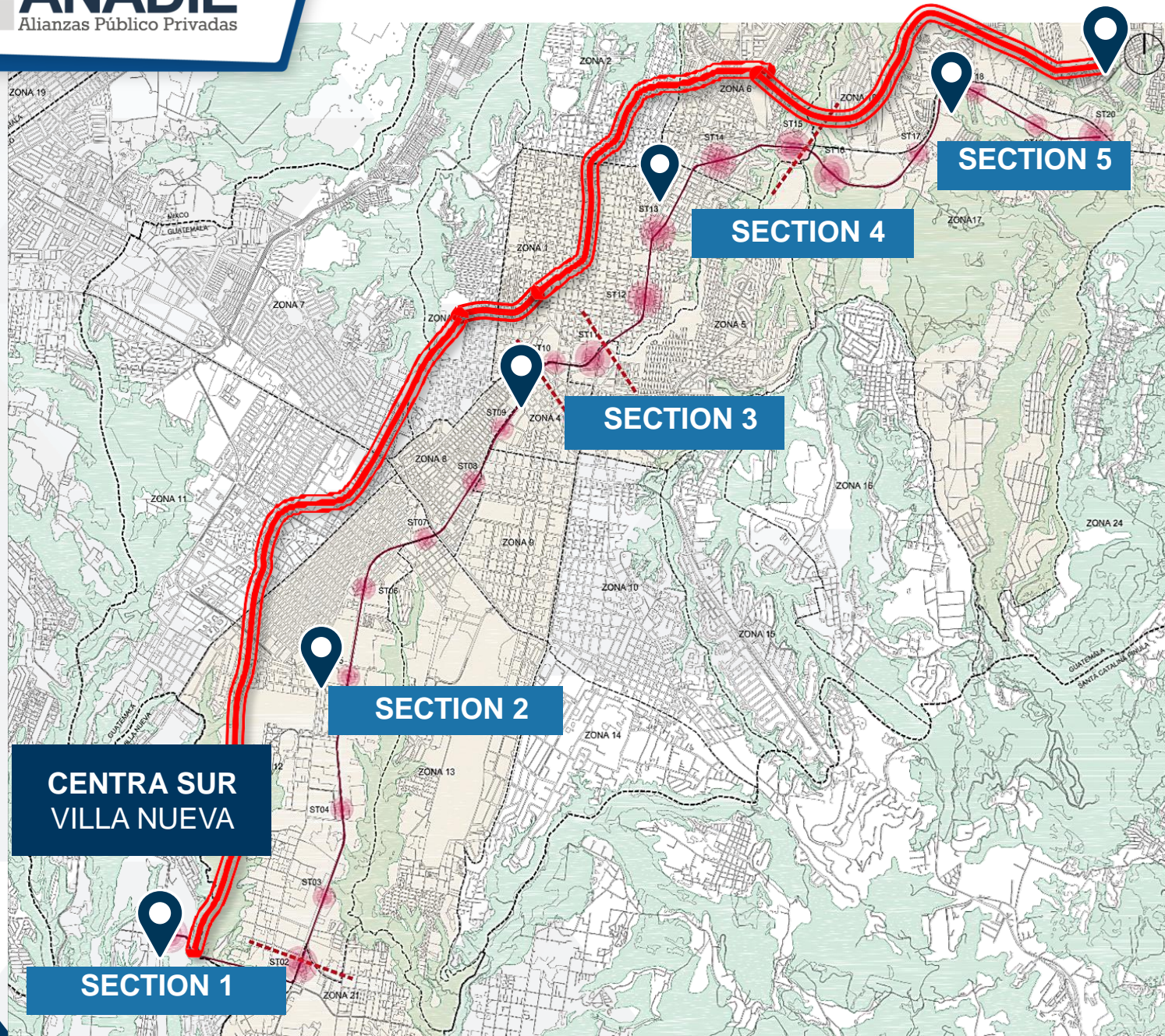
MetroRiel Ticket + “El Frutal” Bridge Toll + commercial income + State co-participation (to be defined).

Users benefited per day

up to 252,000 during the first year of operation.

Generation of **3,500**
jobs during the term
of the contract





**CENTRA
NORTE
ZONA 18**



**Central
Station**



**Gerona
Station**



**7a.
Street
Station**



**La Emita
Station**

**CENTRA SUR
VILLA NUEVA**

SECTION 1

SECTION 2

SECTION 3

SECTION 4

SECTION 5

4

Guatemala City's Northeastern Beltway (Via Express)

Contract Term:

28 years (4 years of construction + 24 years of operation)

Financial and Economic Data:

Initial investment: USD 310 million (preliminary data)

Potential savings of USD 300M when doing it under the PPP scheme, due to structural complexity and risk sharing.

Project IRR: 9.33%

IRR-Economic: 12.42%

Benefit / Cost Ratio: 1.05

Project income:

Infrastructure use toll + State co-participation (to be defined).

Users benefited per day

8,000 users of the infrastructure during the first year of operation

Generation of **3,800**
jobs during the term of
the contract



⑤ **Government Administrative Complex**

Users

12,000 people

Term contract

23 years in total.

Phase

Pre-qualification completed (6 companies) Technical studies and local approvals

Economic and social NPV \$ 105,681,142.35

Economic Social IRR: 20.42%

Income

Payments for availability and business income

Investment:
USD 240 million



2

Reform to ANADIE's law

¿What are the reforms to the Law?

It allows the development of projects for **health, education and water infrastructure**



Create a **fund** to develop projects



In addition to Congress, the ANADIE Council may **approve project contracts**



Apart from the public sector, **other sectors** may also present projects to ANADIE (unsolicited initiatives)

¿What do we achieve with the reforms to the law?



New projects throughout the country focused on **local development**



Less time for project approval



Opportunities to manage projects in **all regions** of the country



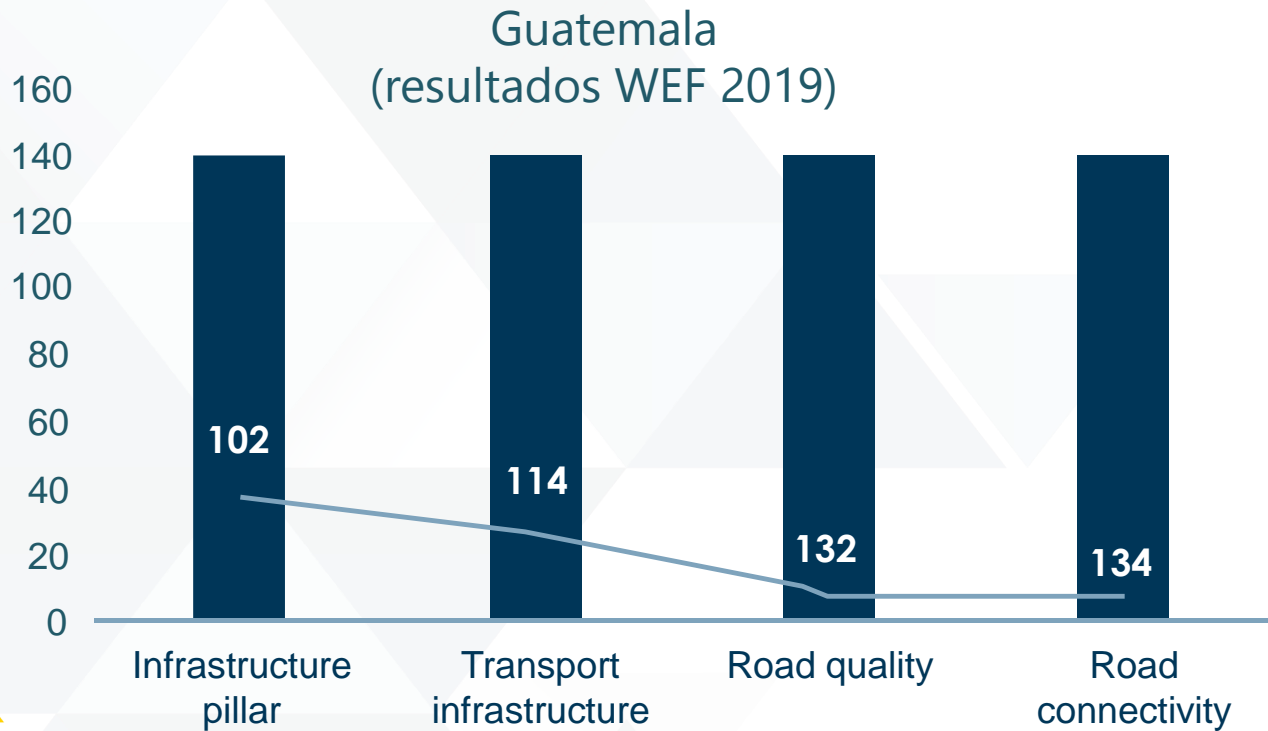
Local economic development, job creation and **reduction of migration**



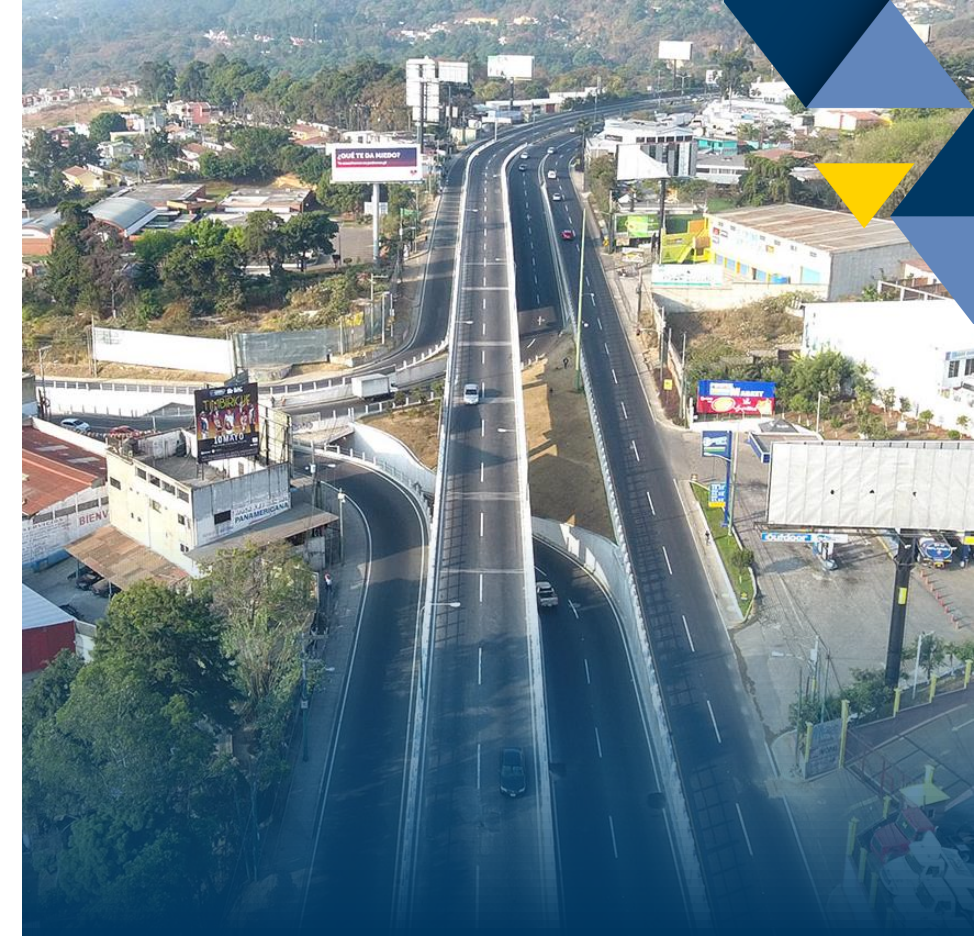
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**New projects
and where PPPs
are going in
Guatemala**

Infrastructure gap in Guatemala



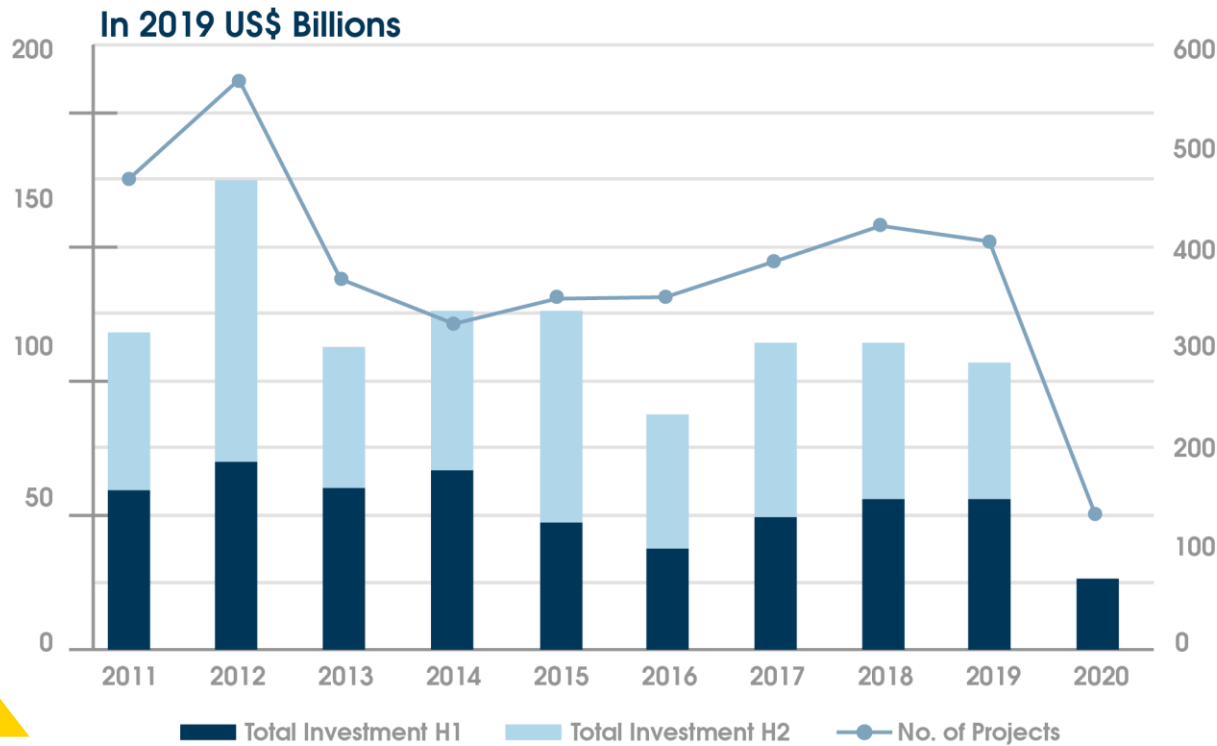
World economic forum



**Need to generate new
infrastructure with
other modalities**

PUBLIC-PRIVATE

partnerships generate investment And employment



*Fuente: Banco Mundial



Every USD 31,250 of investment in infrastructure generates a job



World Bank indicate that the 1% increase in infrastructure capital is equivalent to a 1.5% increase in GDP



Economic Infrastructure Sectors

Portfolio planning 2.0



Economic

- Logistics centers
- Municipal Markets
- Custom Borders
- Cultural centers
- Tourist centers



Transport

- Freight and / or passenger rail systems
- Airports
- Ports
- Mass public transport systems
- Public parking
- Transfer centers



Roads

- Toll Roads
- Road safety systems
- Bridges



Public Building

- Government buildings
- Prison system
- Housing projects
- Municipal Parks



Sanitation

Solid waste and waste management. (landfills)



Energy and telecommunications

(Projects explored with possibilities)





ECONOMIC

NEW

New Projects for the Economic area Portfolio **planning** 2.0

- ✓ Trade facilitation stations
- ✓ Security for Guatemala!
- ✓ Puerto Quetzal Tech Zone
- ✓ Collection Center System for the social and economic development of small farmers
- ✓ Rehabilitation, construction, operation of sports centers and promotion of sports in Guatemala
- ✓ Promotion of tourism through the empowerment of different cultures in Guatemala, offering travel experience, empowerment of communities and conservation of culture



New Projects for the Transport area Portfolio **planning 2.0**



TRANSPORT **NEW**

- ✓ Construction of the Grain Terminal in Puerto Santo Tomás and Pre-port System
- ✓ Maritime Ferry Dock in Puerto Quetzal
- ✓ Potential public transport corridors by cable car for the municipality of Mixco, department of Guatemala
- ✓ Transfer Centers



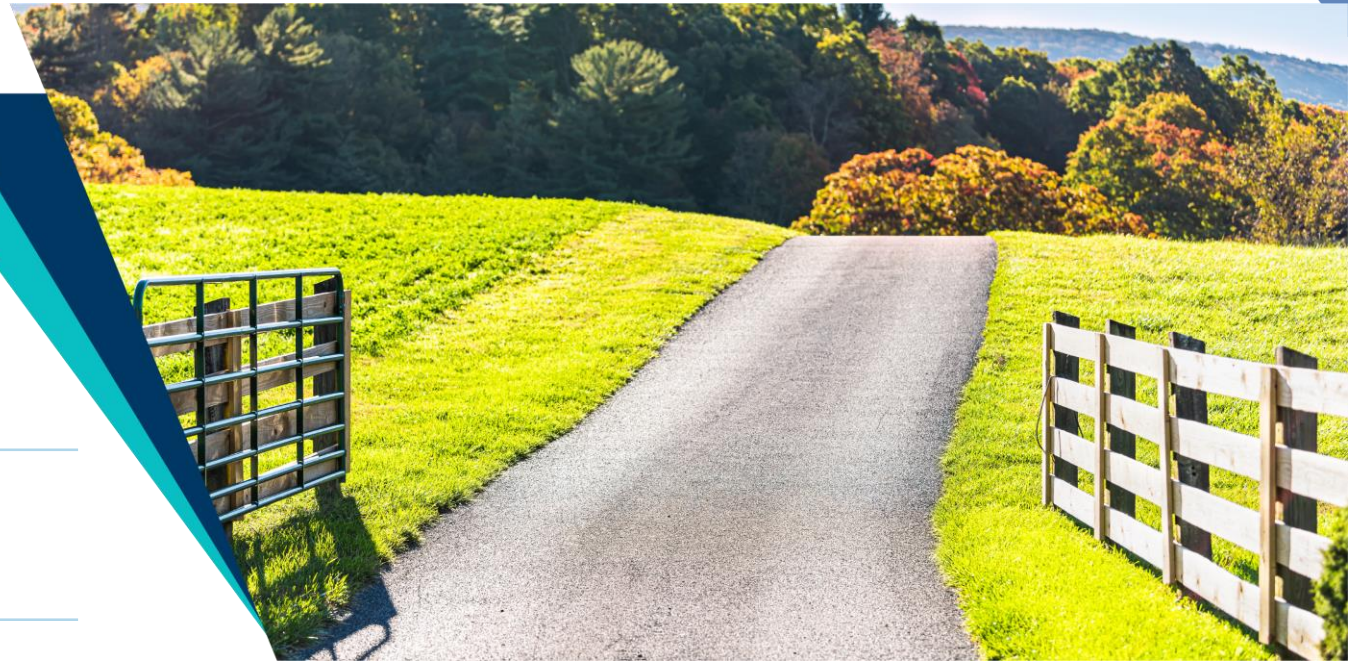
New Projects for the Road area Portfolio planning 2.0



ROADS

NEW

- ✓ Roads for Agriculture
- ✓ Safe roads to increase national competitiveness
- ✓ Modernization and implementation of vehicular and pedestrian control in Guatemala City and municipalities of the Guatemala metropolitan area



New Projects for the Public Building area Portfolio **planning** 2.0

PUBLIC BUILDING
 **NEW**

- ✓ Municipal Market and Cultural Center of Tecpan, Guatemala
- ✓ Intermediate Security Prison System for effective social reintegration
- ✓ Municipal Social Housing Projects
- ✓ Metropolitan Park of “Las Verapaces”



¿Where is the PPP market in Guatemala?



**Bidding and
portfolio
consolidation**



**Reform of the PPP
law to streamline
processes**



**Formulation and
structuring of
the 2.0 project
portfolio**



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