



PROESA

ORGANISMO PROMOTOR
DE EXPORTACIONES
E INVERSIONES DE EL SALVADOR

Infrastructure Agenda 2019-2024

PROESA Public-Private Partnerships Unit

October 17th, 2019

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Infrastructure Agenda 2019 - 2024

PROESA PPP Unit



GOBIERNO DE
EL SALVADOR

PROESA

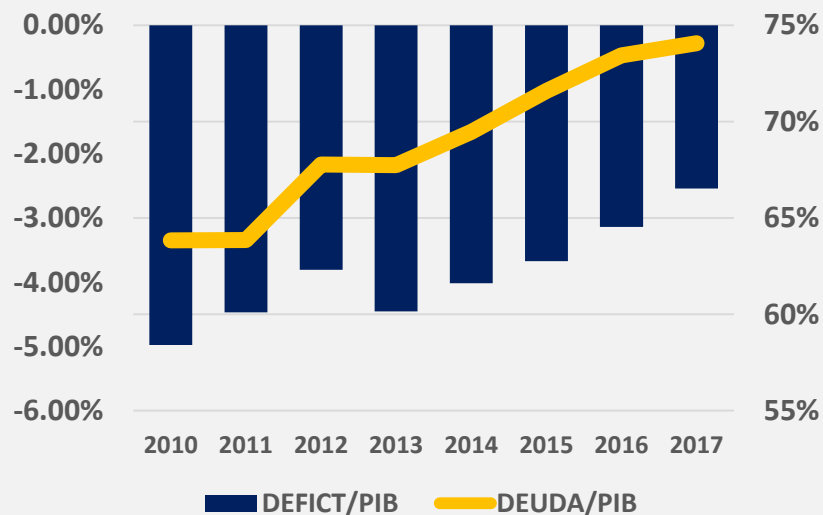
Organismo Promotor de Exportaciones
e Inversiones de El Salvador

Overview

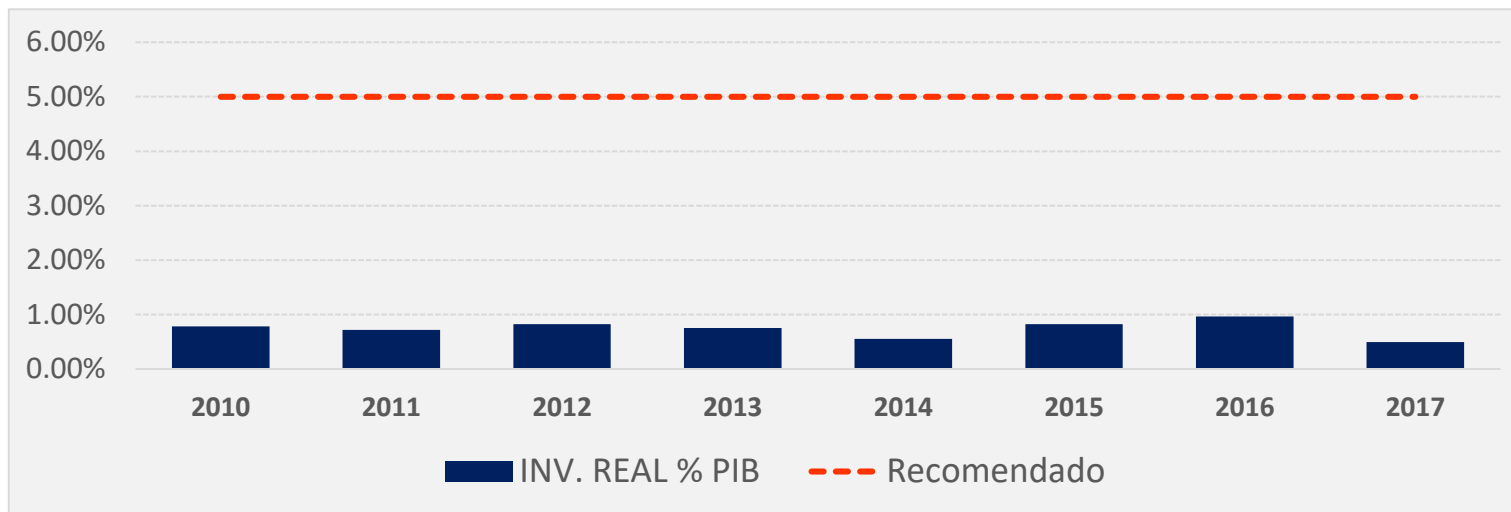


For an economy to grow over 7% it must invest at least 5% in infrastructure/GDP.

Debt and Deficit



Source: PROESA PPP UNIT. Data: Central Bank of El Salvador



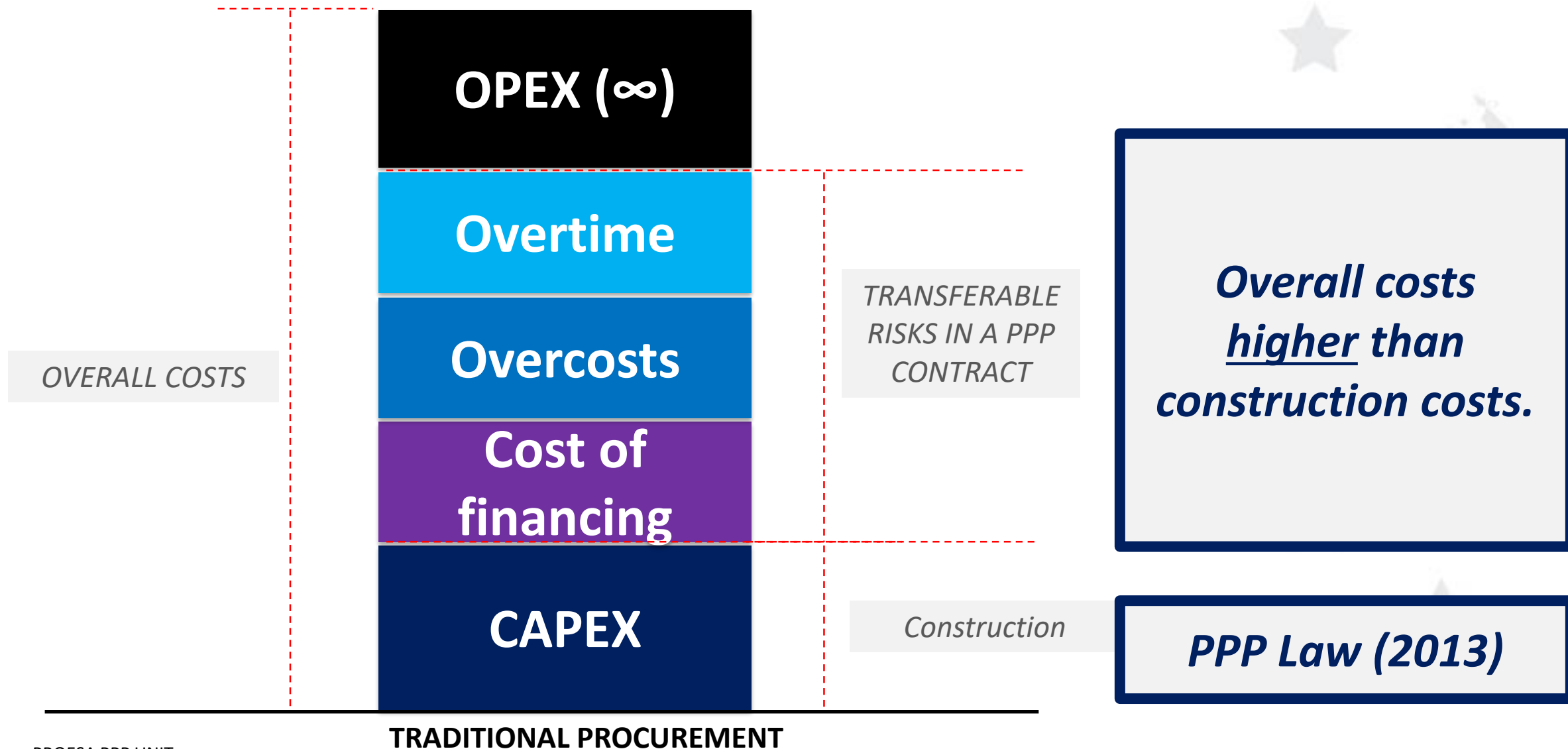
Source: PROESA PPP UNIT. Data: Ministry of Finance.

USD (million)	2010	2011	2012	2013	2014	2015	2016	2017
Infrastr. investment	\$ 145	\$ 146	\$ 176	\$ 166	\$ 125	\$ 191	\$ 231	\$ 124
GDP	\$ 18,448	\$ 20,284	\$ 21,386	\$ 21,977	\$ 22,586	\$ 23,166	\$ 23,912	\$ 24,805
5% GDP	\$ 922	\$ 1,014	\$ 1,069	\$ 1,099	\$ 1,129	\$ 1,158	\$ 1,196	\$ 1,240
Infrastructure gap	\$ 778	\$ 868	\$ 893	\$ 933	\$1,004	\$ 967	\$ 965	\$ 1,117
Infrastructure (%GDP)	0.78%	0.72%	0.83%	0.76%	0.55%	0.83%	0.96%	0.50%

INFRASTRUCTURE GAP: 7,525 million USD (30% of GDP for 2017)

Source: PROESA PPP UNIT. Data: Ministry of Finance

Overview



Do all projects apply?

**CAPEX + OPEX greater
than 13.5 million USD**

Economic and social infrastructure

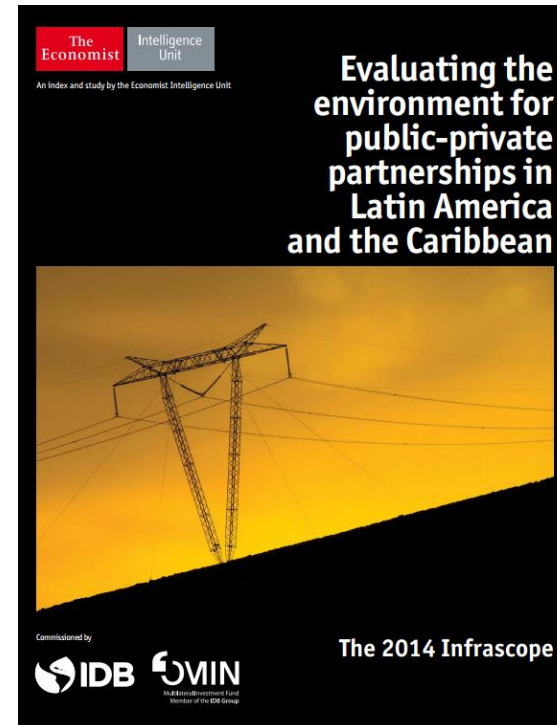
Brownfield and greenfield projects

Private and public initiative

High economic impact

High competitiveness

Rankings. Infrascopes

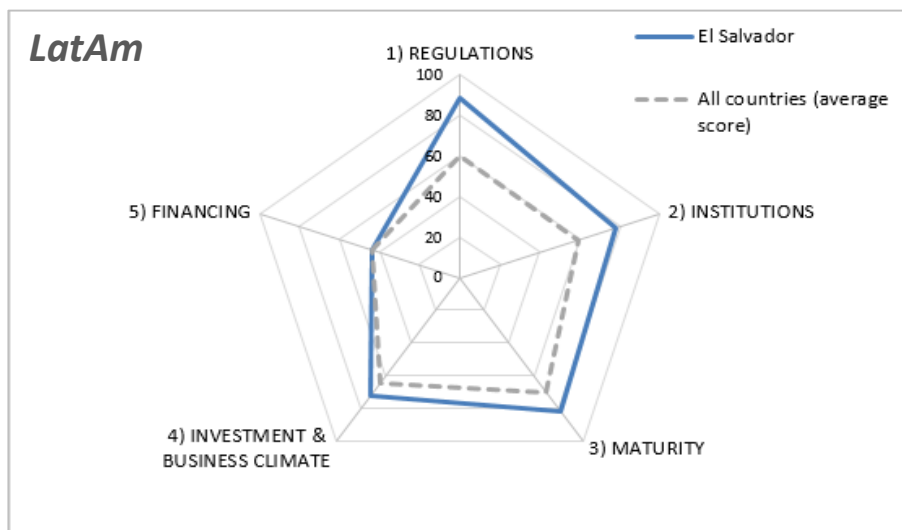


Source: Infrascopes. BID-The Economist.

Rankings. Infrascopes LatAm

2010	2012	2014	2017	2019
10th place 19 countries Pts.: 30.6/100	9th place 19 countries Pts.: 38.2/100	9th place 19 countries Pts.: 41.6/100	8th place 19 countries Pts.: 64/100	6th place 21 countries Pts.: 73/100

Source: Infrascopes. BID-The Economist.



A higher position positively impacts in:

- *Better financing rates*
- *Better structuring conditions*
- *Market appetite for projects*
- *Investor profiles*

Source: Infrascopes 2019 Index Model. The Economist-Intelligence Unit.

PPP Project Pipeline



Pipeline of projects



Projects in evaluation



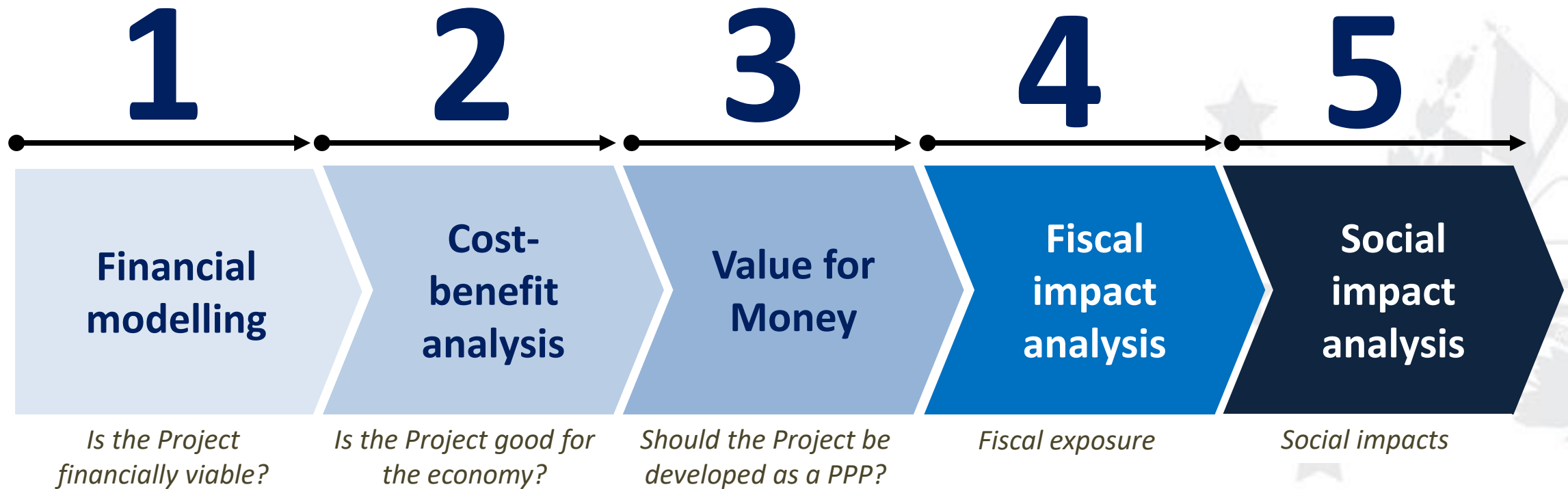
*Reviewed by Ministry of
Finance*



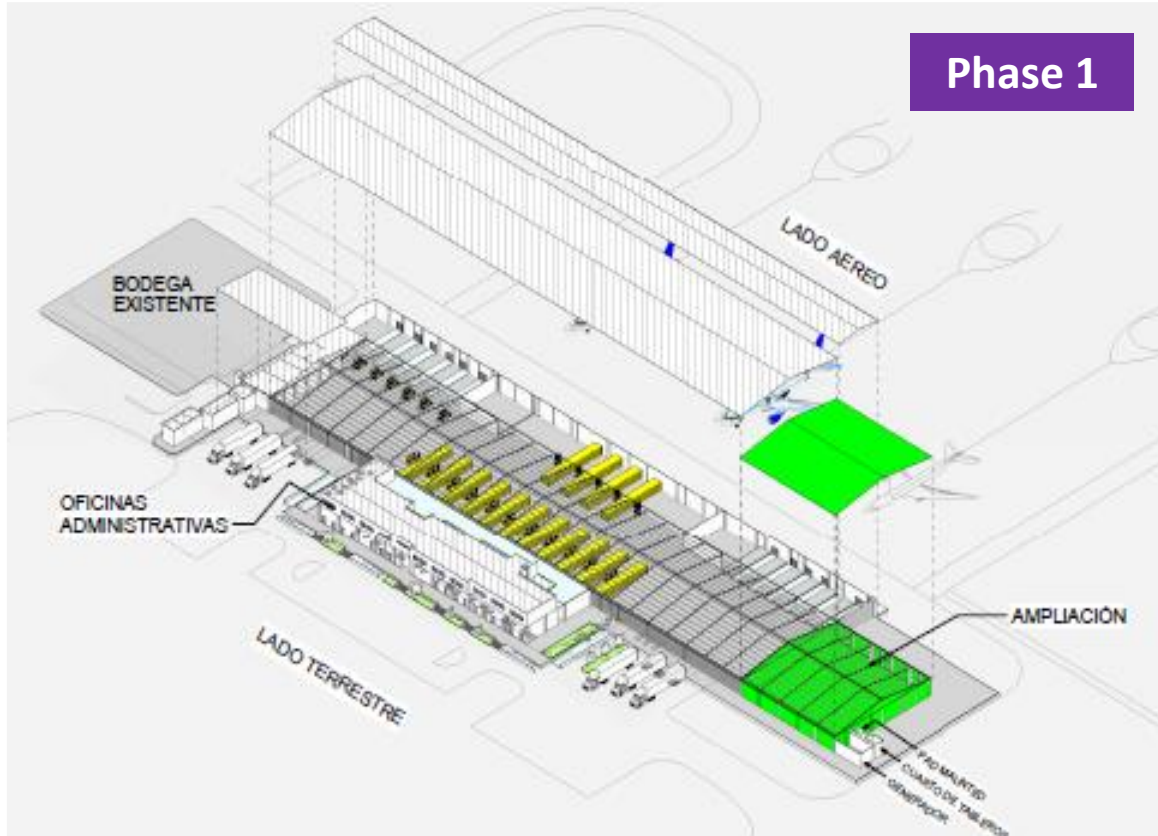
In structuring phase



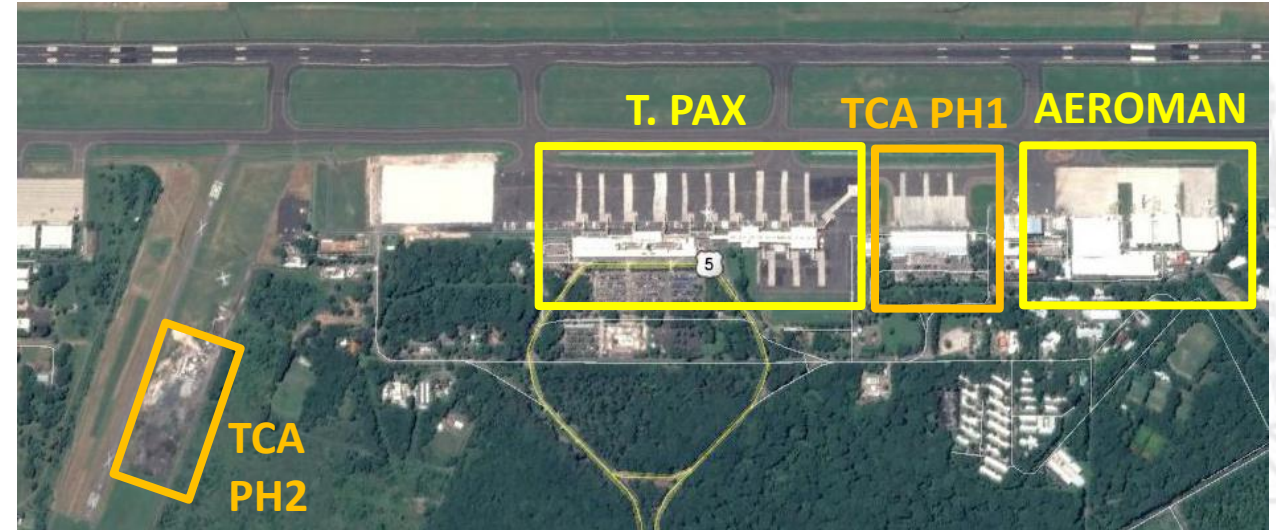
PPP Framework



Pipeline: Airport Cargo Terminal



Source: Feasibility study Terminal de Carga Aérea. Louis Berger y Leonel Avilés. 2017



Source: Google Earth/PROESA PPP UNIT.

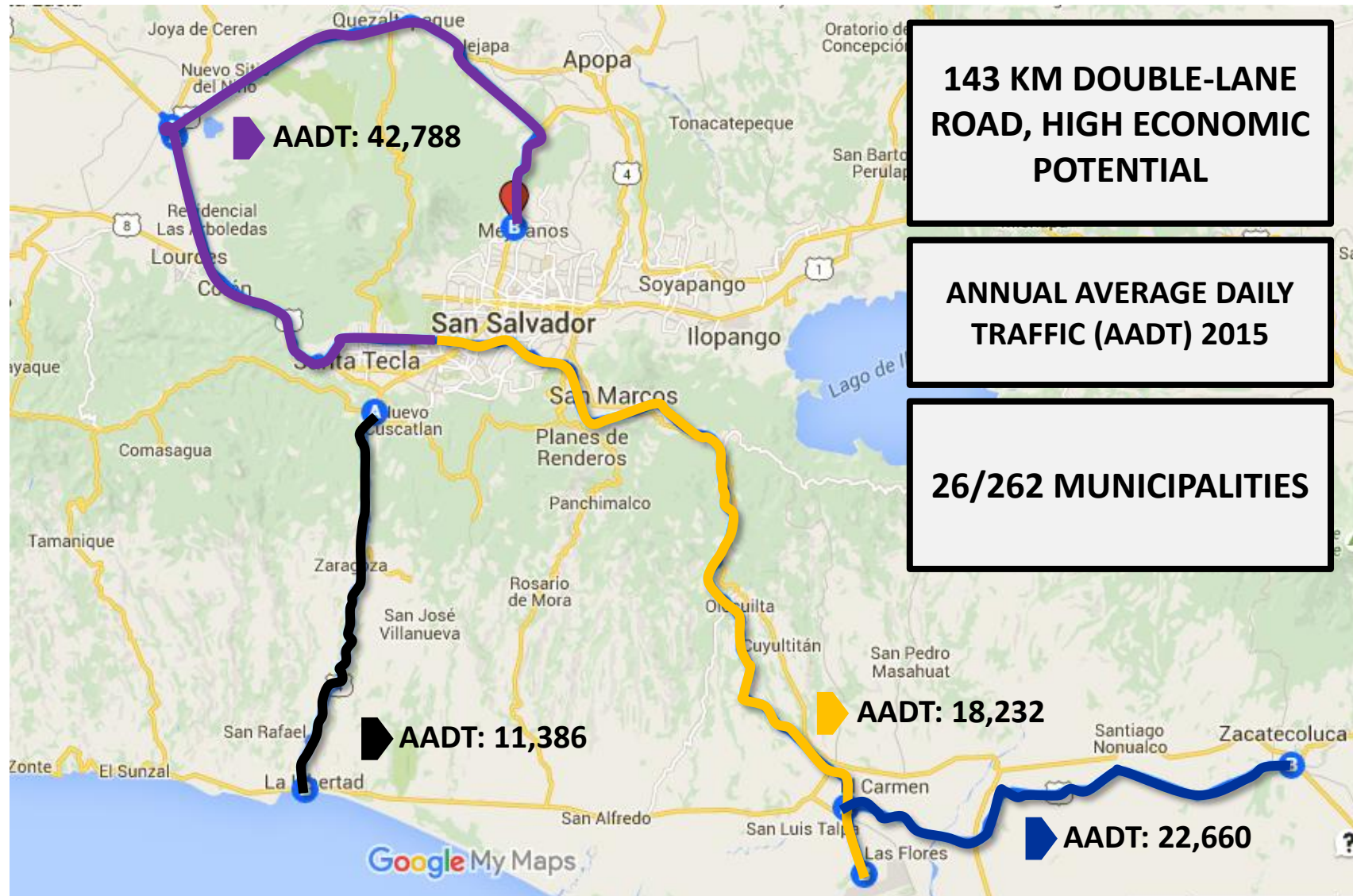


Social benefits
Efficiency improvements
Increase in cargo handling
Higher employment level

	PHASE 1	PHASE 2
CAPEX	\$13 MUSD	\$44 MUSD
Max Cap (AMT)	52,000 (MAX)	73,000 (MAX)
Contract length	15 years	20 years (35 TOT)
Project objective	Develop current terminal in order to move from 23,000 MT to 52,000 MT	DBFOM a new cargo terminal in order to move from 52,000 MT a 73,000 MT
Sources of revenue	Administration of the Cargo Terminal	

Source: Factibilidad Terminal de Carga Aerea. Louis Berger y Leonel Aviles. 2017

Pipeline: Highway illumination and surveillance



Source: Google Maps/PROESA PPP UNIT. 2018

CAPEX	\$15 MUSD
CONTRACT LENGTH	15 years
PROJECT OBJECTIVE	Road lighting and surveillance in 143 kms (DBFOM)
SOURCES OF REVENUE	Commercial exploitation of road's rights-of-way (288 kms total)
SOCIAL BENEFITS	Road safety, improvement in luminance quality

Pipeline: Nuevo Centro de Gobierno (Government Offices)



Source: Ajuste estudios de factibilidad y diseño de un Nuevo Centro de Gobierno. León Sol Arquitectos. 2018



Source: Ajuste estudios de factibilidad y diseño de un Nuevo Centro de Gobierno. León Sol Arquitectos. 2018

CAPEX	\$120 MUSD
PUBLIC EMPLOYEES	7,000
PUBLIC INSTITUTIONS	27
CONTRACT LENGTH	30 years
PROJECT TYPE	DBFOM
SOURCES OF REVENUE	Leasing Availability payments (CAPEX+OPEX)

ICE

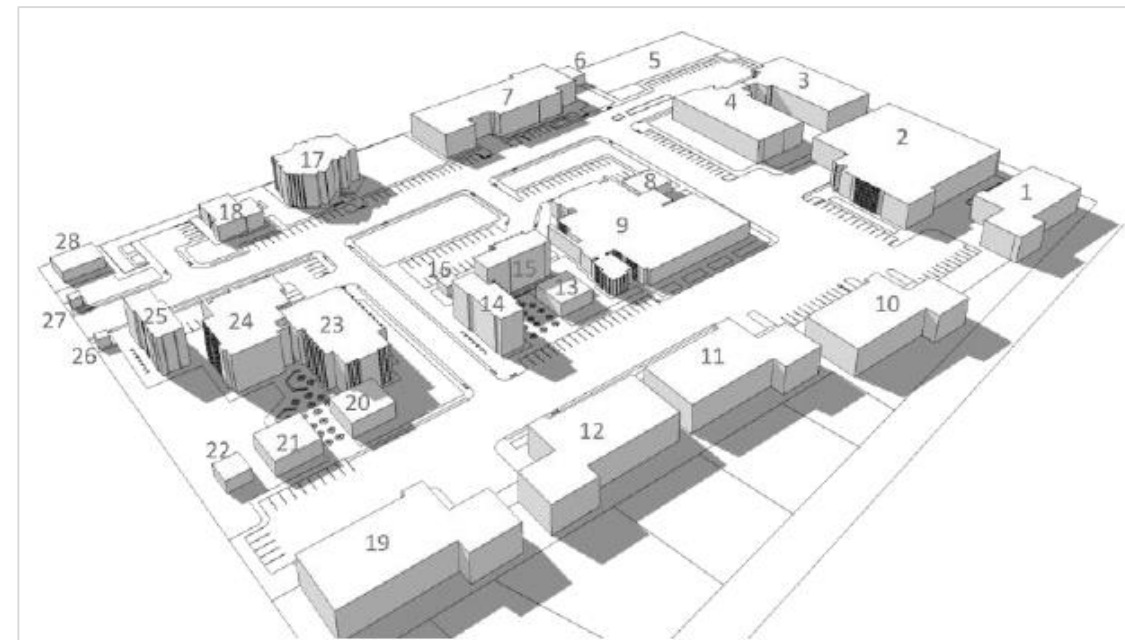
Social benefits

Savings in government spending
Agglomeration economies
Land appreciation
Higher productivity

Pipeline: Parque Científico Tecnológico (Technological Park)



Source: Google Earth/PROESA PPP UNIT.



Source: 2° informe León Sol Arquitectos. Ajuste de diseño anterior al PCT.



Social benefits

Innovation
Stimule to academia

CAPEX	\$26 MUSD
CONTRACT LENGTH	20 years
PROJECT	DBFOM
SOURCES OF REVENUE	LEASING AVAILABILITY PAYMENTS

Pipeline: Edificio de Parqueos (Parking garage in MINGOB)



Source: 3er informe R+M. Planos arquitectónicos del Edificio de Parqueos.



Source: 3er informe R+M. Planos arquitectónicos del Edificio de Parqueos.

CAPEX	In evaluation (\$12 MUSD)
CONTRACT LENGTH	25 years
Project type	DBFOM
Sources of revenue	In evaluation

ICE

Social benefits

*Better organization
Increase in security*

Pipeline: Hachadura – Kilo 5



Source: Google Maps. Dibujos PROESA PPP UNIT.



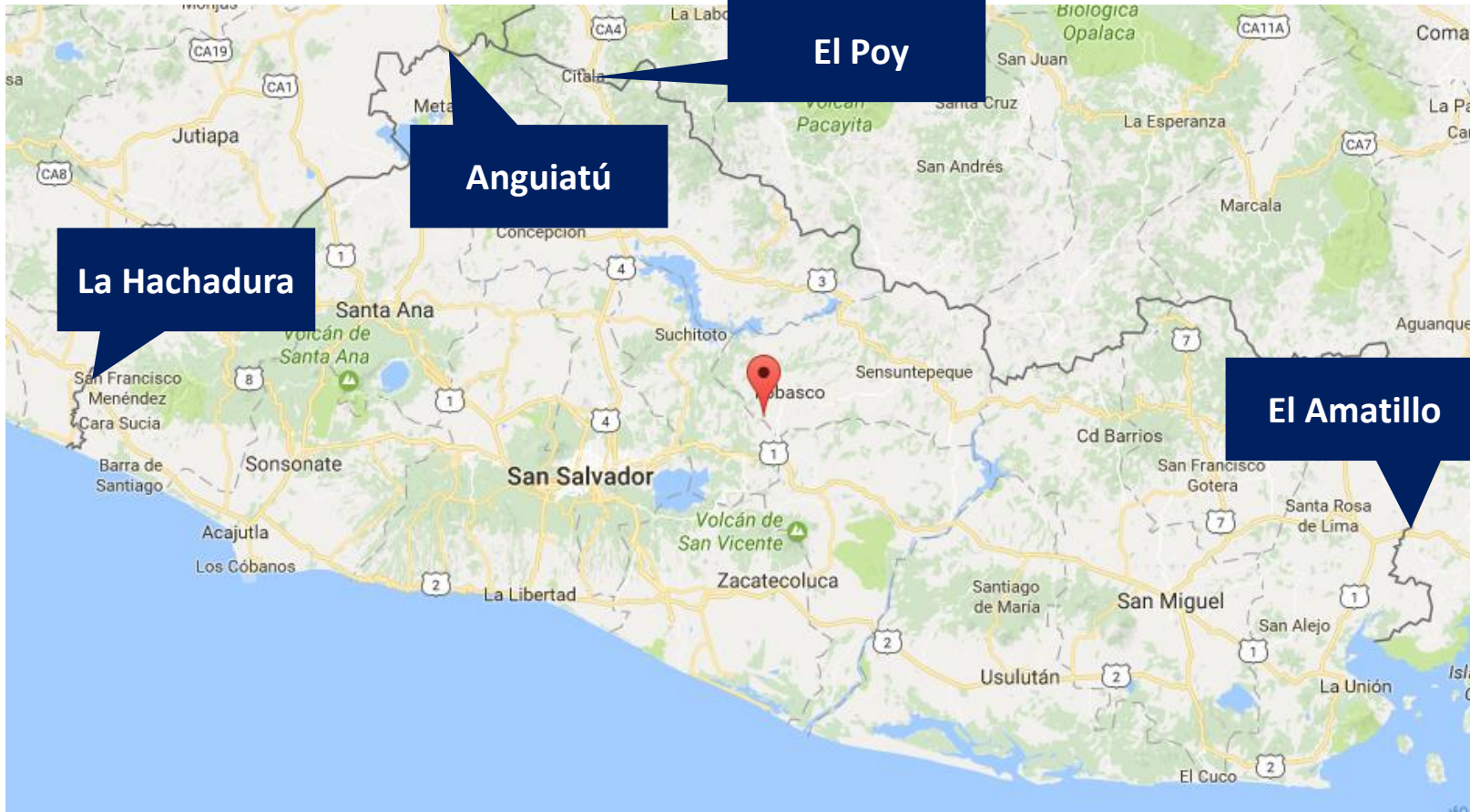
Source: 1er informe UDP Corredor Pacífico. INCOSA, EY, Steer.

CAPEX	In evaluation
Contract length	In evaluation
Project type	DBFOM
Sources of revenue	In evaluation

Social benefits

- Lower logistic costs*
- Increase in quality service for customers*
- Lower O&M costs for FOVIAL*

Pipeline: Red de Pasos Fronterizos (El Poy, Anguatú, LH, El Amatillo border crossings)



CAPEX	In evaluation
Contract length	In evaluation
Project Type	La Hachadura/El Poy: DBFM (CAPEX + OPEX) Anguatú/ El Amatillo Mantain (OPEX)
Sources of revenue	In evaluation

Fuente: Google Maps. Dibujos PROESA PPP UNIT.

Benefits

- Lower logistics costs and time
- Increase in quality service
- Better organization

Pipeline: Tramo Sur Corredor Perimetral de San Salvador



CAPEX	In evaluation (\$260 MUSD)
Contract length	In evaluation
Project type	DBFOM
Sources of revenue	Availability payments Tolls
Social benefits	Offer an alternative route to transit. The main beneficiary is cargo transport.

Source: Dirección General de Planificación del MOP.

ICE

Pipeline.

-1	0	1
Airport Cargo Terminal	Government Office Center	Hachadura – Kilo 5
Illumination and Surveillance	Parking Garage Building	Tramo sur Corredor Perimetral San Salvador
	Border-crossings	Corredores logísticos
	Technological Park	Wastewater treatment (*)
		Security infrastructure (*)
<i>High return projects</i> <i>High market appetite</i> <i>Flexible business model</i>	<i>Availability payments</i> <i>Higher CAPEX</i>	<i>Higher CAPEX</i> <i>Higher economic impacts</i>

Estimated CAPEX per project

PROJECT	CAPEX
✓ Airport Cargo Terminal	\$60 MUSD
✓ Illumination and Surveillance	\$15 MUSD
✓ Technological Park	\$25 MUSD
✓ Government Offices	\$120 MUSD
✓ El Poy, Anguiatú, La Hachadura y El Amatillo	(In evaluation)
✓ La Hachadura – Kilo 5	(In evaluation)
✓ Tramo Sur Corredor Perimetral	\$260 MUSD**
✓ Parking garage in MINGOB	\$15 MUSD



\$220 MUSD



\$15 MUSD



\$260 MUSD

**\$495
MUSD**

Time to market (ideal)

PROJECTS	TENDER STARTS
✓ Airport Cargo Terminal	3T. 2019
✓ Illumination and Surveillance	4T. 2019
✓ Technological Park ***	1T. 2020
✓ Government Offices	2T. 2020
✓ Parking garage in MINGOB	2T. 2020
✓ La Hachadura – Kilo 5	4T. 2020
✓ Border-crossing network El Poy, Anguiatú, La Hachadura y El Amatillo	4T. 2020
✓ Highway “Tramo Sur Corredor Perimetral”	3T. 2021

\$75 MUSD

2019

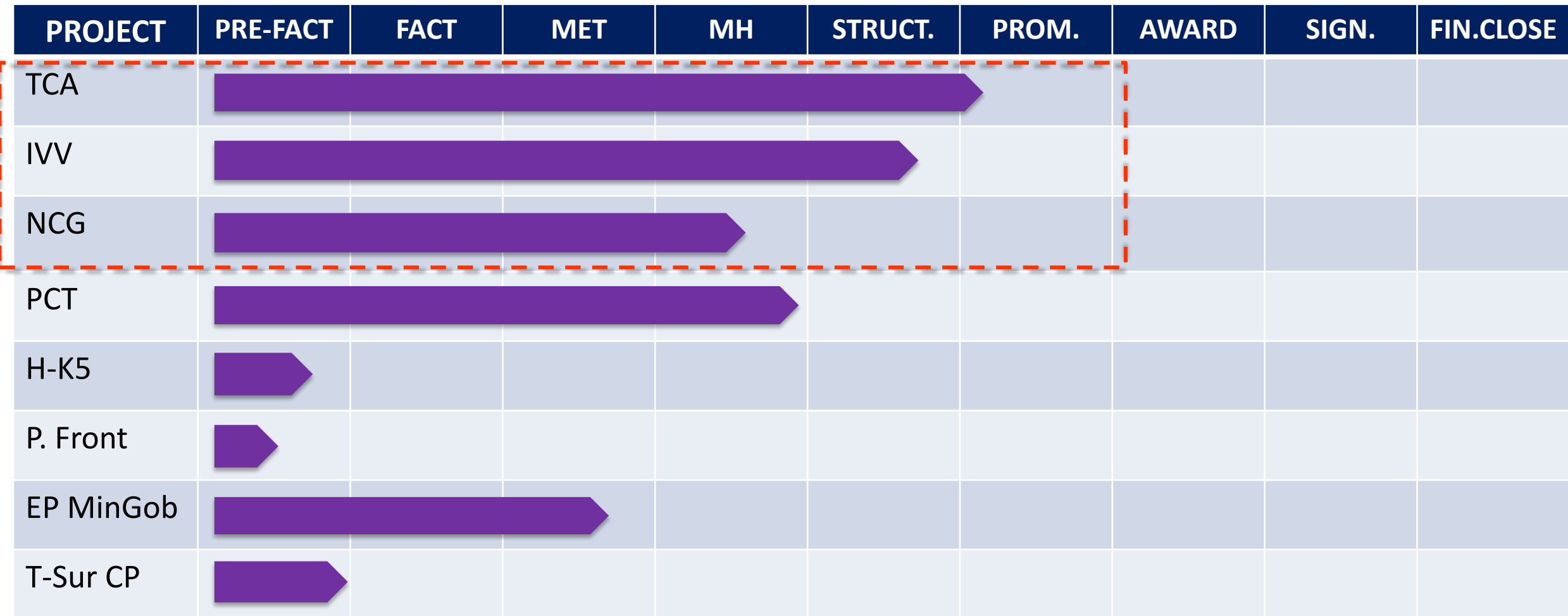
\$160 MUSD

(H-K5/PF in evaluation)

2020

\$260 MUSD

Pipeline.



Source: PROESA PPP UNIT

In summary...

Is there a PPP pipeline?

*There is.
\$235 MUSD for tender in the
next 18 months.*

Is there enough support?

- *ESA Government*
- *Fomilenio II / MCC*
- *IDB*
- *World Bank*
- *CABEI*

Rankings

*6th place in Latin America,
11th place globally*

More projects to come

*High opportunity to unleash
economic potential by means
of increasing the level of social
and economic infrastructure
investing.*

Timeline

*In the next 24 months could be
awarded up to \$495 millions.*



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