



مندوق خليفة لتطوير المشاريع
Khalifa Fund for Enterprise Development

Public Private Partnership Towards Sustainable Industrial Growth

DIT 4th Strategic Forum hosting
WAITRO 20th Biennial Congress & General Assembly

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Public Private Partnership (PPP)

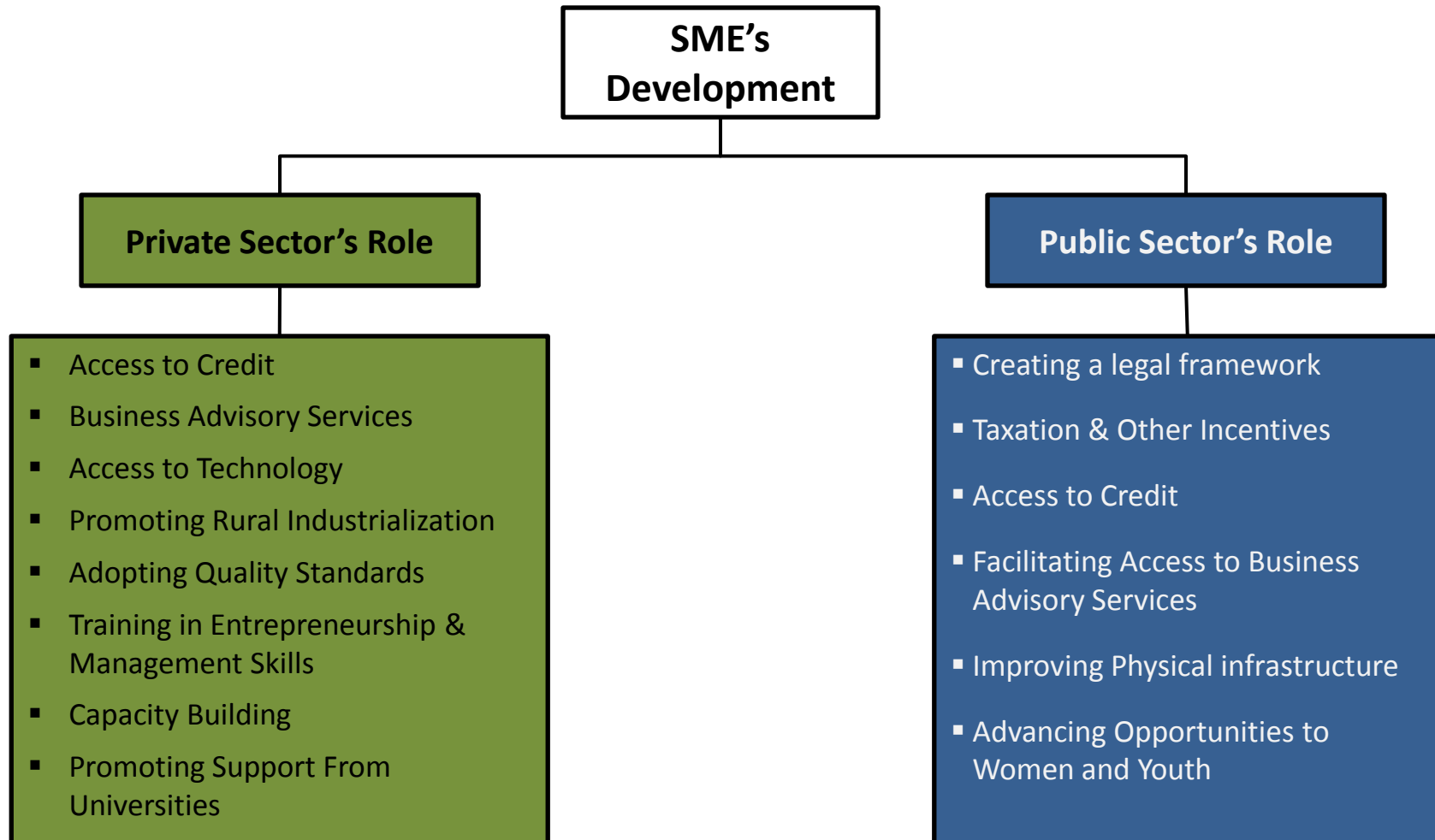
PPPs in Abu Dhabi

Khalifa Fund's Role for Sustainable Industrial Growth



- Opportunity for nations to face socio-economic challenges, enhance competitiveness of industry and maximize industrial capabilities
- Assist in the economic recovery led by industrial research and innovation
- Improve service delivery, cost-effectiveness, increase investment in public infrastructure, and reduce public sector risk
- Combine best capabilities of public and private sectors for mutual benefits

PPPs can bridge the classical gap between Private and Public sectors roles in developing SME's



- In air transportation, the Port Authority of New York and New Jersey undertook the largest PPP in the US –\$1.4 Billion construction of new international arrivals Building at New York’s Kennedy Airport.
- City of Phoenix (Arizona) is developing 1 million sqf, 13-acre biotechnology campus that includes a state-of-the-art genomics lab.
- Bio Technology Park along with Knowledge park was promoted in Hyderabad – India
 - Knowledge park has 58,000 sq ft of built up laboratory facilities. 15 companies have started R&D activities.
 - Bio Tech Park is spread over 300 acres and 14 companies have started activities
- Govt. of AP, India, entered into an MoU with South Korean firm as lead promoter for establishing Semi Conductor Fab.
- Between 1993 - 2001 Chile awarded 21 road concession worth US\$ 5 billion on a competitive basis
- In 1999, the Bolivian government privatized water system in Cochabamba by granting 40 years concession to an international consortium called Aguas del Tunari

Public Private Partnership (PPP)

PPPs in Abu Dhabi

Khalifa Fund's Role for Sustainable Industrial Growth

Abu Dhabi Government intends to broaden the economic base and **promote the role of the private sector as a provider of services** for residents and visitors. The essence for Government is to become **the regulator of services** delivered to its people, and for **the private sector to become the provider of those services**

Abu Dhabi's strategy is based on both the enhancement of the economic structure and the diversification of income sources through nurturing the non-oil sectors, strengthening the **public-private partnership (PPP)**, encouraging the direct foreign investment (DFI), as well as through entering into joint ventures hinged upon comparative advantages

“Abu Dhabi is a sustainable, **diversified**, high-value added economy that encourages **enterprises and entrepreneurship** and well integrated in the global economy leading to better opportunities for all”

2 of the 9 pillars of the Abu Dhabi Policy Agenda include:

- A large empowered **private sector**
- The creation of a sustainable **knowledge based economy**



Develop **higher value** employment opportunities, especially for **UAE Nationals**, encourage investment & **entrepreneurial activity**

Zonescorp has entered into project arrangement with a joint venture between ADCB and Macquarie Bank to develop the Industrial City of Abu Dhabi (**ICAD**)



ADBIC acts as a catalyst for building a globally-competitive core of commercially-viable industrial activity through public-private partnerships. ADBIC's current investments include: Emirates Steel, and Abu Dhabi Polymers Park.



ADWEA: Implemented the long term privatization program of the water and electricity sector. Eight independent producers of water and electricity are now engaged in this program on the basis of BOO "build, operate and own" formula, designed according to the partnership agreement made between ADWEA and a number of international companies. ADWEA holds a 60% share of these, while 40% ownership is held by the foreign investor. In accordance with long term arrangements IWPP's are committed to sell their production to ADWEC



Abu Dhabi Health Service Company (SEHA): A new government owned company established in 2007 to partner in public-private partnerships and oversee public sector health care provision assets. SEHA delivers world class healthcare locally, by partnering with internationally recognized healthcare leaders like Johns Hopkins Medicine, Cleveland Clinic, Bumrungrad International, Vamed, and Vienna Medical University.



Abu Dhabi Education Council: ADEC has commenced a 'Public-Private Partnership for Public School Management with international education contractors (SABIS, Nord-Anglia, CfBT, and Mosaica) now operating 30 schools in the Emirate.





- UAE Ministry of Economy's announcement of a **national plan** to drive economic development, by enhancing role of SMEs
- **Reduced cost** of setting up and conducting business
 - Abolition of minimum capital requirement of AED 150,000 for setting up SME LLC
 - Encourages informal micro-businesses to join the formal SME sector
- Developing **laws on frameworks** for recognition & regulation of SME business
- Abu Dhabi's **policies** to drive innovation through knowledge based small businesses

Source: MONEYworks April 2010

Policy Recommendations in UAE GEM Report 2009 – Potential areas for PPPs



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Encourage innovation and entrepreneurship amongst public sector employees

Facilitate networking opportunities for entrepreneurs in the UAE

Increased support for female businesses consistent with the local culture

Continued regulatory reform, bankruptcy laws and investor protection

Strengthen linkages between industry and universities

Improve access to Finance for SMEs

Cultivate Culture of Innovation in the UAE through Investment in ICT Infrastructure and Research & Development

Opening up Government SME Support program to all UAE residents

Complete Overhaul of the Public Education System in the UAE

Public Private Partnership (PPP)

PPPs in Abu Dhabi

Khalifa Fund's Role for Sustainable Industrial Growth

Khalifa Fund was established in June 2007, as an independent agency of the Government of Abu Dhabi, to cultivate entrepreneurship and catalyze the development of the UAE Small & Medium Enterprises Sector

Vision

- To lead entrepreneurship development and facilitate growth of competitive SMEs

Mission

- To fuel an entrepreneurial culture, drive innovation and sustainable growth of Emirati SMEs that contribute to social and economic development of Abu Dhabi by providing access to services and financing and by facilitating an SME-friendly environment

Khalifa Fund provides continuous support to Emirati entrepreneurs at various stages



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Counseling & Training

Pre-funding Support

Credit Assessment & Recommendations

Loan Disbursement

Pre Establishment Support

Post Establishment Support

- Receiving applicant & Idea Generation
- Business counselling
- Training

- Business plan development
- Entrepreneur & commercial assessment

- Funding (Khutwa, Bedaya , Zeyada)
- Credit evaluation
- Applicant presentation
- Committee approval
- Money Transfer

- Support Services Unit
- Monitoring & Evaluation Unit

- Business Linkages Unit

Achievements:

- More than **4600** applications reviewed
- **111** training courses conducted
- Around **1,670** applicants trained

Achievements:

- **224** projects approved
- **AED 378 M** loan value

Achievements:

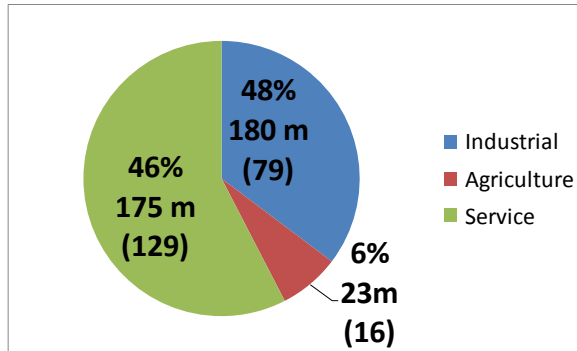
- Deal value from linking KF members with Gov/Private Companies over **AED 85 M**

48% of KF funded projects are industrial

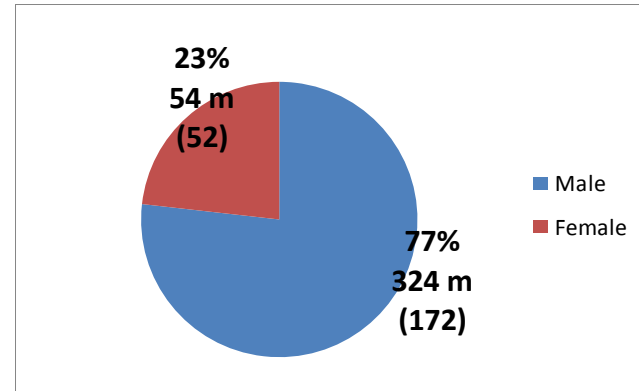


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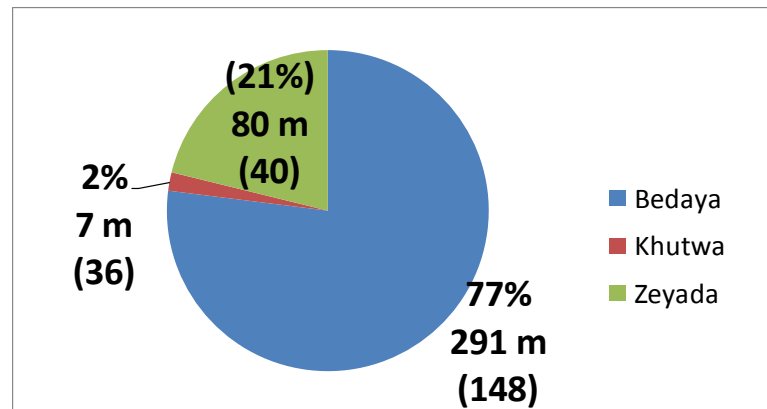
Approved Loans by Sector



Approved Loans by Gender



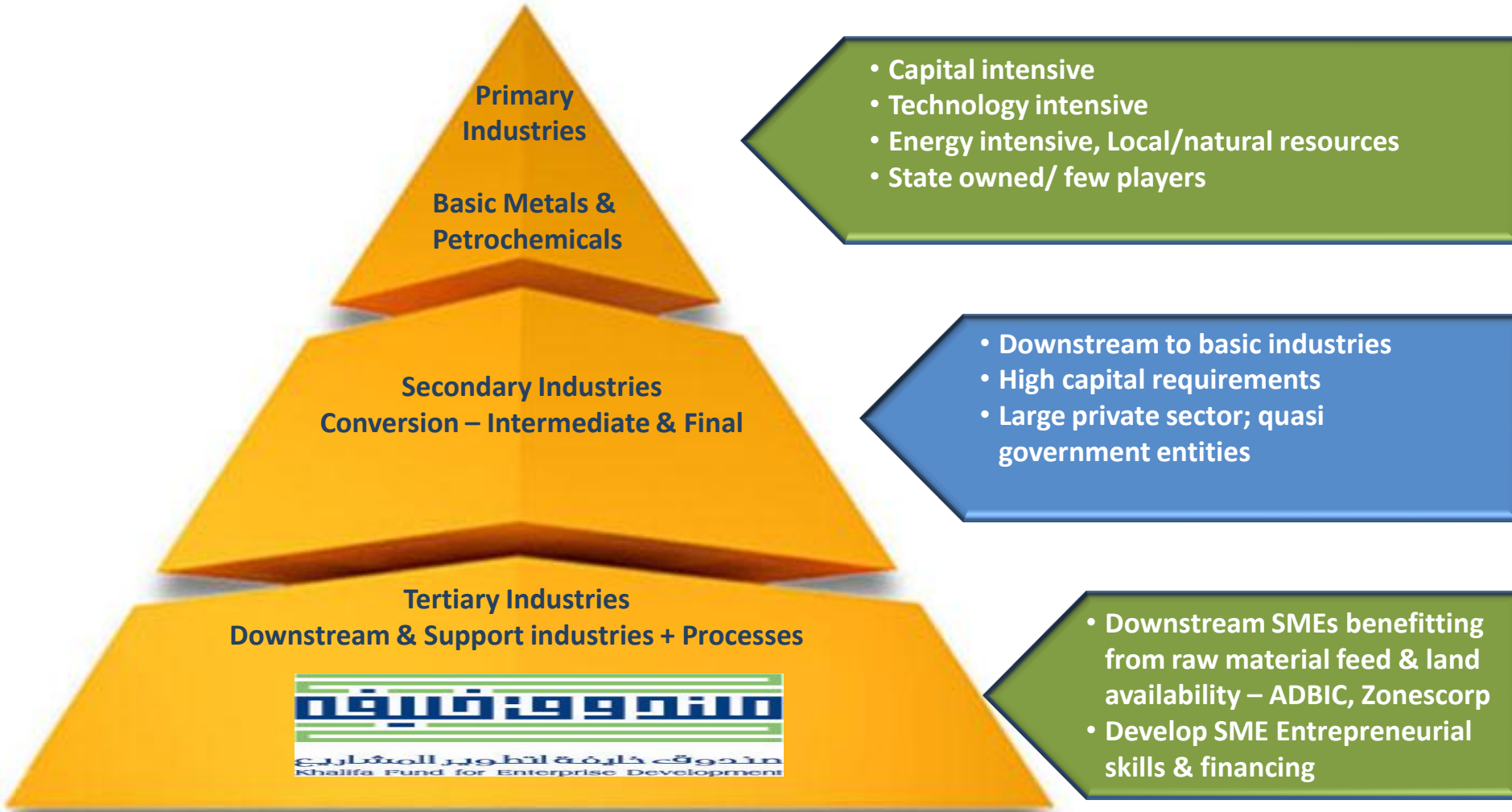
Approved Loans by Program



Khalifa Fund is playing a significant role to achieve the Abu Dhabi Government's industrial vision



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Sectoral Focus for Khalifa Fund

- Khalifa Fund has identified 6 industry sectors, recommended for SME participation
- **6 industry sectors identified:**
 1. Metals
 2. Petrochemicals - Plastics Conversion
 3. Engineering & Construction
 4. Tourism
 5. Information, Communications & Technology (ICT)
 6. Food & Beverages
- Project level opportunities will be identified and made accessible to applicants

Estimated investment levels have been determined



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Capital estimates exclude land costs

		<AED 5 M	AED 5- 10 M	AED 10 – 25 M	AED 25 - 100 M
Engineering & Construction	Architecture & Eng. Serv.	✓			
	Fittings Manufacturing		✓	✓	✓
	Environmental advisory	✓			
Tourism	Mini tour operators	✓	✓		
	Outdoor activities	✓	✓		
	Restaurants & Cafes		✓		
	Facilities Mgmt.		✓	✓	
	F&B Catering		✓	✓	
ICT	Mob. App. Development	✓			
	Software Integration		✓	✓	
	Internet businesses	✓	✓	✓	
Food & Beverages	Agriculture (organic)		✓	✓	
	Milk value added Prod		✓	✓	✓
	Bakery, pasta & Noodles		✓	✓	✓
	Sweets, confectionary	✓	✓		
Metals	General Machining	✓	✓		
	Metal castings	✓	✓	✓	
	General hardware	✓	✓	✓	✓
	Structural metal prod.		✓	✓	✓
	Laboratory Services	✓	✓	✓	
	HSE& Quality Advisory	✓			
Petrochemicals (Plastics)	Packaging & Storage	✓	✓	✓	
	Master batches	✓	✓	✓	✓
	Plastic moulded Prod.		✓	✓	✓
	Blow film prod.	✓	✓	✓	✓

Incubators &
High Impact
Entrepreneurs

+

Direct
Investment

+

Industrial
Fund

- Business and technology **Incubators**
 - Partnerships with universities & entities
 - KF incubator
- Developing Emirati **High Impact Entrepreneurs**

- **Equity** Funding
- High growth & expanding SMEs
- High profitability
- Support for well performing entrepreneurs

- **Medium** enterprises (50-150 employees)
- Filling the gap for downstream strategic industries
- Financing for High Impact Entrepreneurs

THANK YOU