



## **Joint News Release**

# **SINGAPORE COOPERATION ENTERPRISE AND THE WORLD BANK SIGN AIDE MEMOIRE WITH SHANDONG TO SHARE SINGAPORE'S EXPERIENCE IN DEVELOPING PUBLIC PRIVATE PARTNERSHIP TRANSACTIONS**

**Singapore, Monday, 5 September 2011**

The World Bank (WB), Singapore Cooperation Enterprise (SCE) and Shandong Highway Engineering Construction Group (SHEG) signed an Aide Memoire this morning to share Singapore's experience in developing Public-Private Partnership (PPP) combined with WB's global experience and policy advice related to toll-road related transactions.

This collaboration is under the programme of the WB-Singapore Urban Hub, which includes the Infrastructure Finance Centre of Excellence (IFCOE). The IFCOE was set up in 2010 to channel knowledge and expertise from the public and private sectors globally to developing countries on PPPs and infrastructure finance. The IFCOE does not directly conduct project preparation work, but provides hands-on, step-by-step technical assistance to governments on how to utilize their own resources. The signing took place at the sideline of the annual World Bank – Singapore Infrastructure Finance Summit on 6 September 2011. This is the second project under the WB-Singapore Hub programme involving World Bank – SCE partnership in preparation of a bankable PPP transaction for toll-road divestment in China.

SHEG is a state-owned conglomerate of the Shandong Provincial Government. Its core businesses are in highway construction and maintenance. They have 26 subsidiaries dealing with highway design and consulting, petroleum refining, gas station services, real estate, and engineering materials. SHEG was chosen by the WB as part of its

initiative to help reform and improve the financial sustainability of state-owned Urban Development Investment Corporations (UDICs) such as SHEG in key provinces in China.

Under the Aide Memoire, the WB will facilitate the provision of technical assistance to Shandong on structuring and policy issues related to the transaction. SCE will be the lead agency to bring in relevant financial, legal and technical experts in PPP transactions to assist SHEG in the preparation of the divestment of its toll-road related assets to private sector investors.

The team of Singapore experts will assist SHEG on the preparatory work for financing option and provide advice in the selection of the optimal financing option for the toll-road asset. They will also provide policy advice and recommendations to SHEG on the financing preparation and execution of the transaction.

The Aide Memoire was signed between, Mr. Shan Jun, Secretary General, Shandong Highway Engineering Construction Group, Mr. Kamran Khan, Program Director, World Bank – Singapore Urban Hub and Mr. Alphonsus Chia, Chief Executive Officer, Singapore Cooperation Enterprise.

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