

INVESTMENT OPPORTUNITIES

Public-Private Partnerships and Privatisation Programme

4



SHAPING NEW PARTNERSHIPS
FOR NATIONAL DEVELOPMENT



**Development Bank
of Jamaica Limited**

Facilitating economic growth and development

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The GoJ's P4 Programme



Kingston Container Terminal PPP

The Government of Jamaica's (GoJ) medium-term economic growth strategy has benefitted greatly from the privatisation of state-owned assets and public-private partnerships (PPP) to manage and operate these entities. Since the early 1980s, the GoJ has been relinquishing its interests in assets that span the financial, utilities, tourism and agro-processing sectors. It was not until later, however, that public-private partnerships became a means of providing public infrastructure.

The GoJ's central implementing agency for Jamaica's Privatisation and Public-Private Partnerships (P4) Programme is the Development Bank of Jamaica (DBJ), which assists in the facilitation of private sector investments in the local economy. The Ministry of Finance and the Public

Service's PPP Unit works in collaboration with the DBJ to assess PPP projects. Through the programme, investors are invited to own or operate state-owned assets or partner with the GoJ to deliver public infrastructure and services. The P4 programme was given further support with the establishment of a Project Preparation Facility, which funds technical studies and the engagement of advisors, through the Jamaica Foundations for Competitiveness and Growth Project (FCGP).

Among some of the successful P4 transactions completed include:

- Norman Manley International Airport PPP
- Jamaica Pegasus Hotel Divestment
- Petroleum Company of Jamaica Privatisation
- Sangster International Airport (SIA) PPP
- Highway 2000 PPP
- North-South Highway PPP
- Kingston Container Terminal PPP
- Caymanas Track Ltd. Privatisation
- Wigton Windfarm Privatisation
- School Solar and Energy Efficiency Pilot PPP
- Silver Sands Estates Privatisation
- Greater Bernard Lodge Development – Phase 1 (Residential) Privatisation
- Greater Bernard Lodge Development – Phase 1 (Light Industrial) Privatisation



Norman Manley International Airport PPP

THE GoJ's P4 PROGRAMME CONT'D



Sangster International Airport (SIA) PPP



Highway 2000 PPP



Caymanas Track Ltd



Jamaica Pegasus Hotel

Given the need to improve the infrastructure and service of the Norman Manley International Airport (NMIA), the GoJ entered into a long-term concession agreement for NMIA in October 2018 and achieved financial close in October 2019. As with the Sangster International Airport, the GoJ will retain ownership of the NMIA and will assume custody after the end of the negotiated 25-year concession period.

Another project in the pipeline for public-private partnership is the Solid Waste Management PPP transaction, which the Government of Jamaica aims to develop a strategy and solution for the efficient management and disposal of waste which results in the diversification of fuel sources for energy production.

The role of the DBJ in the P4 Programme includes recommending policy to Government, identifying funding, transaction management and secretariat support to Government ministries, departments and agencies and capacity building for Government and the private sector to assist in the preparation and execution of P4 transactions.

The transactions supported by the P4 programme have resulted in US\$2.3 billion pumped into the local economy from 2009 to date. The programme will continue to support the nation by providing infrastructure and services that facilitate economic growth and development as well as rewarding qualified investors who are committed to developing the nation.

Waste Management- NSWMA



Project Name	Jamaica Solid Waste Management (PPP)	
Mode of Procurement	PPP	
Project Sponsor(s)	Ministry of Local Government & Community Development (MLGCD)	
Description and location	<p>The Government of Jamaica (GoJ), through the Ministry of Local Government & Community Development (MLGCD), intends to improve the solid waste management (SWM) services on the island through engagement of the private sector.</p> <p>Introducing private sector participation in the integrated development of the solid waste sector in the country is crucial to addressing the overall challenges of the system, from waste collection, sorting, recycling to waste reduction through waste to energy (WtE) facilities and disposal in sanitary landfills, in line with industry best practice to ensure sustainability and compliance with international standards in waste management.</p>	
Status	Business Case is underway	
Estimated Capital costs/ development expenditures	To be determined	
Source/s of revenues	Electricity tariff from power purchase agreements and gate fees; Sale of Recycleables	
Expected life of the project	25 Years	
Environmental Sustainability & Resilience features	Renewable energy production, engineered landfills, low emission garbage trucks and waste-to-energy facilities that produce low net greenhouse gas emissions.	
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Project Name	Soapberry Wastewater Treatment Plant Privatisation/ Central Wastewater Treatment Company (CWTC) and Expansion of the Soapberry Wastewater Treatment Plant	
Mode of Procurement	PPP	
Project Sponsor(s)	National Water Commission (NWC)	
Description and location	<p>CWTC is the Special Purpose Vehicle (SPV) which currently owns, manages and operates the 75,000 m3 /day Soapberry Wastewater Treatment Plant (Soapberry). Soapberry handles wastewater flows generated from sections of Portmore in St. Catherine, Kingston & St. Andrew (KSA).</p> <p>The Water Utility (NWC) is desirous of undertaking an expansion of the wastewater treatment capacity at Soapberry to manage the projected increase in wastewater flows from the KSA.</p> <p>The NWC is currently, along with expert advisory support, undertaking the necessary analyses and due diligence exercise to determine the most optimal strategy for private participation in the transaction.</p>	
Status	Business Case and Transaction Structure – In Progress	
Estimated Capital costs/ development expenditures	US\$85M (further verification on completion of the business case)	
Source/s of revenues	NWC Tariff	
Expected life of the project	30 Years	
Environmental Sustainability & Resilience features	The Project will provide potential and opportunities for the recycling of effluent and the development of renewable energy i.e. solar and wind which will result in the environmental sustainability and resilience of the constructed facility.	
Contact Information	<p>Glaister Cunningham Vice President Enterprise Development & Performance Monitoring National Water Commission 28-48 Barbados Ave, Kingston 5. Jamaica, W.I. Telephone: 876-960-5809, 929-5430-5 Email: glaister.cunningham@nwc.com.jm</p>	<p>Nicola Russell Manager PPP & Privatisation Development Bank of Jamaica nrussell@dbankjm.com 876-920-4643 Ext. 4025</p>

Jamaica Mortgage Bank



Project Name	Jamaica Mortgage Bank	
Mode of Procurement	Stock Exchange Listing – Privatisation	
Project Sponsor(s)	Ministry of Economic Growth & Job Creation (MEGJC) & Jamaica Mortgage Bank (JMB)	
Description and location	<p>The Jamaica Mortgage Bank (JMB) is a statutory corporation established under the Jamaica Mortgage Bank Act (1973) to foster the development of housing, directly or indirectly assist societies registered under the Co-operative Societies Act to develop cooperative housing and to develop an active mortgage market.</p> <p>The Government of Jamaica (GOJ) is seeking to privatise the Jamaica Mortgage Bank via the Jamaica Stock Exchange. The objectives of the GOJ include but are not limited to the following (a) provide funds to the GOJ; (b) deepen the financial mortgage market (c) widen the base of ownership of JMB and (d) assist JMB to better achieve its strategic objectives which may lead to the eventual expansion of its current product offerings.</p>	
Status	Due Diligence and Transaction Structuring	
Estimated Capital costs/development expenditures	To be determined	
Source/s of revenues	Income from operations at JMB	
Expected life of the project	To be determined	
Environmental Sustainability & Resilience features	To be determined	
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Nutrition Products Limited



Project Name	Nutrition Products Limited	
Mode of Procurement	Privatisation	
Project Sponsor(s)	Ministry of Education and Youth (MoEY)	
Description and location	Nutrition Products Limited (NPL) is a limited liability company established in 1974 by the Government of Jamaica to provide food items under the School Feeding Programme. The company's registered office is located at 6 Marcus Garvey Drive, Kingston 13. The Company is charged with the responsibility for the production and distribution of nutritious snacks to schools island-wide, under a national nutrition programme and operates three production plants located in Kingston, St. Mary and Westmoreland.	
Status	Business Case and Transaction Structuring	
Estimated Capital costs/ development expenditures	To be determined	
Source/s of revenues	To be determined	
Expected life of the project	To be determined	
Environmental Sustainability & Resilience features	To be determined	
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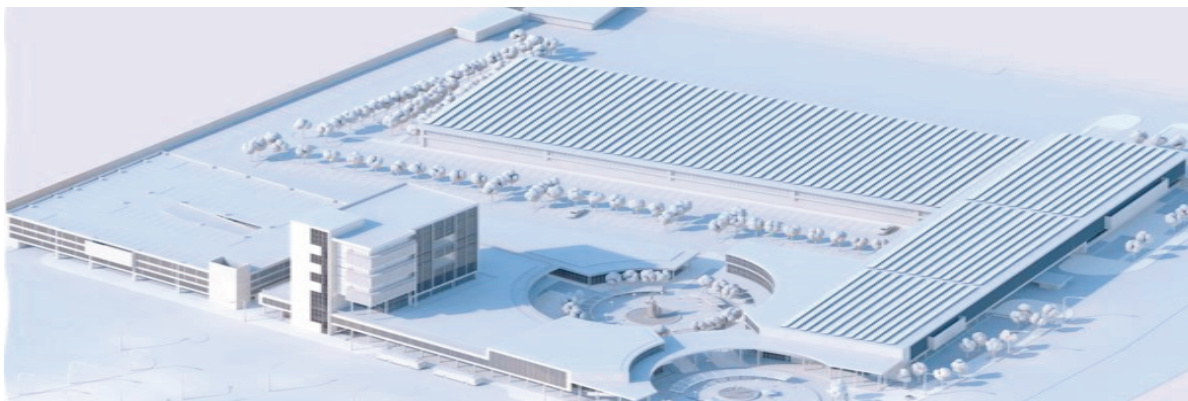
Project Name		Ministry of Justice — Judicial Court Complexes PPP	
Mode of Procurement		PPP	
Project Sponsor(s)		Ministry of Justice (MOJ)	
Description and location		The Ministry of Justice is considering the development of new Regional Judicial Court Complexes in Manchester, St. Ann, and St. Catherine.	
Status		Manchester: Business Case and Transaction Structure under way St. Ann and St. Catherine: Procurement of Transaction Advisors to be undertaken in FY 2023/24.	
Estimated Capital costs/ development expenditures		To be determined	
Source/s of revenues		To be determined	
Expected life of the project		To be determined	
Environmental Sustainability & Resilience features		To be determined	
Contact Information		Ayanna Campbell Manager PPP & Privatisation Division Development Bank of Jamaica acampbell@dbankjm.com 876-929-4000 Ext 4053	Toni Maxwell Manager PPP & Privatisation Division Development Bank of Jamaica tmaxwell@dbankim.com 876-929-4000 Ext. 4125

Caymanas Special Economic Zone



Project Name	Caymanas Special Economic Zone
Mode of Procurement	To be Determined
Project Sponsor(s)	Port Authority of Jamaica
Description and location	<p>The CESZ will be a mixed-use zone on approx. 600 acres, midway between the capital of Kingston and major townships of Spanish Town and Portmore which will support Industrial, Commercial, Administrative/Institutional, Logistics and open recreational spaces.</p> <p>The clustering of these activities is intended to create a vibrant activity hub while embracing the surrounding natural environment. The master plan and development provide activity areas/courtyards and green spaces where workers and visitors can gather and socialise.</p>
Status	The Engineering Designs and data collection is slated to commence within the month and be completed within 6 months thereafter. Upon completion the implementation of the first phase will commence of approximately 60 acres for the pre-built zone and administrative support facilities.
Estimated Capital costs/ development expenditures	To be determined
Source/s of revenues	To be determined
Expected life of the project	First phase within 3 years completion of remaining phases to be determined
Environmental Sustainability & Resilience features	The overall design encompassing the hierarchal road network, the surrounding wetlands and treatment of open spaces as well as the design of drainage structures inclusive of swales and use of open recreational spaces is a testament to the efforts to ensure environmental sustainability.
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East and West Harbour Properties



Project Name	Master Plan for Port Authority's – East and West Harbour Properties in Port Antonio, Portland
Mode of Procurement	To be determined
Project Sponsor(s)	Government of Jamaica/ The Port Authority of Jamaica
Description and location	The development of a Master Plan for the Port Authority owned properties in and around the Port Antonio East and West Harbours for integration in the overall Master Plan for the town of Port Antonio. The services are centred around the revitalization of the tourism product in Port Antonio to include expansion of the cruise industry with the establishment of a cruise facility in the east harbour supported by coastline promenade and other tourism friendly infrastructure
Status	Completed Master Plan and currently determining the priority areas to be implemented
Estimated Capital costs/ development expenditures	To be determined
Source/s of revenues	To be determined
Expected life of the project	To be determined
Environmental Sustainability & Resilience features	The PAJ is desirous of developing the east and west harbours to be in alignment with the eco-friendly environment for which Portland is known and loved. As such the development of the Master Plan will engage environmental and risk-sensitive land use and the appropriate consultation with NEPA
Contact Information	Ishmael Leon Vice President, Finance Port Authority of Jamaica 876-922-0290 ileon@portjam.com

Success Story - Wigton Windfarm Limited



In 2016, the GoJ appointed an Enterprise Team to oversee the privatisation of Wigton Windfarm Limited via the Jamaica Stock Exchange. As an important precursor to the IPO, Wigton's US\$49.2 million loan with the PetroCaribe Development Fund was refinanced to four Jamaican dollar bonds. JN Fund Managers was the lead arranger for the debt refinancing. Mayberry Investments Limited was the Lead Broker and Financial Advisor for the Wigton Windfarm Offer for Sale of shares on the JSE.

As of Wednesday, April 17, 2019, Jamaicans flocked to financial institutions to purchase shares in one of the most discussed and historic Initial Public Offerings (IPOs) – Wigton Windfarm Limited (WWFL). The IPO which closed on May 1, 2019, successfully raised J\$5.5 billion with the support of ordinary Jamaicans who were invited to subscribe in a complete Government divestment of a state-owned asset. This was an Offer for Sale of shares by the Petroleum Corporation of Jamaica of 11 billion ordinary shares in Wigton Windfarm Limited at an offer price of \$0.50 per share.

"There is no precedent for that," said Minister of Finance and the Public Service Dr. the Hon. Nigel Clarke at a breakfast briefing held at the Jamaica Pegasus Hotel on Tuesday, April 9, 2019. "Previous IPOs, 30 years ago, would have divested parts of Government-owned companies."

As part of the GoJ's privatisation strategy, Cabinet selected Wigton Windfarm as one of the companies to be privatised as it would provide revenues to the Government. This includes J\$5.5B raised from the IPO and J\$6.3B in reflows to the Government from the refinancing of the amounts owed by WWFL to the PetroCaribe Development Fund. The IPO encouraged broad-based ownership via a 'bottom-up' share allocation process, thereby allowing ordinary Jamaicans a stake in the company.

Wigton is now in a position where it is accountable to a larger group of shareholders which may call for greater efficiencies in providing

shareholder value. The listing took place on May 22, 2019, which saw some 31,200 Jamaicans owning 11 billion shares in the company. The offer was oversubscribed.

Wigton Windfarm Limited, which is now the second energy-related company listed on the Jamaica Stock Exchange (JSE), is the largest wind energy facility in the English-speaking Caribbean and it currently contributes 6% of the renewable energy supplied to the grid by the independent power producers.

Wigton is a 44-wind turbine, 62.7 Megawatt (MW) complex located in Rose Hill, Manchester. It consists of three plants, providing 20.7 MW (Phase I), 18 MW (Phase II) and 24MW (Phase III) respectively.

Throughout its operation since 2004, Wigton has operated efficiently, achieving its financial and production targets as well as the Ministry of Energy's objective of developing indigenous energy sources as an alternative to fossil fuels.

For the 2017/18 Financial Year, Wigton's emphasis was on the profitable operation of the wind farm and the delivery of training through its Renewable Energy Training Lab, opened in 2016. The dual focus enabled the company to continue to support the pursuance of the GoJ's Energy Policy target of 20% renewable energy by 2030 while maintaining its position as a profitable and compliant entity in the energy sector.

Success Story - Sangster International Airport



When most people fly to Jamaica, they land at the Sangster International Airport (SIA), located in the centre of Montego Bay, St. James. Sangster, as it is often called, is Jamaica's largest international airport, the busiest in the English-speaking Caribbean.

The Government of Jamaica (GoJ), recognising the significance of the airport to the nation, sought to improve the infrastructure to meet the increasing demands of tourism. Therefore, in 2003, a 30-year Build Operate Transfer (BOT) concession agreement was negotiated with MBJ Airports Limited (MBJ) for the company to operate SIA. Since then, MBJ has invested over US\$230 million, more than doubling its original size. While 170 persons are employed directly to the airport, over 5,000 employees work there, a dramatic increase from the initial employee base of 3,000.

The upgraded and renovated airport, which the Government still owns completely as an asset, is in keeping with international standards and regulations. The airport has demonstrated steady growth (compound aggregate growth of 1.8% since 2003-2014 and 3.6% 2015-2020) and has been a sound investment for its shareholders.

Dr. Rafael Echevarne, Chief Executive Officer of MBJ, says the SIA is an attractive investment for foreign investors because of the business growth potential, fuelled partly by the rising demand for vacations in the island.

"Jamaica is a leading tourist destination in the Caribbean and there are growth prospects in attracting more tourists, driven by the

destination itself and the increase in the number of hotel rooms," he says. This, coupled with the 'extraordinary support' from the Airports Authority of Jamaica and the Government of Jamaica, has created a successful, mutually beneficial public-private partnership for all parties involved.

Among a number of Government entities including the Passport, Immigration and Citizenship Agency and the Jamaica Customs Agency, MBJ also works closely with the Ministry of Tourism. "We work together in promoting Jamaica internationally, attracting new carriers and opening new routes," says Dr. Echevarne. MBJ is also working with the Ministry of Transport and Mining in managing a US\$70 million fund for the extension of the SIA runway. Plans are also afoot for MBJ to invest over US\$110 million over the next five years in the expansion of the SIA terminal building and the remodeling of the road infrastructure.

Now, a little over midway in the current concession agreement, SIA will continue to grow, continuously serving Jamaicans, the island's visitors, its Government and its shareholders who seize the opportunity.



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