



Second Meeting of the Infrastructure Financing and PPP Network of Asia and the Pacific

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**Demonstration of PPP Project:
Haemodialysis Centre at National
Institute of Kidney Disease and Urology**

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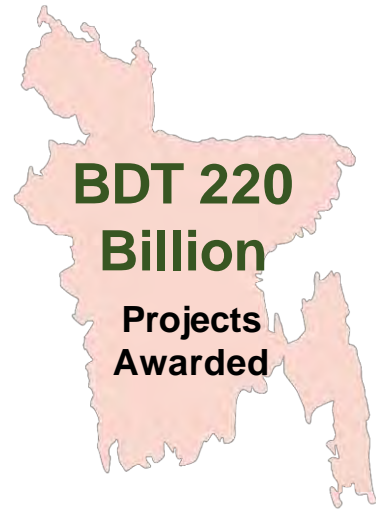
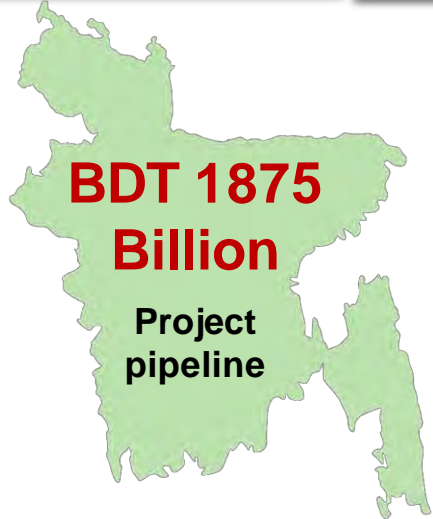
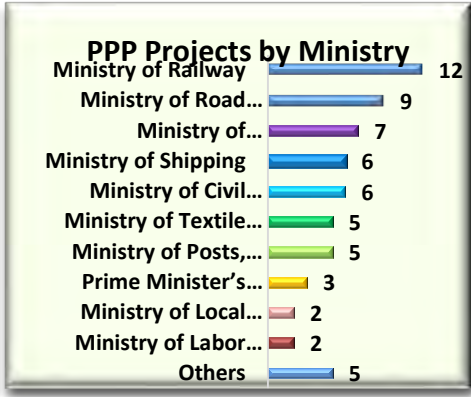
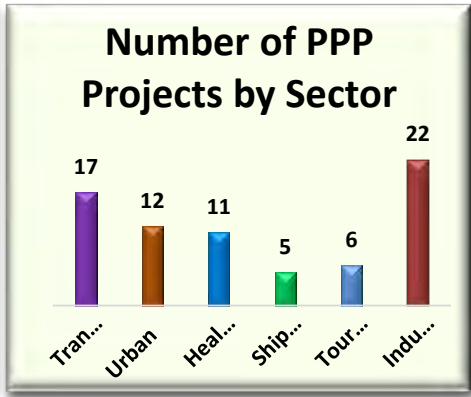
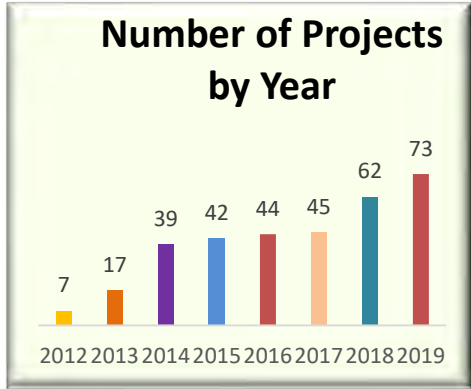
PPP Projects in Bangladesh: An Overview

Number of Projects: 73
 Ministries and Agencies: 15 ministries, 27 agencies

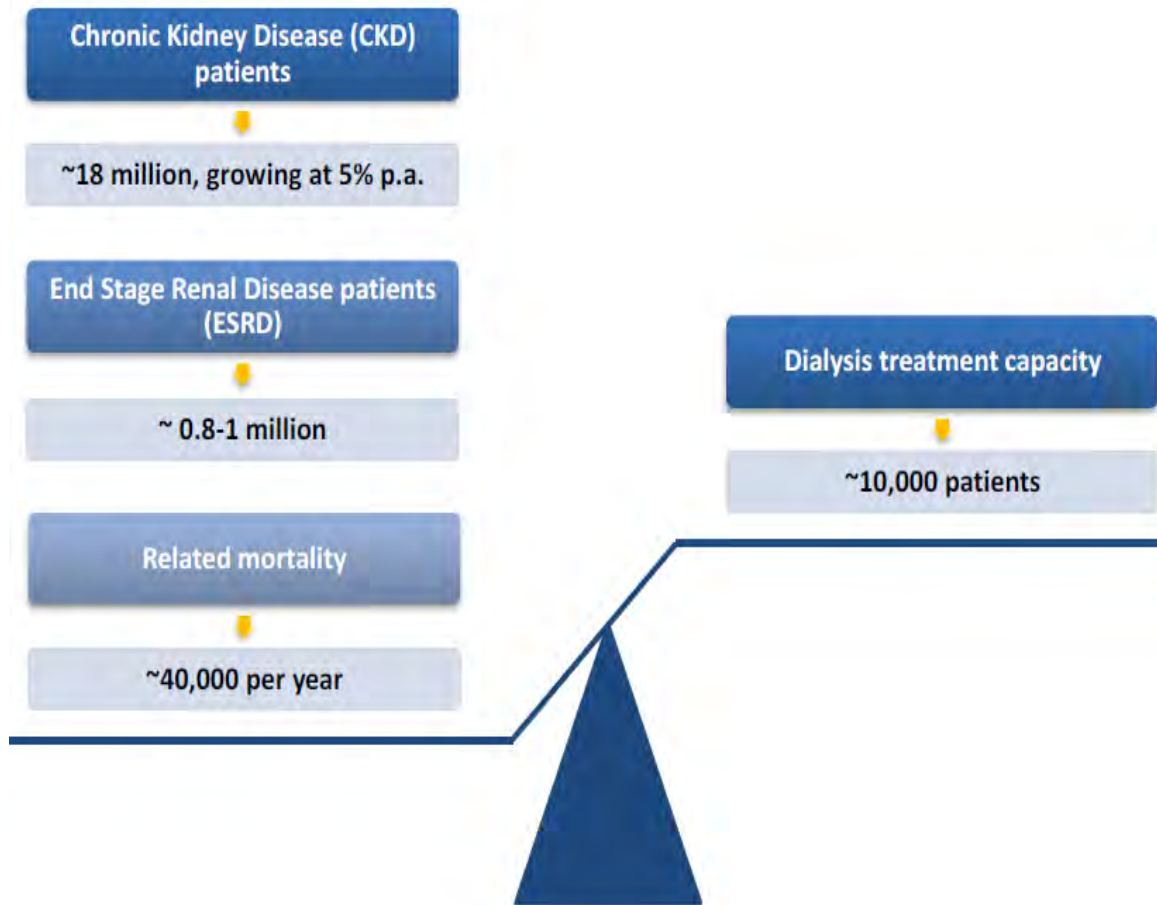
Stages of Development:

- Operation stage: 1
- Construction stage: 5
- Contract Signed: 8
- Contract to be Signed: 2
- Procurement Stage: 17
- Feasibility Stage: 8
- Others: 32

Awarded projects and the pipeline represent investment above USD 20 billion



Health Sector PPP: Need Analysis



There is a huge gap between the **required number** of Dialysis machines and the **existing capacity**



Source: Interviews with nephrologists and published articles

Public Organization, managing the public interest

Directorate General of Health Services,
Ministry of Health & Family Welfare, Government of Bangladesh

Private Organization, developing the project

Sandor Medicaid Pvt. Ltd., India

Capital Providers, financing the project:

Infrastructure Development Company Ltd. (IDCOL), Bangladesh

Why is this project a Case Study for PPPs

First PPP project in Bangladesh implemented under the new PPP Regime which aims to create a sustainable PPP program. Recognized as one of the pioneering PPP projects in the World by KPMG.

- Kidney Dialysis Centers at NIKDU in Dhaka & CMCH in Chittagong
- Allocation of space in the existing similar facilities
- Existing similar facilities
- Through a Concession for 10 years
 - ✓ To supply, operate, maintain and transfer dialysis facilities
 - ✓ To provide a total of around 20,000 sessions per year
 - ✓ With prescribed service standards and KPIs
 - ✓ With threshold cost/session
 - ✓ With certain free treatment arrangements

NIKDU- National Institute of Kidney Disease and Urology
CHCH- Chittagong Medical College and Hospital

- ❑ The Project was approved by Cabinet Committee on January 2012
- ❑ IFC was engaged as Transaction Advisor (in Sep 2012) to cover:
 - Technical Assessment (Scoping, KPIs, Service Delivery)
 - Commercial Assessment (Costing, Demand, Revenue)
 - Project Structuring (PPP Options, Delivery Model, Major Terms and Conditions) and
 - Transaction Documentation preparation, i.e., Invitation for Tender (IFT) and PPP Contract.
- ❑ Transactions
 - Wide scale Market Sounding conducted August 2013
 - Invitation for Tender Issued February 2014
 - Letter of Award Issued January 2015
 - Negotiation Completed January 2015
 - Contract Signing January 2015
 - Financial Closure Completed March 2016
- ❑ Inaugurated November 2016

- ❑ Adequate scale of business with additional space: Total space ~7,500 sft at existing NIKDU in Dhaka to install 70 beds with CAPEX of USD 2 million
- ❑ Contractual obligation to provide: 13,000 sessions/annum
- ❑ 1,300 free emergency sessions/annum at NIKDU.
- ❑ Annual service payment of BDT 33.33 million to be paid to the Concessionaire
- ❑ The maximum chargeable fee: BDT 2,600 per session (which is lower than market rate for similar facility)



NIKDU (7500 sft)

Facilities at NIKDU



Wider perception from Stakeholders on the positive effect of the project

- Quality of life through better health service
- Affordable price
- Simplified and less bureaucratic arrangement

Key Changes

- 24-hours service
- Walk-in Service
- Full-fledged facility (no outside consumables required)
- Minimum of 19,500 sessions (guaranteed) in two facilities

Feedback from the Users

- Users are highly satisfied with the quality of the dialysis service including admission procedure, monitoring and follow up.
- Users are happy with the dialysis price and availability of the service.

Feedback from the Government Health Sector

- There is a strong belief that replication of the project is essential at national level across other regions of the country where there is acute need for dialysis services.
- Based on the success of this project, other follow up projects such as diagnostic services, imaging facilities, and ambulance services are being considered to be taken up through PPP.

Impact on Sustainable Development Goals (SDG)

Sustainable Development Goals		No impact	Some impact	High impact
1	End Poverty		√	
2	End hunger		√	
3	Wellbeing –healthy lives			√
6	water and sanitation for all		√	
7	Affordable and sustainable energy	√		
8	Economic growth & decent jobs for all		√	
9	Resilient infrastructure, sustainable industrialization, foster innovation			√
10	Reduce inequalities within and among countries			√
11	Cities inclusive, safe, resilient and sustainable		√	
12	Responsible consumption by all		√	

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