

# KIND NEWSLETTER

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## KBICC(Korea-Bangladesh Infrastructure Cooperation Center) Held its Grand Opening Followed by Bangladesh Roadshow

On September 5, the opening ceremony of KBICC(Korea-Bangladesh Infrastructure Cooperation Center) was held at Sheraton Dhaka, Bangladesh. This ceremony was to invite key people in Bangladesh Government and make an opportunity for promoting KBICC itself and the fruitage of Joint PPP Platform.

More than 100 people, including officials from Bangladesh PPPA(Public Private Partnership Authority), RHD(Road Transport and Highways Division), CWASA(Chattogram Water and Sewerage Authority), Korea Embassy and Korean constructors, attended the ceremony. From the welcoming speech by Kang-hoon Lee, the CEO of KIND, congratulatory remark by Muhammad Ibrahim, the Secretary and CEO of PPPA was followed. Also, projects dealt during four times of Joint PPP Platform were introduced by constructors.

Taking this opportunity, KIND engaged in a roadshow and attended meetings with Bangladesh authorities and our contractors to attain concrete progress of each project.

KIND will optimize KBICC as a front line base to materialize the projects into actual accomplishments of Korean construction companies. In order to proceed further, KBICC is going to strengthen networking with Bangladesh authorities, local dispatched Korean contractors and financial organizations like MDB.



[Photo1]



[Photo2]



[Photo3]



[Photo4]

[Photo1] From the left, Han-kyu Lim, the executive vice president of KIND; A.K.M. Fazlullah, the managing director of CWASA; Kang-hoon Lee, the CEO of KIND; Jang-keun Lee, the Ambassador of Republic of Korea; Muhammad Ibrahim, the Secretary and CEO of PPPA; Amin Ullah Nuri, the Secretary of RHD; Anisur Rahman Miah, the Chairman of RAJUK.

[Photo2] The view of the opening ceremony venue / [Photo3] The meeting at PPPA / [Photo4] The meeting at RHD

## 'Korea-Indonesia Cooperation Forum on Indonesia's New Capital' at GICC 2022 Ended in Great Success



The 10th Global Infrastructure Cooperation Conference (GICC), the nation's largest global infrastructure conference, was held for two days from August 30 to 31. It was eventually held offline for the first time in recent three years due to the COVID-19 pandemic. In the wake of the IKN Authority's visit to Korea for GICC 2022 and the government officials' workshop for EIPP, KIND, which has supported the establishment of plans for the capital relocation in Indonesia, and Kora Research Institute for Human Settlement (KRIHS) jointly held "Korea-Indonesia Cooperation Forum on Indonesia's New Capital" along with GICC event. The minister of the Nusantara Capital Authority gave a presentation on the implementation status of capital relocation, and relevant organizations – KIND, KRHS, NAACA and LH discussed bilateral cooperative measures through a case study of Sejong city and its implications.

KIND gave a presentation on Korea-Indonesia cooperation status for new capital city. Mr. Bambang Susantono, the minister of the Nusantara Capital Authority, said, "Many projects will be open to be invested in PPP model, from basic infrastructure such as water and sewage, to road and airport expansion." KIND has been actively forming Team Korea, composed of public institutions and private construction companies, in order to cooperate for participation in the construction of Indonesia's new capital city.

## Signed Construction Contract for the Korea-Vietnam Economic Cooperation Industrial Complex

The construction contract for the Korea-Vietnam Economic Cooperation Industrial Complex has been signed with Kyeryong (Kyeryong Construction Industrial Co. Ltd.) JV at the end of August.

The construction scope is  $\Delta$  main complex construction,  $\Delta$  wastewater treatment plant and management office building construction, and the construction period is 24 months.

The contract was signed by VTK, a joint venture company among Korean companies and Vietnam company. VTK's stake consists of 35% LH, 25% KIND, 10% KBI Construction, 5% Shinhan Bank, and 25% TDH Eco Land.

This project is the first Korean-style industrial complex in Vietnam for supporting Korean SMEs' entry into Vietnam. This complex covering 143ha (1.43m<sup>2</sup>) is located in Hung Yen Province, about 30km southeast of Hanoi.

Kyeryong takes the first step into the Vietnam market through this project, and afterwards Kyeryong is expected to participate in various Vietnam projects. Previously, Kyeryong Construction Industrial was awarded the Myanmar Economic Cooperation Industrial Complex construction launched by LH.

The groundbreaking ceremony scheduled at the end of this year, the 30th anniversary of the establishment of diplomatic relations between Korea and Vietnam, is expected to expand economic cooperation between two countries.



Prospective Design

## KIND-CABEI Signs an MOU

On July 12, KIND signed an MOU (Memorandum of Understanding) with the CABEI (Central American Bank for Economic Integration) for mutual cooperation in the field of infrastructure development in the Central American region.

CABEI is an MDB (Multilateral Development Bank), established for economic development and promotion of foreign investment in the Central American region aims to expand infrastructure in the said region. Korea joined as a non-regional member and permanent board since December 2019. Currently CABEI has 15 regional/non-regional members, including Korea.

The MOU contains comprehensive cooperation in the infrastructure sector, including information exchange on areas of common interest between the two organizations and joint business development.

Since its establishment, KIND has cooperated with CABEI in various fields of Central American projects including F/S cooperation such as Panama Metro. Through this MOU, KIND plans to actively seek opportunities and co-develop projects in CABEI member countries, namely Dominican Republic, Panama, Costa Rica, etc.



## Halfway Marked for the 2<sup>nd</sup> Year Indonesia EIPP – Visit to Korea and Interim Reporting Workshop Completed

KIND invited 34 Indonesian government officials, including the Ministry of National Development and Planning (BAPPENAS) and the Ministry of Energy and Mineral Resources (MEMR) of Indonesia, for the 2<sup>nd</sup> year EIPP interim report session and the workshop in order to share Korea's experiences on Sejong administrative complex and innovative city development.

The delegation of each directorate of Bappenas and related ministries attended various programs, including seminars, field trips, expert interviews, and business meetings. In-depth discussions were conducted on topics of urban development, funding, sustainable green growth and forest city, electric vehicle and transportation, and energy transition.

There are five projects in progress to support Indonesia's new capital planning and this capacity building session is included in the projects. All these active engagements between the two countries' public and private sectors will lead to better cooperation to accelerate the building of new capital, Nusantara, Indonesia.



## Participation in the 2022 World Smart City Expo



At the 2022 World Smart City Expo, held at KINTEX for three days from August 31 to September 2, KIND operated a K-City Network exhibition booth in collaboration with the Korea Agency for Infrastructure Technology (KAIA). In addition, on September 2, the K-City Network Program Seminar was held. According to the World Smart City Expo Secretariat, about 30,000 people visited the expo in three days.

KIND shared the achievements of the K-City Network program over the past two years through the World Smart City Expo and promoted K-City Network project to be carried out in 2022. In addition, through the K-City Network Program seminar, the completed project results were shared and the follow-up project promotion plan and participation method were guided.

The K-City Network program, which began in 2020, is a global cooperation program based on Korean smart city technology. KIND is in charge of urban development projects and KAIA is in charge of smart solution planning and demonstration projects.

## 2022 “PPP Briefing Session” Held

KIND held a ‘PPP Briefing Session’ with MOLIT on July 15<sup>th</sup>. The briefing session was planned to promote Korean companies’ participation in overseas PPP projects and was held in the presence of over 180 industry officials from more than 90 companies.

The briefing session consisted of four topics: Understanding of PPP, Law, Finance, and Case studies. At the beginning, Han-Kyu Lim, the executive vice president of KIND, gave a lecture under the theme of ‘G2G platform innovation in PPP’, emphasizing the importance of G2G cooperation in PPP and KIND’s strong will.

Kim & Chang Law Firm followed up with a presentation about ‘Key Points of Vietnam and Mexico PPP Act’, and PPP-related financial support systems were introduced by KIND, K-EXIM, and K-SURE.

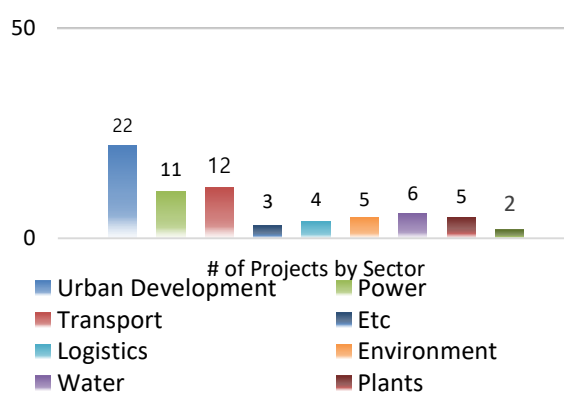
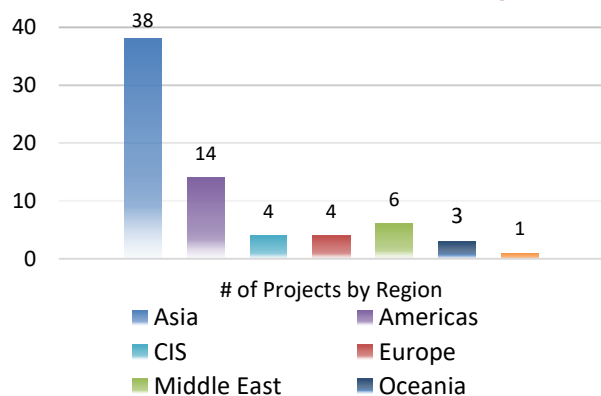
Finally, SK ecoplant shared ‘Norway Rv 555 Road Project’ story, which many attendees found useful. KIND plans to hold similar sessions regularly to provide opportunities for industry officials to communicate and share information.



## KIND's Committed Investment : 18 Projects

Project	Time	Commitment	Status
Kazakh Almaty Ring Road PPP	'18.4Q	\$ 15.0M	Construction
Chile Talca Solar Power	'18.4Q	\$ 6.5M	Operation
Poland Polimery Police PDH/PP plant	'19.2Q	\$ 57.0M	Construction
Chile Maria Pinto Solar Power	'19.4Q	\$ 3.5M	Working for financial closing
Nepal UT-1 Hydropower	'20.2Q	\$ 55.1M	Construction
Chile Guadalupe Solar Power	'20.2Q	\$ 3.8M	Operation
Vietnam Hung Yen Industrial Park	'20.4Q	\$ 3.8M	Construction
Indonesia Probolinggo Port	'20.4Q	\$ 1.2M	Construction
Saudi Arabia Tanajib CHP Plant	'21.2Q	\$ 17.0M	Construction
Vietnam Hanoi Social Housing	'21.3Q	\$ 4.6M	Preparing for bidding
Pakistan Lower Spat Gah Hydropower	'21.4Q	\$ 70.0M	Working for financial closing
U.S.A. Chicago Hotel	'21.4Q	\$ 11.6M	Working for financial closing
Equity Investment in Chile PMGD Portfolio Solar Powers	'21.4Q	\$ 6.3M	Financial closing
Fund Investment in Chile PMGD Portfolio Solar Powers	'21.4Q	\$ 10.2M	Financial closing
Indonesia Karian Water Treatment	'21.4Q	\$ 5.5M	Working for financial closing
Philippines Cebu Affordable Housing	'22.1Q	\$ 10.8M	Working for financial closing
U.S.A. Trumbull Gas Combined Cycle Power Plant	'22.1Q	\$ 75.1M	Working for financial closing
Middle East Utilities Project	'22.2Q	\$ 29.5M	Bidding Submitted
<b>Total</b>		<b>\$ 386.5M</b>	

## KIND Deal Pipeline: 70 Projects



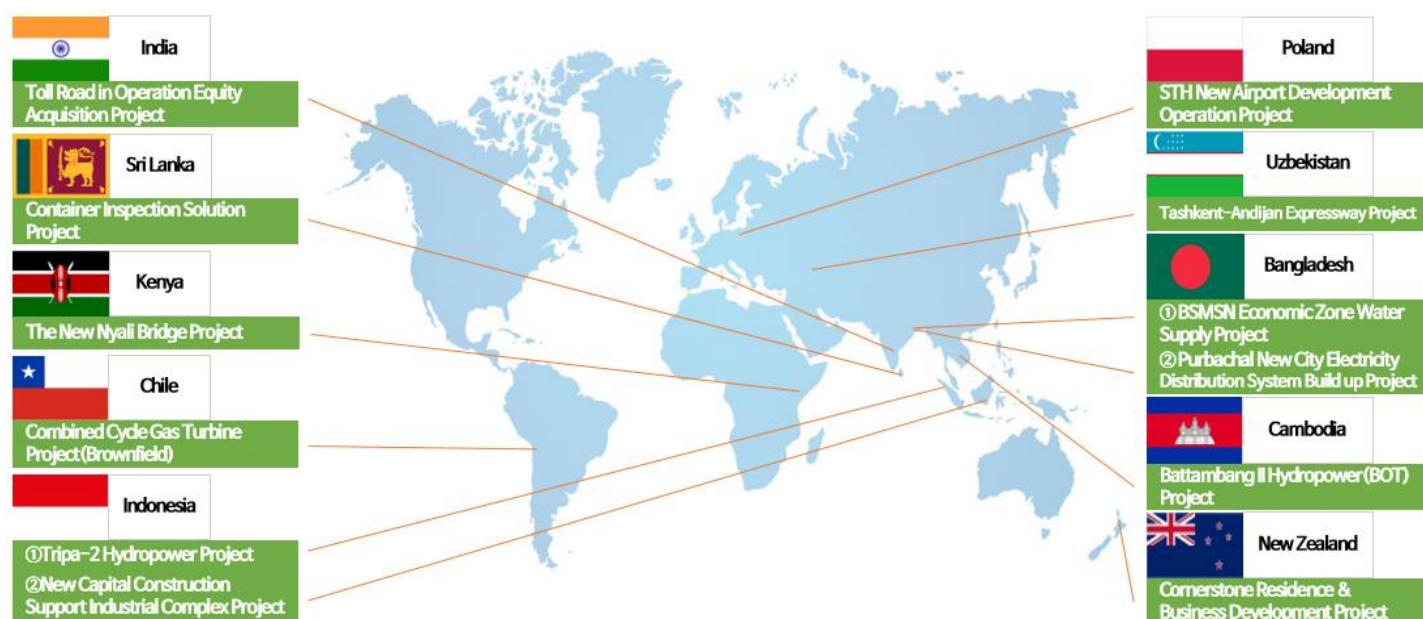
## Plant, Infrastructure, and Smart City (PIS) Fund

Fund	Plant	Infrastructure	Smart city	Proposal-based
Fund Size	KRW 210 Bil.	KRW 450 Bil.	KRW 240 Bil.	KRW 200 Bil.
Investor	PIS Fund of funds and other financial investors			
Vintage	2020	2020	2020	2020
Manager	Hanwha AM	KIAMCO	Korea Investment Real Asset Mgmt.	Samsung AM
Investment	On-going	On-going	On-going	On-going

## Global Infrastructure Fund

Fund	GIF 1	GIF 2	GIF 3	GIF 4	GIF 5	GIF 6	GIF 7
Investors	KIND and others						
Fund Size (KIND Share)	KRW 50 Bil (67%)	KRW 70 Bil (50%)	KRW 123 Bil (54%)	KRW 65 Bil (46%)	KRW 110 Bil (45%)	KRW 110 Bil (45%)	KRW 103 Bil (10%)
Vintage	2014	2011	2016	2017	2019	2019	2019
Manager	KIAMCO	Shinhan AM	KIAMCO	KIAMCO	KB AM	KB AM	Shinhan AM
Investment	Completed	Completed	Completed	Completed	On-going	On-going	Completed

## 2022 F/S Supports: 12 Projects Going on as of the 3<sup>rd</sup> Quarter



< Project list and countries selected in 2022 >

Commissioned by the Ministry of Land, Infrastructure and Transport (MOLIT), KIND is sponsoring Feasibility Study (F/S) Support Program for promising projects in 2022 for the fourth year in a row. Three projects (Poland, Uzbekistan, Kenya) were newly selected for F/S in the third quarter of this year. Out of a total of twelve in 2022, six projects were submitted through regular open calls while six projects were selected for particular purposes such as implementation of G2G agreements, etc.

KIND seeks project development opportunities through mutual collaboration with project proposers. New F/S projects as well as ‘Proposal Preparation’ Support, a new sub-program debuted this year, will continue to be selected in the last quarter of 2022.

## 3<sup>rd</sup> Year K-City Network – Selected Consultancies Ready for Kick-Off

K-City Network is on the initiative of Korean government for smart city-focused global cooperation. 2022 marked its third year of operation. From March to May 2022, call for projects were opened to overseas governments and regional governments. Through intensive reviews of K-City Network committee, 10 projects were selected for supports, and out of the 10, the following 5 projects will receive smart city development planning supports. Competitive tenders to select the most suitable consultancies were over and the selected consultancies are getting ready for kick-off meeting with each government.

Country/City	Project Information
Kyrgyzstan /Issyk-Kul	Establishment of a basic plan and pre-feasibility study to develop an eco-friendly smart tourism city by utilizing the tourism resources of Issyk-Kul Lake area
Mongolia /Zuunmod	Establishment of a basic plan for the construction of a smart city (new city) in the southern Zuunmod area of Khushig Valley (Free Economic Zone) to disperse the population of Ulaanbaatar
Malaysia /Klang	Establishment of a basic plan for a smart urban regeneration and pre-feasibility study to protect the cultural heritage of the city and to give a rebirth to the city as a tourist destination
Bangladesh /Khulna	Establishment of a basic smart city plan and pre-feasibility study to solve city problems, such as traffic congestion, aging of sewage facilities and waste management
Azerbaijan Rep. /Zangilan	Establishment of a basic smart city plan and pre-feasibility study including the provision of infrastructure such as water resources, electricity, and housing in undeveloped border area

## KIND Achieved 'A' in Government Management Evaluation

On September 26, the results of the 2021 government management performance evaluation of other public institutions under MOLIT were officially announced. Among 13 public institutions, KIND recorded the splendid achievement of grade 'A' (Excellent).

In this evaluation, KIND has been recognized for its efforts in increased direct investment and policy fund investment. Also, the G2G cooperation efforts were noted, especially with the Bangladesh Purbachal distribution line project.

Since designated as a public institution in 2019, KIND has finally achieved A this year, successfully being acknowledged as a global PPP specialized institution.



## KIND Joins Climate Technology Cooperation Council



On July 21, KIND attended the opening ceremony of the Korean liaison office of the UN Climate Technology Centre and Network(CTCN) and the launching ceremony of the Climate Technology Cooperation Council.

The council consists of domestic and international organizations in various fields, including technical institutions, financial institutions, and international cooperation agencies.

These institutions aim to jointly plan and operate technology transfer projects for climate change, thereby creating successful cases of transferring Korean technologies to other countries.

In addition to participating in the Council, KIND plans to continuously promote various activities to address the global climate crisis.

## Global Energy Related Policies and Issues for Climate Change Response

Recent Climate-related disasters around the world, the current war in Ukraine and consequent energy crisis in EU have affected the global energy policies significantly: REPowerEU<sup>1)</sup> announced by European Commission in May 2022, and Inflation Reduction Act (IRA<sup>2)</sup>) enforced by the US government in August 2022. These are expected to expedite the global energy transition to green and safe supply and consumption of energy, a very timely transformational trend that is in line with the global aspiration for "Net Zero<sup>3)</sup>".

Against this backdrop, KIND is also more actively looking into a way to respond to the needs accordingly. Its project pipeline has expanded to have bigger size of renewable energy power plant, and discussions around project development for SMR<sup>4)</sup> (Small Modular Reactor) have started although it is still at a very nascent stage.



It does not mean, however that we need to completely take our hands off the fossil fuel power plants for project development. It is because it appears necessary to find a way to keep them in the net zero roadmap in a bid to meet the global energy demand while reaching the carbon emission target by 2050; considering the current global supply chain capacity, and related infrastructure it will be absolutely impossible to replace all the conventional energy supply with renewables within the timeline. Thus how to make new projects more economic as well as environmentally safe will remain critical for most of the investment decision makers in both public and private sectors for quite some time.

- 1) REPowerEU : the road map for reducing Europe's dependence on Russian fossil fuels
- 2) IRA : the bill that focuses on energy security, climate change response, tax reform and etc
- 3) Net Zero : a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere.
- 4) SMR : advanced nuclear reactors that have a power capacity of up to 300 MW per unit

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