



Private Participation in Infrastructure in Korea

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The background of the slide features a blue sky with white clouds. A large, semi-transparent blue wave shape curves across the middle of the slide. Below the wave, there is a grid pattern of glowing blue lines that create a sense of depth and connectivity.

I. PPI Overview

Concept of PPI

■ **PPI (Private Participation in Infrastructure)**

- Public & Private Partnerships to provide infrastructure facilities and related public services

■ **Rationale and Position of PPI**

- Provide a new option for public service delivery under fiscal constraints
- Introduce private sector efficiency and innovation
- Provide stable & long-term investment opportunities for the private sector

History of PPI Act

**Enactment
Aug. 1994**

『The Private Capital Inducement Promotion Act』

**Revision
Dec. 1998**

『The Act on Private Participation in Infrastructure 』

- Risk Sharing, Minimum Revenue Guarantee

**Amendment
Jan. 2005**

『The Act on Private Participation in Infrastructure 』

- Expansion of Facility Types
- Introduction of BTL Scheme
- Diversification of Investor Profile (Infra. Fund)

** PPI Guideline is issued to provide PPI policy direction and implementation guidance*

Structure of the PPI Act

PPI Act, Enforcement Decree

- Eligible facility types (44)
- Investment schemes :
BTO, BOT, BOO, BTL, etc.
- Implementation procedure
- Infrastructure Credit Guarantee Fund, Infrastructure fund
- Government support, risk sharing measures

Basic Plans for PPI

- Policy directions
- General guidelines for
PPI project implementation
- BTL Implementation guidelines

Implementation Schemes

■ **BTO (Build-Transfer-Operate)**

- Road, Railway, Port, etc.
- Concessionaire collects user fee to recover its investment
- Private sector takes demand risk
- Solicited & Unsolicited projects

■ **BTL (Build-Transfer-Lease)**

- Schools, Welfare/medical facilities, Cultural Facilities , etc.
- Government pays concessionaire for service delivery
- No demand risk for private sector
- Solicited projects only

■ **Others : BOT, BOO, etc.**