

WAR AGAINST WASTE

4TH INTERNATIONAL CONFERENCE ON SWM

ORGANIZED BY WTER

Private &
Confidential



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Company Profile & Experience in SWM

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7+ years of experience in SWM/WTE, and Energy & Environment as a whole.

Providing advisory services to leading SWM/WTE companies globally

One of the few firms to have closed Waste-to-Energy deals in India

Hosted multiple delegations to/from EU/US/Japan on Waste Management sector

Mentored companies in Waste Management

Presented at multiple conferences (including CII) on Waste Management

Services include PE/VC, M&A, project finance, India Entry Strategies

Expertise



Cross Border Deals



Water



Waste



Solar



Wind



Hydro



Energy Efficiency



Oil & Gas

Challenges in Solid Waste Management

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Technology:

Handling Indian heterogeneous waste
High moisture content, odour & fire control
Affordability of Waste-to-energy technology
Unproven plasma & pyrolysis tech

Value Chain:

Segregation at source and at gate
Scientific landfilling
Monitoring & tracking of C&T activities
Marketing of compost
RDF transportation cost

Policy Framework

Draft MSW 2015 policy TBD
Robust PPP model

Structuring:

Robust concession agreement
Roles of concessionaire vs developer
PPA & Tipping fees
Standardization of PPP models
Joint Venture structure

Bankability & Investability:

Lenders prefer proven technologies
Emerging revenue model for waste-to-energy
Uncertainty in project returns
ULB and SEB financial health

Issues are well understood ... time to accelerate resolution ...

Government Stake in PPP Model

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Policy

Segregation

Segregation becomes mandatory at source

Support ULB

Training & guidance to ULB to drive SWM

Purchase Power

Ensure SEB/Discom purchases Power from SWM / WTE projects

Tipping Fees

Provide tipping fees when meeting urban obligations

Involve People

Engage the informal sector to push initiatives forward

Fiscal Incentive

Taxation

Exemption from indirect taxes during construction and power trading

Funding

Funding in terms of grant or generation based incentive

Payment Security

Back Concession Agreements & PPA's with Central (or similar) guarantees

Institutional framework

Contracting

Comprehensive contracts infrastructure for PPP, EPC or DBFOT projects

Concession Agreements

Remove ambiguity in Concession Agreements by providing Model CA

ULB Motivation

Motivate ULB's to float and award tenders in a timely manner resulting in clean cities

Government is supportive and the direction is highly encouraging ...

Private Sector Stake in PPP Model

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Technology

Access	Access globally proven technologies via technology licensing, JV
Manufacturing	Leverage domestic manufacturing expertise to drive down cost
Localization	Adapt the technology to Indian waste composition and characteristics
R&D	Allocate a portion of profits to R&D

Development

People Engagement	Engage the informal sector (e.g. rag pickers) to improve collection
Segregation	Utilize pre-treatment & segregation methods to recover maximum resources
Scalability	Utilize learning from each project onto the next
Structure	Setup well-designed SPV

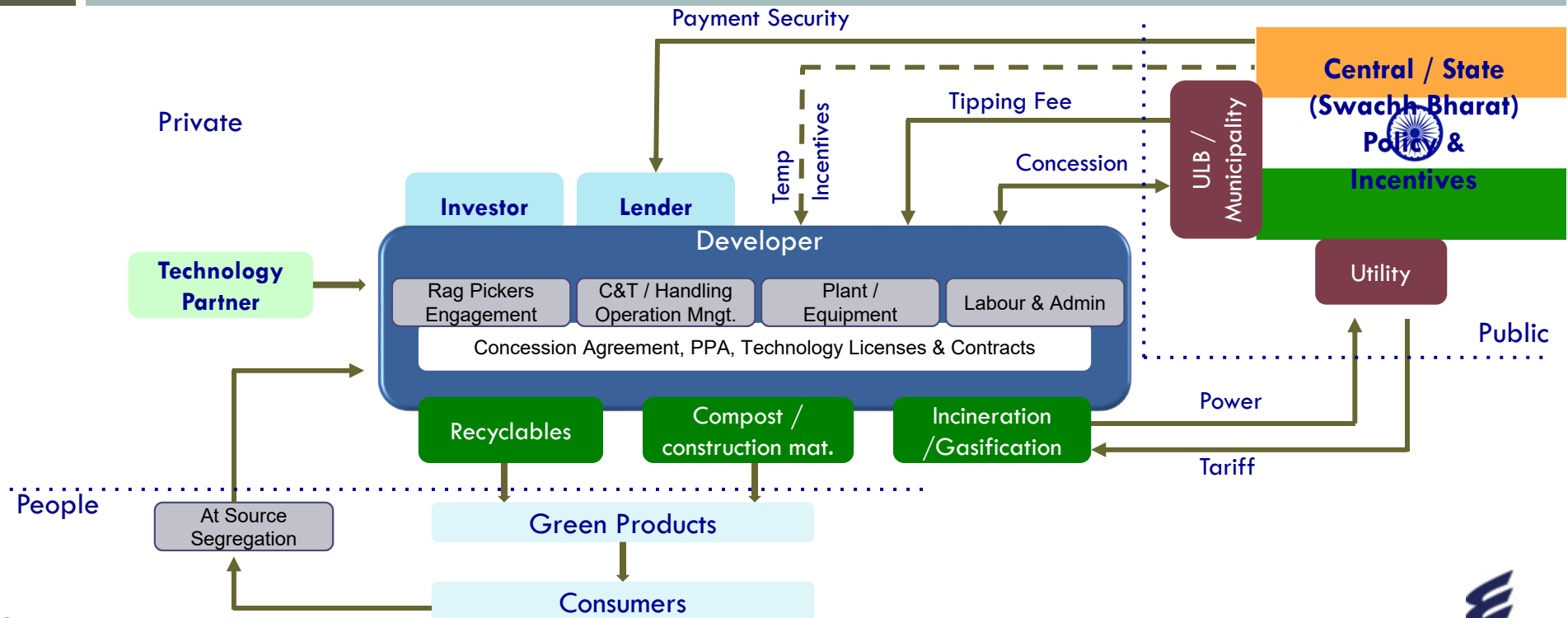
Investment / Return

Risk	Understand and quantify risk; plans to mitigate risks
Realistic Returns	Have realistic expectations on risk-adjusted returns
Invest	Secure, internally or externally, the needed equity to fund the project
Bankability	Taking a 360° view of project, ensure bankability and secure project finance

Private sectors goal is to drive developmental and economic efficiencies ...

Encito's Recommended "Sustainable PPP" Model in Municipal Solid Waste Management

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Thank you ...



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