

ECUADOR

GUAYAQUIL BULK MULTIPURPOSE TERMINAL PPP PROJECT PREPARATION STRUCTURING ACTIVITY

(EC-T1621)

PROJECT DOCUMENT

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ECUADOR GUAYAQUIL BULK MULTIPURPOSE TERMINAL PPP PROJECT PREPARATION STRUCTURING ACTIVITY EC-T1621		
PROJECT SUMMARY		
Operation Type:	Technical Cooperation	
Sector:	TRANSPORT	
Subsector:	PORT INFRASTRUCTURE	
TC Taxonomy:	Client Support	
Project Number under the Operational Support Taxonomy:	N/A	
Technical Responsible Unit:	INE/PPP-Public Private Partnerships Single Window	
Unit with Disbursement Responsibility (UDR):	INE/PPP-Public Private Partnerships Single Window	
Executing Agency:	Inter-American Development Bank	
PROJECT OBJECTIVE		
Provide strategic support to the Government of Ecuador in the preparation of technical, financial, and legal studies, and in the comprehensive structuring of the Guayaquil Bulk Multipurpose Terminal (TGM) as a public-private partnership (PPP), encompassing the design, financing, construction, equipment procurement, maintenance, and operational management of the terminal.		
FINANCIAL INFORMATION		
Financing Type	Fund	Amount in US\$
TCC - Contingency Recuperation Grant	FGI - Global Infrastructure Facility	1,000,000
Total IDB Financing		1,000,000
Counterpart Financing		0
Total Project Budget		1,000,000
Donors:	N/A	
Disbursement Period:	36 months	
Execution Period:	36 months	
ADDITIONAL FINANCIAL INFORMATION		
N/A		

I. JUSTIFICATION AND OBJECTIVE

1.1 Diagnostic.

- a) Currently, in Latin America and the Caribbean, Public-Private Partnerships (PPPs) are the norm for multipurpose or container port terminals. 92% of the region's TEUs (Twenty-foot equivalent unit) are handled at PPP ports, which represent 83% of container terminals. On average, three new PPP projects are developed annually in the region, mainly under "landlord"¹ agreements on existing infrastructure, implemented through competitive bidding processes. According to the Inter-American Development Bank (IDB)², most of these projects are financially self-sustaining, generating revenue for governments and fiscal space for other public needs.
- b) Port Sector in Ecuador: Ecuador's port sector is predominantly operated by private entities through PPPs and fully private terminals (known as Authorized Port Terminals, or TPHs). In the Guayaquil area, 88% of the country's general, containerized, and dry bulk cargo was handled in 2024 by PPP and TPH operators.
- c) The Multipurpose Bulk Terminal (TGM) is Ecuador's main solid bulk terminal and is part of the Port of Guayaquil. The terminal is critical to the country's food supply chain, serving as the main entry point for products such as soybean meal, wheat, and corn. In 2024, TGM handled 52% of the country's imported solid bulk cargo; the remainder was mainly managed by four TPHs.
- d) TGM was granted in concession in 1999 for a 25-year period to the company Andipuerto, with the objective of operating the terminal and investing in infrastructure and equipment. In 2024, an addendum to the concession contract was signed, extending its validity under a transitional regime until November 2026.
- e) According to the PPP Project Profile Study for TGM developed by the Guayaquil Port Authority (APG) in 2024 (hereinafter referred to as the Profile Study), the terminal has faced operational difficulties and investment shortfalls in recent years. The terminal has only one berth and has operated with an annual occupancy rate above 65% for over 10 years. This level of occupancy is considered high congestion according to UNCTAD (United Nations Conference on Trade and Development) port standards, resulting in additional operational costs for foreign trade companies due to higher freight rates and longer vessel waiting times.
- f) A bathymetric study conducted in 2022 revealed that the maneuvering area has lost at least one meter of depth over the past five years. Consequently, according to APG, in 2024 there was a high risk of grounding for vessels with a draft of 9.75 meters. Grounding incidents were reported in the berthing area between 2022 and 2024. The Profile Study indicates that the terminal faced an imminent risk of being declared an unsafe berth, which could impact operations. Although APG carried out dredging activities in May 2025, it is essential that operations at the terminal are not interrupted when the current

¹ It is a long-term scheme where a public port authority owns and maintains basic infrastructure, then transfer operations to a private company through a public-private partnership.

² Suárez-Alemán, A., Astesiano, G., & Ponce de León, O. (2020). Perfil de las asociaciones público-privadas en puertos de América Latina y el Caribe: Principales cifras y tendencias del sector.

concession ends and the new one begins. Such an interruption could lead to the loss of clients and a significant portion of the market, affect national production due to shortages of raw materials for animal feed, and increase pork and chicken prices.

- g) **PPP Enabling environment in Ecuador:** as in other countries in Latin America and the Caribbean, Ecuador's port sector is dominated by private operators (both PPP and fully private). The five largest public ports operate under the PPP model: TGM (the first terminal concessioned in 1999), Contecon (another terminal in the Port of Guayaquil, under APG, concessioned in 2007), Posorja (APG, 2016), and the terminals of Manta and Bolívar (both since 2016). Additionally, the only port currently operated directly by a port authority—Esmeraldas—is expected to be concessioned; as of August 2025, it is in the structuring phase. According to the Ministry of Infrastructure and Transportation (MIT), private terminals (known as authorized private terminals) are key players in the port sector; in the Guayaquil area alone, at least seven private terminals operate with significant market shares across various products.
- h) Ecuador's PPP framework is based on the Organic Law of Incentives for PPPs (2015) and the Public-Private Partnership Regulation (2020). Various institutions play a central role in PPP projects. The Public-Private Partnership Inter Institutional Committee (created by article 7 of the PPP Law of 2023) is responsible for overseeing PPP projects³. The Secretary of Public Private Investment (SIPP), now under the MIT⁴, serves as the national PPP authority. Additionally, the Ministry of Economy and Finance⁵, provides technical advice and monitors fiscal exposure in PPPs, according to Infrascopes 2023/24⁶.
- i) The legal framework was updated in 2023, and Decree 788 introduced provisions requiring the integration of disaster risk insurance in PPP contracts and made environmental risk assessments mandatory for infrastructure projects. In December 2023, new legislation was enacted to amend the original PPP law to strengthen transparency, safeguard fiscal sustainability, promote job creation, and attract foreign investment (Infrascopes 2023/24).
- j) In recent years, the government has actively promoted PPPs by supporting legislation on tax exemptions and incentives to encourage private and foreign participation. However, the political environment has also led to setbacks. In 2022, a proposed investment law was rejected, and in 2023, subsequent legal disputes arose—events that experts largely attribute to political dynamics rather than the PPP model itself (Infrascopes 2023/24). Nevertheless, the government announced that 12 projects in SIPP's 2025 portfolio will continue and be transferred to sectoral ministries. In February 2025, the government increased the PPP project portfolio from US\$ 4.1 billion to US\$ 10.7 billion (SIPP, 2025)

³ For detailed functions of the Committee visit: [Comité Interinstitucional de Asociaciones Público-Privadas - Secretaría de Inversiones Publico Privadas](#)

⁴ https://www.gob.ec/sites/default/files/regulations/2025-10/Documento_DECRETO-EJECUTIVO-102.pdf

⁵ <https://www.appecuador.gob.ec/wp-content/uploads/2023/09/Acuerdo-Ministerial-No.-0028-MEF-Proyectos-APP.pdf>

⁶ <https://impact.economist.com/new-globalisation/infrascopes-2024/>

- 1.2 **Request.** The Government of Ecuador (GoE) aims to improve the port's efficiency and safety, increase its capacity to attract more vessels, draw investment, and ensure the terminal's long-term competitiveness through the use of private capital and the incorporation of a high-quality operator to drive sustainable growth over the next 30 years. To this end, the GoE, through the Ministry of Transport and Public Works, is requesting technical support from the IDB for the preparation, structuring, and support during the bidding process of the TGM PPP project.
- 1.3 **Objective.** The objective of this TC is to provide strategic support to the GoE in the preparation of technical, financial, and legal studies, and in the comprehensive structuring of the Guayaquil Bulk Multipurpose Terminal (TGM) as a public-private partnership (PPP), encompassing the design, financing, construction, equipment procurement, maintenance, and operational management of the terminal.
- 1.4 **Complementarity.** The PPP Unit of the IDB, has been working since 2017 in helping the countries in Latin America and the Caribbean to enhance its enabling environment for the identification, prioritization, preparation and implementation of PPP Projects. The PPP Unit works in two complementary areas upstream that focus on the diagnosis, development of solutions and its implementation to strengthen the regulatory and institutional frameworks for the development of PPP and downstream that supports countries in the identification, preparation and implementation of specific PPP projects ensuring that they are efficient, attractive, transparent and competitive. This technical cooperation is an example of the complementary between the two areas of the PPP Unit, since the unit is currently supporting the GoE on the evaluation of the performance of their PPP contracts in ports with the objective to extract lessons learned to be applied in this and other ports in the country (RG-T4344).
- 1.5 **Strategic Alignment.**
- a) This technical cooperation is aligned with the new Institutional Strategy of the IDB Group: Transformation for Greater Scale and Impact (2024–2030) in the strategic objectives of: bolstering sustainable regional growth by creating the conditions for increasing private investment in sustainable and efficient infrastructure which contributes to economic growth directly and job creation and productivity gains through the services offered. The TC is also aligned to the operational focus areas of the Institutional Strategy of productive development and innovation through the private sector and sustainable, resilient and inclusive infrastructure.
 - b) This proposal also aligns with the IDB Infrastructure Strategy (GN-2710-5), which underscores the importance of enhancing countries' implements PPP. It also emphasizes the need to create a well-defined portfolio of substantial and high-quality infrastructure projects, supported by a clear and predictable regulatory framework.
 - c) The TC is also aligned with Ecuador's Country Strategy 2022-2025 (GN-3103-1) which includes as a priority area the promotion of public-private partnerships (PPPs) as a vehicle for investment, with focus on developing a more efficient provision of infrastructure and associated services and at the same time making a sustainable use of fiscal resources. The articulation of this priority is

presented in the priority area 1: Development of the productive sector as a driver of sustainable growth.

- d) **Global Infrastructure Fund (GIF or FGI according to IDB's denomination for funds) Guidelines:** The project is also aligned with the FGI strategy (Results Framework – GIF, 2020), insofar as it seeks to mobilize private investment in infrastructure in emerging markets and developing economies (EMDEs) to reduce poverty and promote equitable growth. Therefore, FGI's participation in this project contributes to its two strategic objectives: (i) to bring to market bankable and high-quality infrastructure programs and projects in EMDEs, and (ii) to expand the market for private infrastructure financing in these countries. In this sense, the support of GIF will be decisive in making the preparation of the project feasible so that it meets international standards of quality and bankability, reduces implementation risks and facilitates financial closure under sustainable conditions. Finally, by contributing to the development of high-quality and efficient port infrastructure, the project will contribute to the country's economy and trade enabling the sustainability and competitiveness of Ecuador port sector with impact in security of food supply, commercial trade and regional and global connectivity with global logistic chains. This is consistent with the GIF results framework that recognizes quality infrastructure as a catalyst for development.

II. COMPONENTS

2.1 **Component I. Project preparation and structuring activities (PPSA) for the PPP for the Multipurpose Bulk Terminal in the Port of Guayaquil**

Through this component the TC will support the development of feasibility-level studies from legal, technical, commercial, financial, environmental, and social perspectives, along with transaction structuring activities—including support to the government throughout the bidding process. The following activities are included:

- Evaluation of the performance of the current contract in TGM
- Benchmarking of ports in similar situations, and regional ports comparable and/or competing with the TGM and producing data required for a feasibility assessment.
- Detailed feasibility analysis, including market assessment, demand studies tariff review, and environmental and social impact assessments, including climate-related assessments.
- Technical feasibility, defining operational and quality standards of the port services, and specifications of current and new infrastructure and equipment
- Validation of engineering estimates studies, and geotechnical or resource assessments,
- Investment appraisal comprising an analysis of the financial and economic case for the proposed project to inform the government's investment decision, including financial viability assessment and fiscal impact analysis, and economic appraisal.
- Detailed legal and regulatory due diligence and preparation of modifications as required to support the proposed project structure.

2.2 **Expected Results.** This component will enable the delivery of the following activities:

- **Feasibility studies—technical, commercial, financial, and legal—**taking into account environmental and social considerations, in order to design the optimal model and define the framework for bidders to submit their proposals. This will allow the definition of the port project characteristics (operational, infrastructure and equipment, port services, etc.) according to best economic-financial setup.
- **Final financial, technical, and legal structure,** draft the PPP contract and the bidding documents (structuring activities). The expected result is tender documents, including a draft of PPP contract, that allow the government of Ecuador to implement a competitive and transparent procurement process to select an operator for the TGM.

- **Technical support to the Government throughout the bidding process** and up to commercial close (signing of the PPP contract).

2.3 **Beneficiaries.** The beneficiaries of this TC will be the Government of Ecuador, more specifically the MIT, the SIPP and the Guayaquil Port Authority (APG) in charge of the administration of the TGM.

III. BUDGET

3.1 **Budget.** The funding to finance the activities contemplated in Component I will come from the Global Infrastructure Facility Fund (FGI) for the amount of US\$ 1,000,000 and will be allocated according to the following budget table:

3.2

Components	FGI	Total
Component 1: Project preparation and structuring activities (PPSA) for the PPP for the Multipurpose Bulk Terminal in the Port of Guayaquil	<p>U\$S 1,000,000</p> <p>Estimated funds transfer Schedule:</p> <p>1- Following the issuance of the award letter, U\$S 750,000 for activity funding and U\$S 34,500 for fee</p> <p>2- Upon completion and approval by the government of feasibility studies or upon agreement with the IDB and FGI: U\$S 250,000 for activity funding and US\$ 12.500 for fee.</p>	U\$S 1,000,000
Total	U\$S 1,000,000	U\$S 1,000,000

IV. EXECUTION STRUCTURE

4.1 The TC will be executed by the Inter-American Development Bank (IDB), based on a request by the beneficiary in their request letters provided as Annex, in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4). The INE/PPP Unit of the Infrastructure and Energy Department will be in charge of supervision and delivery, as well as all activities related to disbursements, management and reporter, therefore the UDR will be at INE/PPP.

4.2 During the execution the INE/PPP Unit, will receive technical contributions from the Global Infrastructure Facility Fund (FGI). These inputs will be shared for feedback with the IDB Country Office (COF) and subsequently with government counterparts. The main counterpart for this TC will be SIPP at the MIT, which will

- serve as the official government liaison. Additionally, the MIT office (specifically the Subsecretariat of Ports) will work closely with the IDB and other relevant entities, including the Guayaquil Port Authority, to support the development of the project. Beyond its role as a financial partner, the FGI will also provide technical inputs and feedback, under the leadership of the IDB's PPP Unit, which acts as a technical partner for PPP projects across Latin America and the Caribbean.
- 4.3 The Bank's role in executing this TC is justified by the nature of the fund, as well as the IDB's extensive experience and expertise in PPP best practices and implementation.
- 4.4 **Conditions for Reimbursement.** Despite this is a Bank executed operation, as it will be under a contingent recovery modality, a Contingent Recovery Agreement between the IDB and the SIPP at the MIT (or whichever government entity they define) needs to be signed.
- 4.5 The conditions for the reimbursement of the contribution to the Bank will be substantially similar to the following:
- a) When a PPP Project successfully reaches commercial close⁷, the FGI Activity costs should be reimbursed to the FGI. The mechanics of such reimbursements will be determined by the relevant Government Counterpart and the IDB and may include requiring payment from the successful project sponsor, such requirement to be built into the transaction documentation
 - b) Project Failure: If the FGI Activity is terminated at any stage because the Project or Program is found to be non-viable or relevant, and hence cancelled, no reimbursement should be required, but if required, reimbursement to FGI should follow the process set forth in (iii) below.
 - c) Activity Cancellation: If the FGI Activity is terminated by the Government Counterpart prior to reaching commercial close, without cause or is terminated by the IDB due to failure of the Government Counterpart to comply with the terms of the FGI Activity engagement, the agreed level of incurred costs should be reimbursed by the Government Counterpart
- 4.6 Additionally, in case of commercial closure the Bank could agree to a success fee with the Beneficiary, which will not exceed 20% of the reimbursement amount.
- 4.7 **Institutional Capacity.** As the executing agency will be the IDB PPP Unit (INE/PPP) and has more than seven years of experience supporting countries in the preparation of PPP projects through bank executed TC, it is understood that there are none or minimal risks associated with the institutional capacity to execute the current TC.
- 4.8 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in

⁷ Commercial close, for the purpose of this operation, is understood as the signature of the concession or PPP contract, as the case may be, between the Beneficiary and the respective winning bidder.

compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines.

- 4.9 **Execution and Disbursement Period.** The expected executing and disbursement period are estimated in 24 months.
- 4.10 **Monitoring, Reporting, and Supervision.** All the activities will be executed by PPP Unit specialist, in coordination with the sector specialist and a focal point in the country office. The team will supervise the TC, which includes supports in the monitoring and supervision of deadlines, result matrix, execution as planned and preparation of the Technical Cooperation Monitoring and Reporting System (TCM). The TC's team will comply with all monitoring, reporting and supervision according to the current TC policies and guidelines of the Bank.
- 4.11 **Special Donor Requirement.** The project shall be implemented in conformity with the GIF Partnership Framework, Operating Guidelines, and Financial Procedures Agreement. Any unused or returned funds to the Bank, shall be returned to the GIF in accordance with the Financial Procedures Agreement. GIF may disclose on its website or other means of communication and in materials such as newsletters, press releases, publications, annual reports or presentations, information about this project, a brief description, and its developmental impact. Joint branding will be used for documentation and communications related to this project, and both GIFs and the IDBs logos will be included.

V. POTENTIAL RISKS

- 5.1 The implementation risks of this TC are low. The project is aligned with both the strategic objectives of the IDB and the priorities of the Government of Ecuador. It is important to note that the terminal is currently operated under a PPP arrangement, with the existing contract set to expire in November 2026. While this timeline may appear tight, the IDB's PPP Unit brings extensive experience in structuring PPP projects—particularly in the port sector (e.g., TT-T1134). Moreover, the fact that the terminal is already functioning under a PPP contract should help streamline the structuring process, enabling the development of a competitive, transparent, efficient, and attractive project within the proposed timeframe.
- 5.2 **Intellectual Property.** Notwithstanding any special provisions mentioned in paragraph 4.11 related to use of logos and branding, the knowledge products generated from Bank-executed activities within this technical cooperation will be the property of the Bank and may be made available to the public under a creative commons license. However, at the request of the beneficiaries, in accordance with the provisions of AM-331, the intellectual property of said products may also be licensed through specific contractual commitments that shall be prepared with the advice of the Legal Department.

VI. EXCEPTIONS TO BANK POLICIES

- 6.1 There are no exceptions to any Bank policy.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 This TC will finance feasibility (or pre-feasibility) studies of investment projects and associated environmental and social studies, whose terms of reference and products will be consistent with the applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

REQUIRED ANNEXES:

- Annex I: Request from Client
 - Annex II: Results Matrix
 - Annex III: Terms of Reference
 - Annex IV: Procurement Plan
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