

IFIs Role in Developing PPPs Eastern Europe Experience

May 2019 – Madrid, Spain



European Bank
for Reconstruction and Development

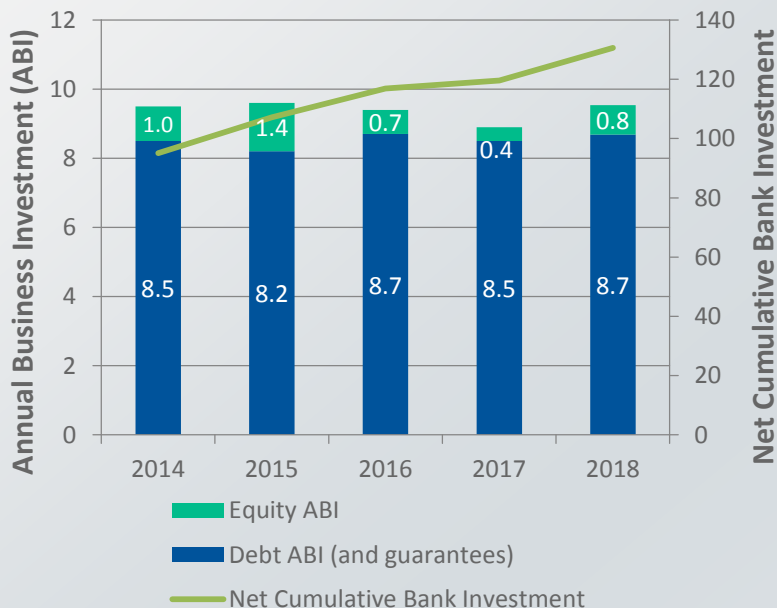
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Since 1991, EBRD invested over €130.6 billion in 5,325 projects



In 2018

€9.6
billion

410
projects

Private sector accounted
for share of
73%

Debt
83%

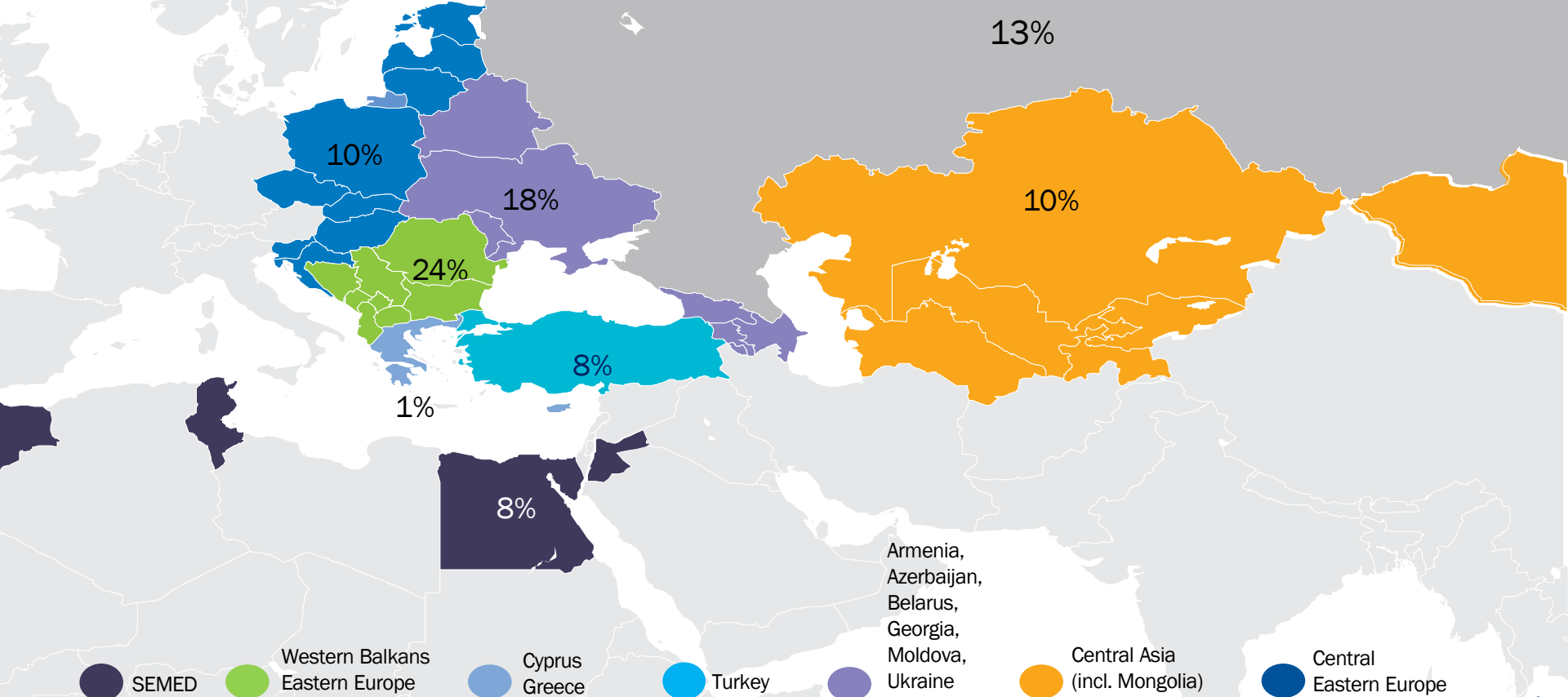
Equity
9%

Guarantee
8%

EBRD Top 10 investee countries in 2018 (€m)

| | | |
|-----------|------------|-------|
| 1 | Egypt | 1,148 |
| 2 | Turkey | 1,001 |
| 3 | Greece | 846 |
| 4 | Poland | 556 |
| 5 | Ukraine | 543 |
| 6 | Kazakhstan | 472 |
| 7 | Romania | 443 |
| 8 | Uzbekistan | 397 |
| 9 | Serbia | 396 |
| 10 | Belarus | 360 |

Where we invest – Infrastructure Investment until 2018





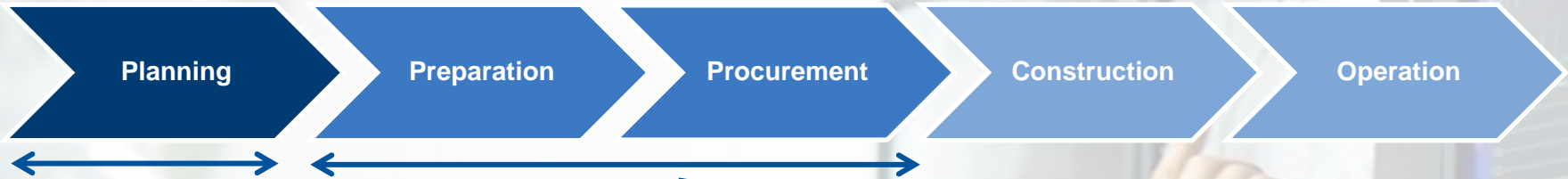
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SI3P – PPP Advisory Mission

Project Life Cycle



Policy Team – Value Added

- Program Planning, Project Appraisal, Options Analysis, Project Prioritisation
- Value for Money Methodology & Life Cycle Cost Analysis
- PPP Unit and National Project Preparation Facility
- Capacity Building and Training
- Tariff setting, Renewables Auctions, Power Purchase Agreement

PPP Advisory Team – Value Added

The PPP Advisory team supports public sector clients and assists with technical, legal and financial challenges.

The PPP advisory team provides:

- Expertise (Consultants)
- Funds
- Direct Advisory (Eventually)

Infrastructure Project Preparation Facility- IPPF

Building on extensive experience in infrastructure projects

What is the Infrastructure Project Preparation Facility (IPPF)?

The IPPF is a mechanism to improve efficiency, quality and replicability of infrastructure projects for the benefit of the EBRD's clients.

The IPPF was launched in September of 2015 with €40 million in funding from the EBRD's Shareholders Special Fund (SSF) to provide high-quality, client-oriented project preparation, policy support, and institutional strengthening to our clients in PPPs and commercialised public sector infrastructure solutions.

Why is the EBRD supporting the IPPF?

The EBRD seeks to play a greater role in enhancing the delivery of better and more efficiently prepared

infrastructure projects in our countries of operations as global infrastructure investment needs are estimated to be over US\$ 50 trillion through 2030.

Which projects are eligible for the IPPF?

The EBRD engages with the Sustainable Infrastructure Window for public sector financed projects on a non-reimbursable grant basis for the development of Feasibilities Studies.

With the PPP Window, the EBRD prepares projects using expert advisors to structure the financial, technical, and legal details for both the PPP contract and procurement. The PPP Window is provided on a reimbursable basis where the IPPF anticipates the cost of advisors, eventually paid back by the successful bidder at financial close.

What does the EBRD's IPPF offer?

IPPF projects benefit from:

- ▶ Significantly faster mobilisation of consultants through a quick, eight-week 'call-off' mechanism using preselected consultants.
- ▶ An integrated approach to project-preparation that includes a systematic methodology, policy dialogue with public stakeholders and capacity building and training.

Scope and next steps

The EBRD has prepared over 40 projects under the IPPF that span over 15 different countries of operation and continues to seek opportunities for more projects to be included.

To find out more about the EBRD's Infrastructure Project Preparation Facility, please contact:
Matthew Jordan Tank, Head of Infrastructure Policy and Project Preparation (jordantm@ebrd.com)

Ongoing:

- M-10 Road PPP, Belarus
- Olvia and Herson Ports, Ukraine
- Sofia Airport, Bulgaria:
- Almaty LRT, Kazakhstan
- 6th of Octobre Dry-Port, Egypt
- Lebanon Expressway
- Athens Biomedical Research Center, Greece
- Almaty National Medical University, Kazakhstan



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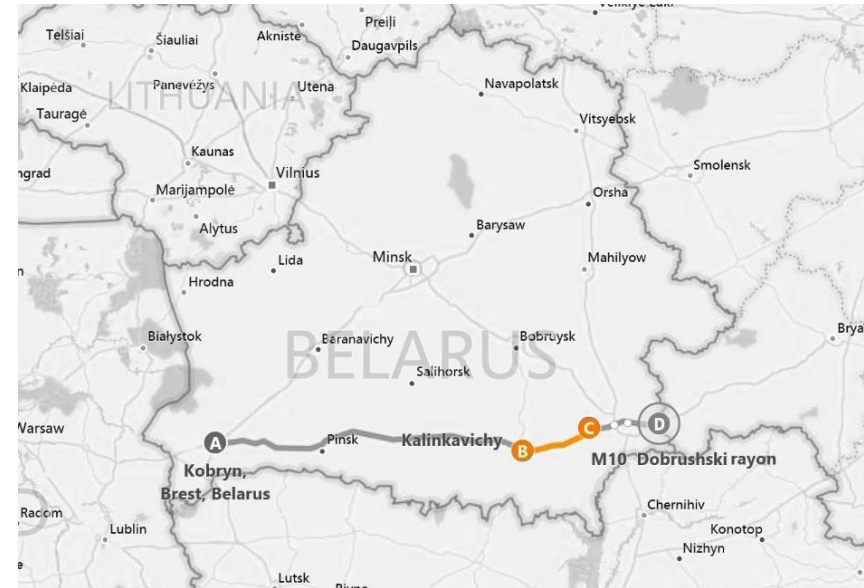


Case Study: M-10 road

The Republic of Belarus

PPP Pilot Project on reconstruction and maintenance of the object “M-10 Highway the border of Russian Federation (Selische) - Gomel - Kobrin km 109.9 – km 195.15

- **5 sections** with total length of **85.25 km**: 4 sections – reconstruction and widening of existing road (brownfield); 1 section – construction of Kalinkavichy bypass (brownfield and greenfield)
- **Contract period - 20 years**: approximately 2 years of construction; 18 years of operation and maintenance
- **CAPEX** – approximately **EUR 185.8 million**
- Private Partner will be remunerated through **availability payments (AVP)**
- **Currency risk mitigation and inflation indexation mechanisms** are envisaged
- **Project structure** based on **best international practices** and includes provisions for termination, step-in provisions, etc.



Case Study: M-10 road

The Republic of Belarus



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Design

- Private Partner adopts the Reference Design for which it takes full responsibility.
- The Reference Design will be made available and the Private Partner can propose design optimisations for which they will be responsible for gaining permit revisions if these are needed.
- No tolling – tolling is envisaged for the M-10 but no provision, apart from access to the Project Road, for this is included in the Project as tolling is undertaken under a separate contract.

Construction

- **76.8km** - Existing M-10 and R-31 sections to be widened
- **8.45km** - New D2 carriage way to be constructed
- **8** Grade separated junctions to be constructed
- **19** Bridges including three rail bridges

Operation and maintenance

- Operation and maintenance of the Project Road during construction – existing road to be open for users during construction
- Operation and maintenance of the Project Road according to the specified standards during its operation

Handback

- Handback of the Project Road at a specified technical condition at the end of the Project implementation period

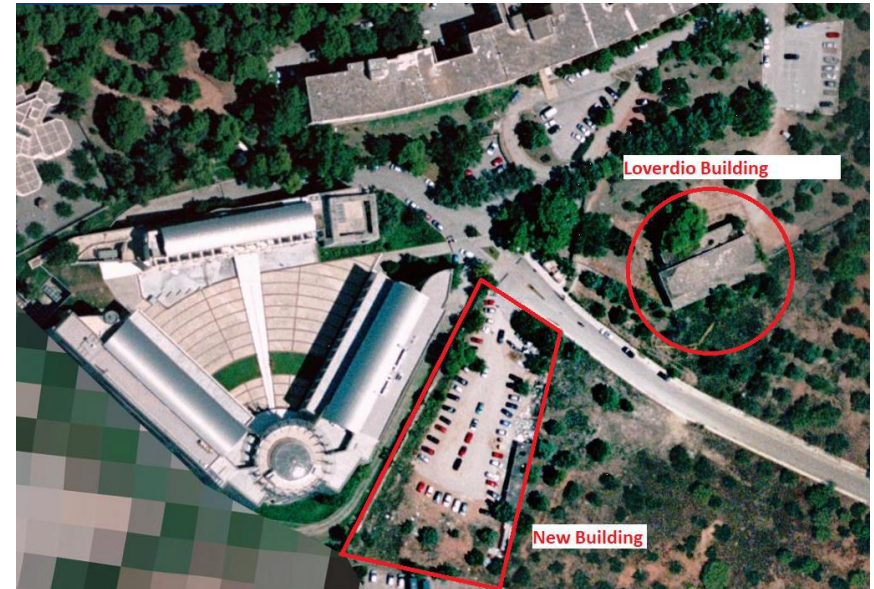
Timeframe

- **20 years**
- **2 years** Construction stage
- **18 years** Operation and maintenance stage

Case Study: Biomedical Research Foundation of the Academy of Athens Greece

Design, Construction, Financing, Maintenance, Operation & Supply of Medical Equipment for the development of a precision medicine infrastructure project via PPP.

- The building facilities will house state-of-the-art laboratory infrastructures of high technical specifications with a total area of **20,000 sq.m.** The Project includes the renovation of the “Lomverdeion” building, covering a total area of **555 sq.m.**
- **Contract period - 27 years:** approximately 3 years of construction; 24 years of operation and maintenance
- **CAPEX** – approximately **EUR 52 million**
- Private Partner will be remunerated through **availability payments (AVP)**
- **Project structure** based on **best international practices** and includes provisions for termination, step-in provisions, etc.



Case Study: Biomedical Research Foundation of the Academy of Athens Greece

Design

- The new building will be constructed within a plot of 18.954 sq.m., which has been conceded by HPREC and is part of a wider area of about 50 acres, located south of the “Sotiria” hospital complex in Athens.
- Preliminary Feasibility Study issued by an International Consulting firm and the project was approved by the Inter-Ministerial PPP Committee, on the 13th of December 2017.

Construction

- The New Building is covering a **total gross floor area of 20,213 sq.m.** (basements, ground and upper floors) will be constructed **within a plot of 3,611 sq.m.**
- **3 connections** between the New Building and existing BRFAA research facilities will be provided, 1 bridge and 2 underground connections.

Operation and maintenance

- Operation and maintenance will begin once the buildings are completed (construction and refurbishment).
- Operation and maintenance of the Project include routine and lifecycle maintenance, cleaning of the facilities and security of the new building facilities, and management and development of the IT system.

Timeframe

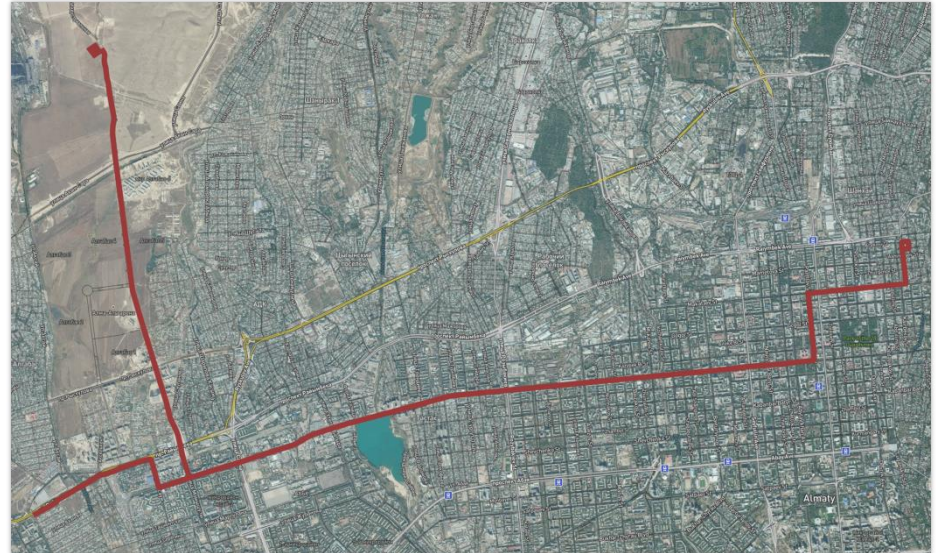
- **27 years**
- **3 years** Construction stage
- **24 years** Operation and maintenance stage

Case Study: Almaty LRT Line

Kazakhstan

Project of the construction, operation and maintenance of the FRT tramway line in Almaty under a PPP scheme.

- Total length of **22.7 km**: 36 stations, 71 platforms in total.
- **Contract period - 26 years**: approximately 3 years of construction; 23 years of operation and maintenance
- **CAPEX** – approximately **EUR 180 million**
- Private Partner will be remunerated through **availability payments (AVP)**
- **Currency risk mitigation and inflation indexation mechanisms** will protect the Project Company
- **Project structure** based on **best international practices**



Case Study: Almaty LRT Line

Kazakhstan

Design

- Private Partner will design the projects, designing for which it takes full responsibility.
- Changes in design during the construction period will be .

Construction

- **22.7km** – Total length of the LRT Line
- **1** Depot facility with a capacity of 40 LRV's for an area of 11.3ha
- **36** Stations
- **71** Platforms of the size 75m x 3m

Operation and maintenance

- Operation and maintenance of the LRT infrastructure
- Acquisition and maintenance of the rolling stock
- LRT traffic control

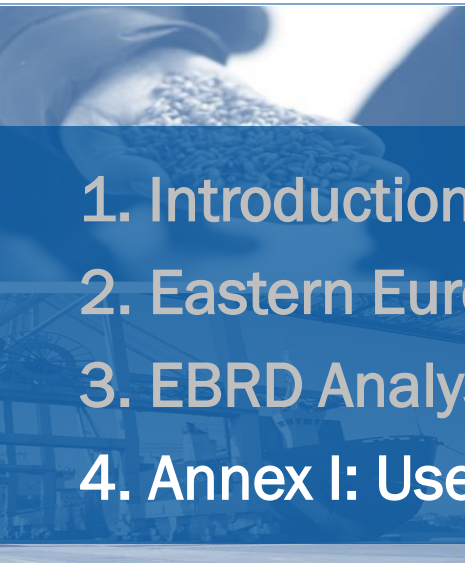
Timeframe

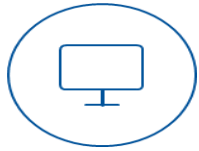
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EBRD website:
www.ebrd.com

Information about the countries of operations & Sectors of EBRD:
www.ebrd.com/news/publications/factsheets.html

Project Summary Documents, details of the projects signed with EBRD:
www.ebrd.com/work-with-us/project-finance/project-summary-documents.html

Sending your project financing request online:
<http://www.ebrd.com/work-with-us/project-finance/funding-adviser.html>

IPPF:
www.ebrd.com/infrastructure/infrastructure-IPPF.com

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