

# Options for financing infrastructure projects after 2020

Doing PPP in Poland – 10 years of experience

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# WHY PPP?

Money

Off-balance  
sheet

Concessions

False beliefs

Others

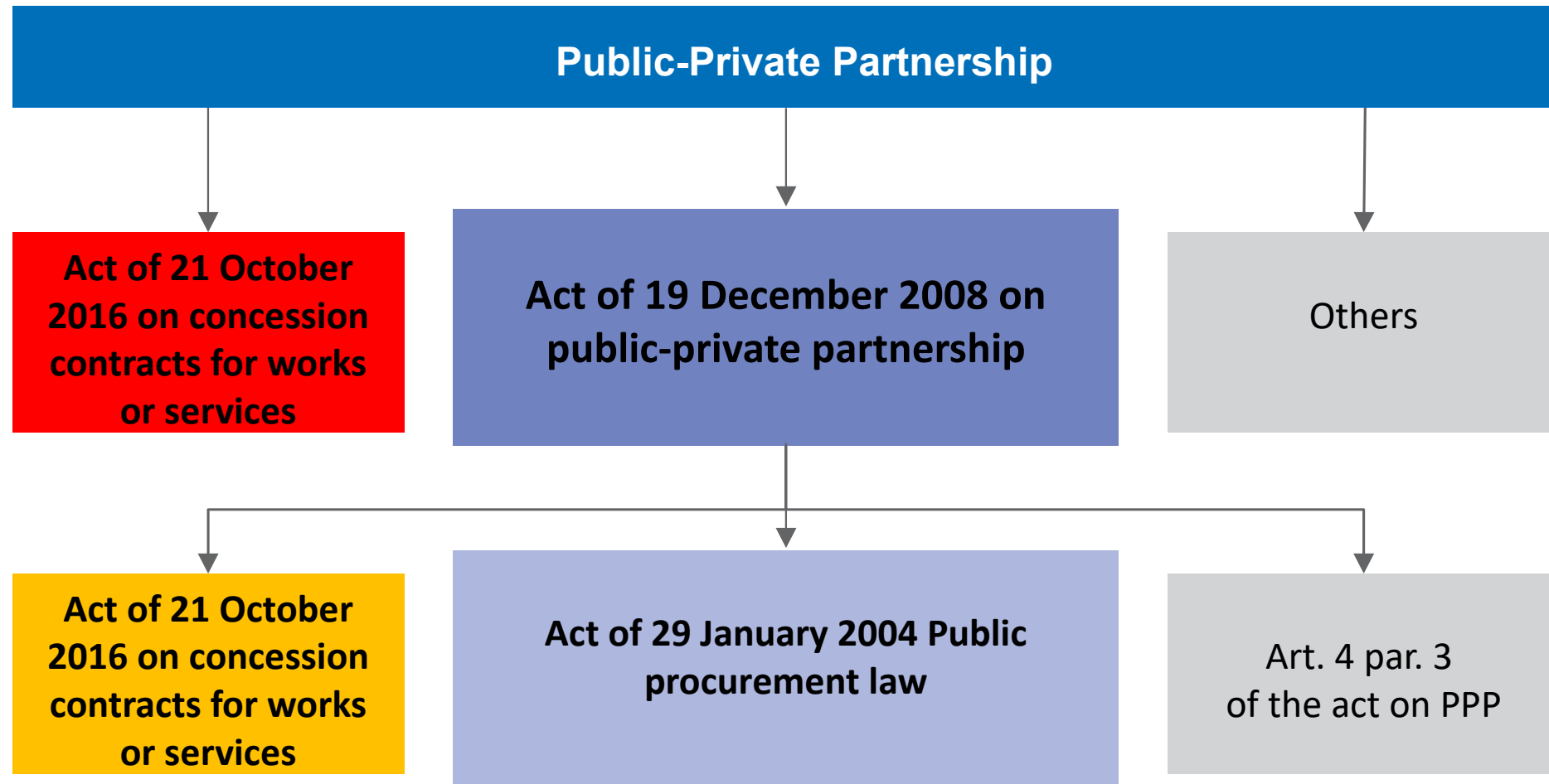
# LEGAL BACKGROUND - PPP ACT OF 2008 - KEY ISSUES

- ❖ *„Public-private partnership is joint implementation of a project based on division of tasks and risks between the public entity and the private partner” (art. 1)*
- ❖ Pre-realization analysis (evaluation of efficiency of the project concerned)
- ❖ Framework provisions (but adjusted to PPP specifics - after amendments in 2018)
- ❖ National classification of the contracts recorded balance-on/balance-off sheet

# LEGAL BACKGROUND – CONCESSIONS ACT OF 2016 - KEY ISSUES

- ❖ The concessionaire bears the economic risk related to the exploitation of a work or a service and the risks related to demand and supply
- ❖ Non-flexible contracts
- ❖ Flexible procedure which causes a lot of problems
- ❖ Much better to use the PPP Act of 2008

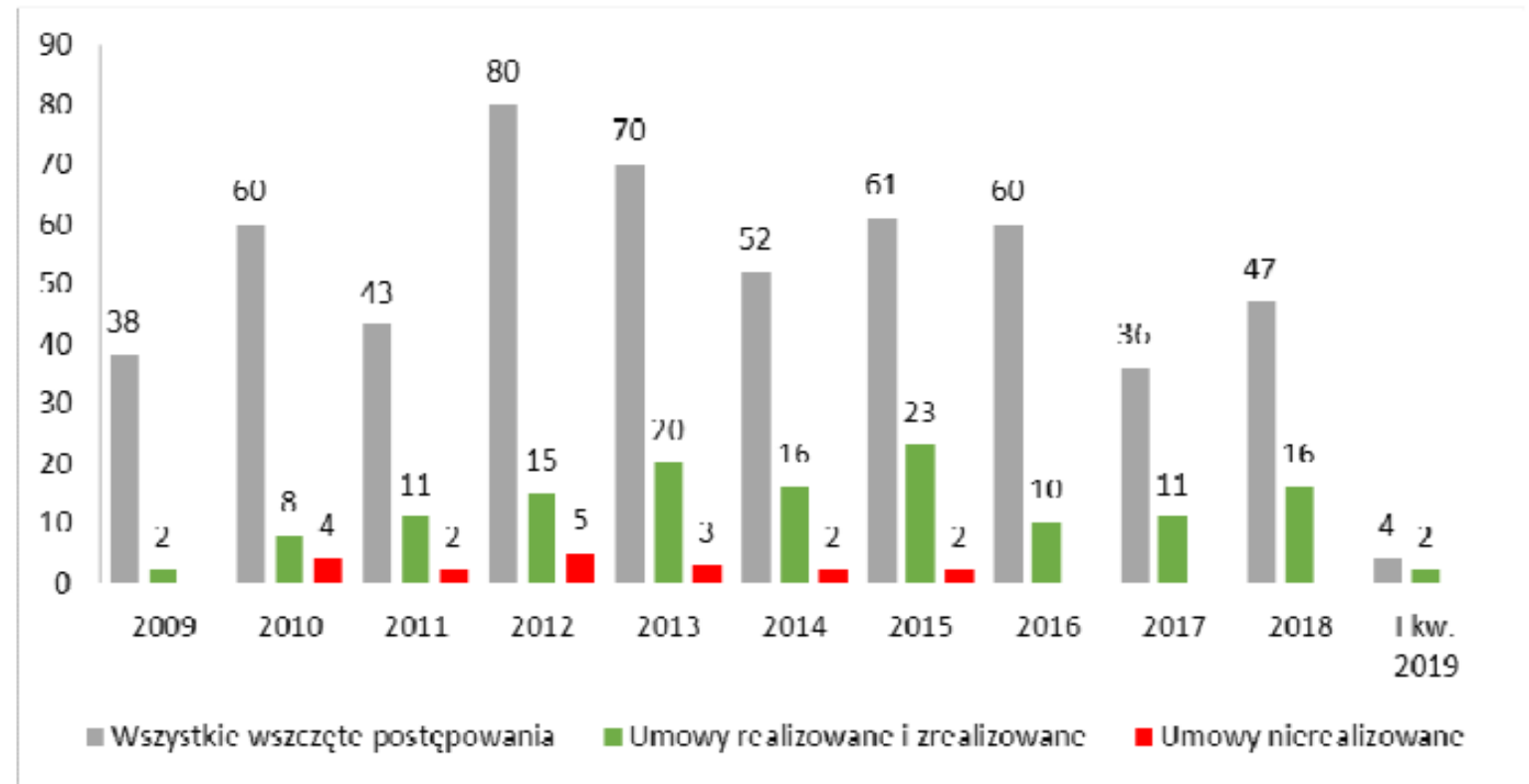
# LEGAL BACKGROUND - INTERDEPENDENCE



# PPP MARKET 2009-2019

- From the beginning of 2009 to March 31, 2019, a total of 551 ppp proceedings were initiated. Of all the concluded contracts, 134 entered the implementation phase.
- In the first quarter of 2019, two contracts worth PLN 53 million were signed. During this period, four proceedings were initiated with a total value of approx. PLN 40 million - two in the energy sector, one in the energy efficiency and education sectors.

Liczba wszystkich wszczętych postępowań i umów, w tym nierealizowanych, w podziale na lata



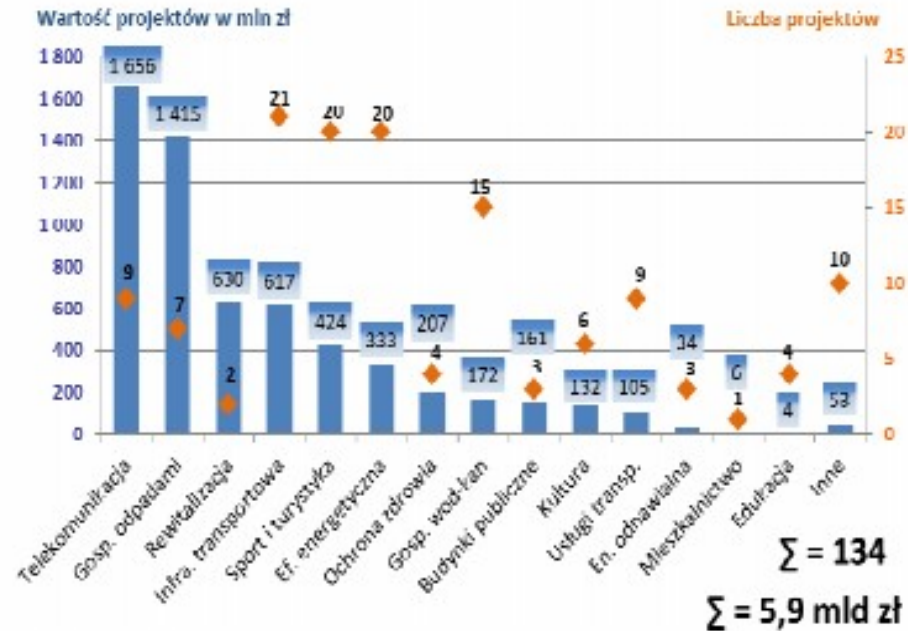
Source: ppp.gov.pl

# PPP MARKET 2009-2019

## Liczba i wartość umów PPP w podziale na sektory

Najwięcej umów PPP realizowanych jest w sektorach: infrastruktura transportowa (21), sport i turystyka (20), efektywność energetyczna (20).

Pod względem wartości dominują dwa sektory: 28% stanowią projekty z sektora telekomunikacji, a 24% projekty dotyczące gospodarki odpadami.



Source: ppp.gov.pl

At the same time, at the end of the first quarter of 2019, a total of 140 investment plans were identified at various stages of preparation, of which 74% of projects are in the phase prior to the announcement of the procedure, i.e. at the stage of the idea, effectiveness assessment or selection of an adviser. The remaining 26% are pending private partner selection procedures. Among them, the most investments are at the stage of negotiations

# PPP MARKET 2009-2019

- ❖ 40% of contracts are concessions for services
- ❖ 34% of contracts are based on availability payments
- ❖ 13% of contracts are „PPP in a mode of concession”
- ❖ 11% of contracts are concessions for works
- ❖ 2% of contacts – other legal basis



# PPP MARKET 2009-2019

- ❖ 90% of contracts are signed by the local government units
- ❖ Only 7 governmental contracts (including 6 concessions for services...)
- ❖ 5 contracts = value of 50% of the contracts
- ❖ Small PPPs – with capex under 40 mln PLN (80% of all!)
- ❖ Less than 50% of public entities engages external advisors
- ❖ On average - one of four procedures ends with the PPP contract

# CASE-STUDIES

Title of project	Thermomodernisation of public buildings in Karczew
Type of PPP	PPP (competitive dialogue) - DBFOM
Location	City of Karczew
Private partner	Siemens sp. z o.o.
Contract value (gross)	2,5m EUR 10% financing supported by the National Fund of Environmental Protection (NFOŚ)
Project stage	Exploitation
Contract period	15 years
Guaranteed savings	In heating: 56% and in electricity: 21%



Source: Karczew City Hall

# CASE-STUDIES

Title of project	Street lighting modernisation in Ząbki
Type of PPP	PPP (competitive dialogue) - DBFOM
Location	City of Ząbki
Private partner	ECM Energia sp. z o.o.
Contract value (gross)	1,2 m EUR
Project stage	Exploitation
Contract period	9 years
Guaranteed savings	Electricity: 60%



Source: [zabki24.pl](http://zabki24.pl)

# CASE-STUDIES

Title of project	Complex thermomodernisation of educational buildings in Zgierz
Type of PPP	PPP (competitive dialogue) - DBFOM
Location	City of Zgierz
Private partner	Engie Services sp. z o.o.
Contract value (gross)	13m EUR 80% supported from the EU funds
Project stage	Exploitation
Contract period	17 years
Guaranteed savings	In heating: 45%



Source: Zgierz City Hall

# CASE-STUDIES

Title of project	Care and treatment institution
Type of PPP	PPP (in a mode of concession) - BFMO
Location	Kobylnica Community
Private partner	Son Sp. z o.o.
Contract value (gross)	1,0m EUR
Project stage	Exploitation
Contract period	30 years
Add	Perfect project 😊



Source: [www.son.net.pl](http://www.son.net.pl)

# CASE-STUDIES

Title of project	Sports Hall
Type of PPP	PPP (competitive dialogue) - BFM
Location	Karczmiska Community
Private partner	Moris-Sport Sp. z o.o.
Contract value (gross)	3m EUR
Project stage	Exploitation
Contract period	11 years
Add	Co-financed by the Ministry of Sports



Source: [www.karczmiska.internetdsl.pl](http://www.karczmiska.internetdsl.pl)

# CASE-STUDIES

Title of project	Residential complex	
Type of PPP	PPP (other legal basis) – DBFOM + commercialize	
Location	City of KObyłka	
Private partner	Multibud S.A.	
Contract value (gross)	5m EUR	
Project stage	Exploitation + further Development	
Contract period	5 years (?)	
Add	Development commercial project Institutional PPP (SPV)	



Source: Kobyłka Dom Sp. z o.o.

# CASE-STUDIES

Title of project	Cultural and Recreation Centre
Type of PPP	PPP (in a mode of concession) – O&M
Location	City of Sierpc
Private partner	Centrum Konferencyjno-Rekreacyjne U. Tomaszewska, I. Wierzbicka s.c.
Contract value (gross)	15m EUR (services)
Project stage	Exploitation
Contract period	15 years
Add	Cultural Voivodeship Institution acts as a public unit



Source: mwmskansen



# CASE-STUDIES

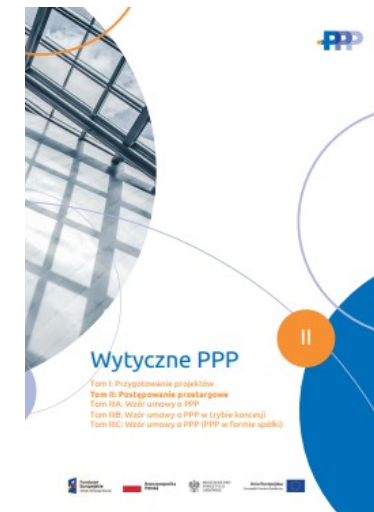
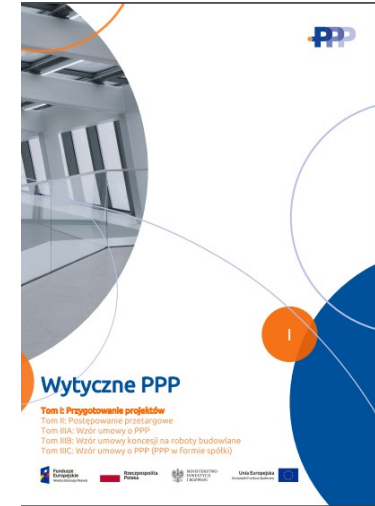
Title of project	Construction of the District Court's building at ul. Grunwaldzka
Type of PPP	PPP (competitive dialogue) - DBFM
Location	City of Nowy Sącz
Private partner	Warbud-Infrastruktura Sp. z o.o.
Contract value (gross)	30m EUR
Project stage	Exploitation
Contract period	23 years
Add	First (and only) government project



Source: Warbud

# INSTITUTIONAL SUPPORT

- ❖ Ministry of Investment and Economic Development acts as a central coordinating and management unit for PPPs in Poland
- ❖ MIED provides complex advisory services for public entities and issue opinions on whether it is useful to apply the PPP formula for a specific investment („PPP certification”)
- ❖ MIED aims to develop and disseminate guidelines, recommendations, good practices facilitating the preparation and implementation of PPP
- ❖ MIED keeps a data base of investment plans (PPP project pipeline) and a data base of signed PPPs; they continuously monitor their performance
- ❖ MIED carries out educational and information activities, e.g. trainings, specialist workshops and study visits



# PROJECTS PIPELINE

- Central Seaport in Gdańsk (6-8 terminals)
- Deep-water Seaport in Gdynia
- Expressway S6 (Tricity ring road – 35,5 km)
- Kujawsko-Pomorskie Voivodeship (240 km of roads)
- National Stadium in Warsaw (land development)
- Tramway in Cracov
- Thermomodernization in Wałbrzych (28 buildings)

... and nearly hundred other projects

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