



Ministerstwo Infrastruktury
Ministry of Infrastructure

Polish public-private partnership (PPP) model in context of implementation of the Structural Funds for the years 2007-2013

transport infrastructure

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Essence of the PPP

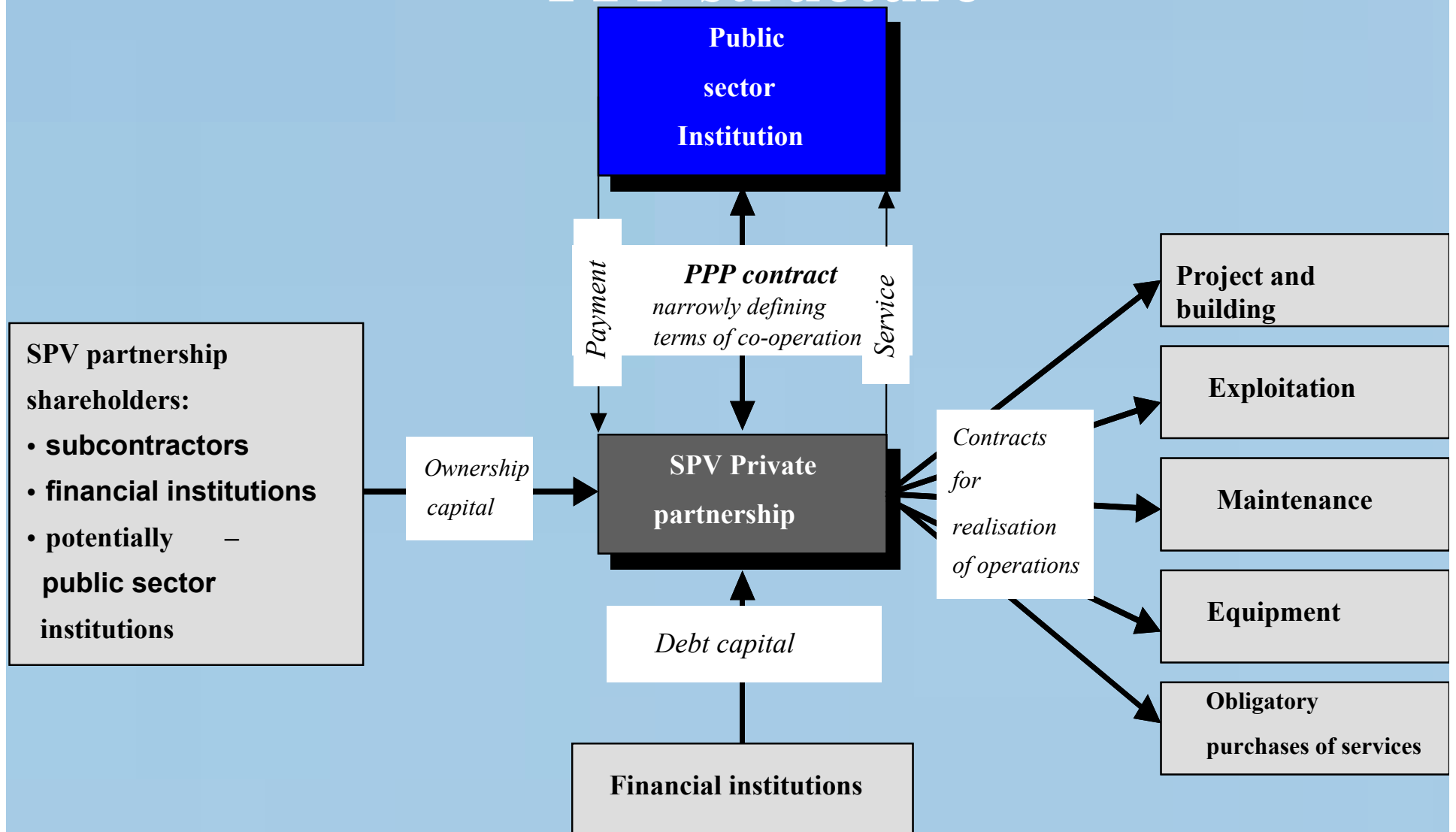
Public-private partnership – a form of longterm cooperation between private and public sectors with offering services. The aim of this cooperation is achieving mutual benefits

Feature – direction of realisation both commercial and social targets of an enterprise

Principle – public sector keeps responsibility for ensuring appropriate infrastructure and providing services. Active cooperation with private sector leading to effective realisation of an enterprise



PPP structure





Main participants of PPP

- ✓ public sector institutions – orderers (government, local government, agencies and state institutions)
- ✓ capital investors, who set up a private partnership (SPV or PPP), thanks to which they co-operate with a public entity and main subcontractors
- ✓ institutions financing an enterprise
- ✓ subcontractors
- ✓ other participants: i.e. advisers (law, financial, technical), insurance institutions, rating agencies, guarantee institutions



Proces of realisation of PPP transactions

In the proces of realisation of PPP transactions there are two stages:

- preparation
- realisation

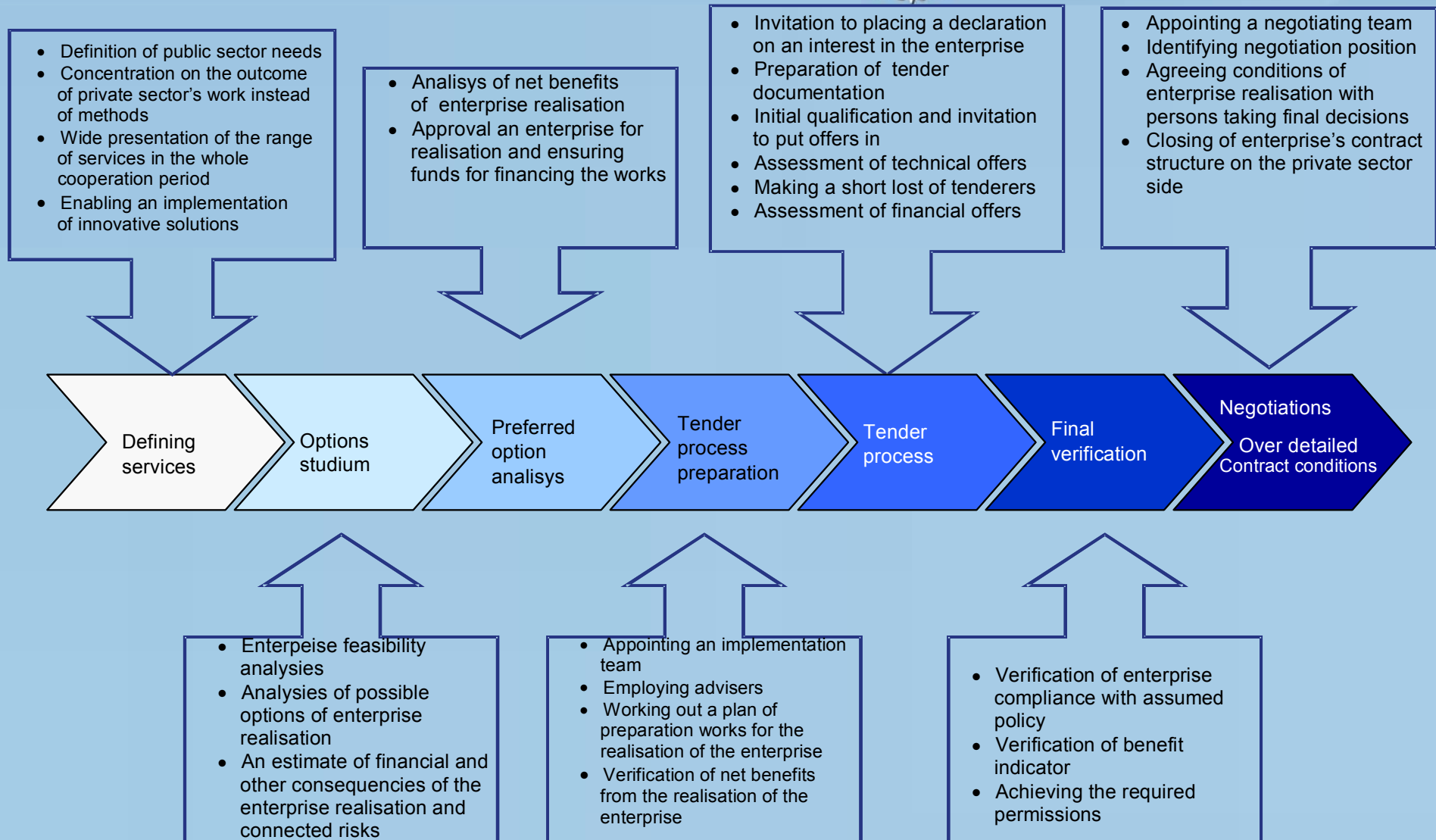
Preparation stage – moment, when all terms of realisation of an enterprise have been agreed, including the financial terms
(moment of financial close)

Realisation stage - moment after financial close, which lasts until the PPP contract expires



Phases of the PPP enterprise in preparation stage

(until the moment of financial close)



Average works realisation period in Polish conditions is 1,5-2 years



PPP realisation stage

Realisation of the PPP enterprise consists of the following stages:

- projecting
- building
- exploitation

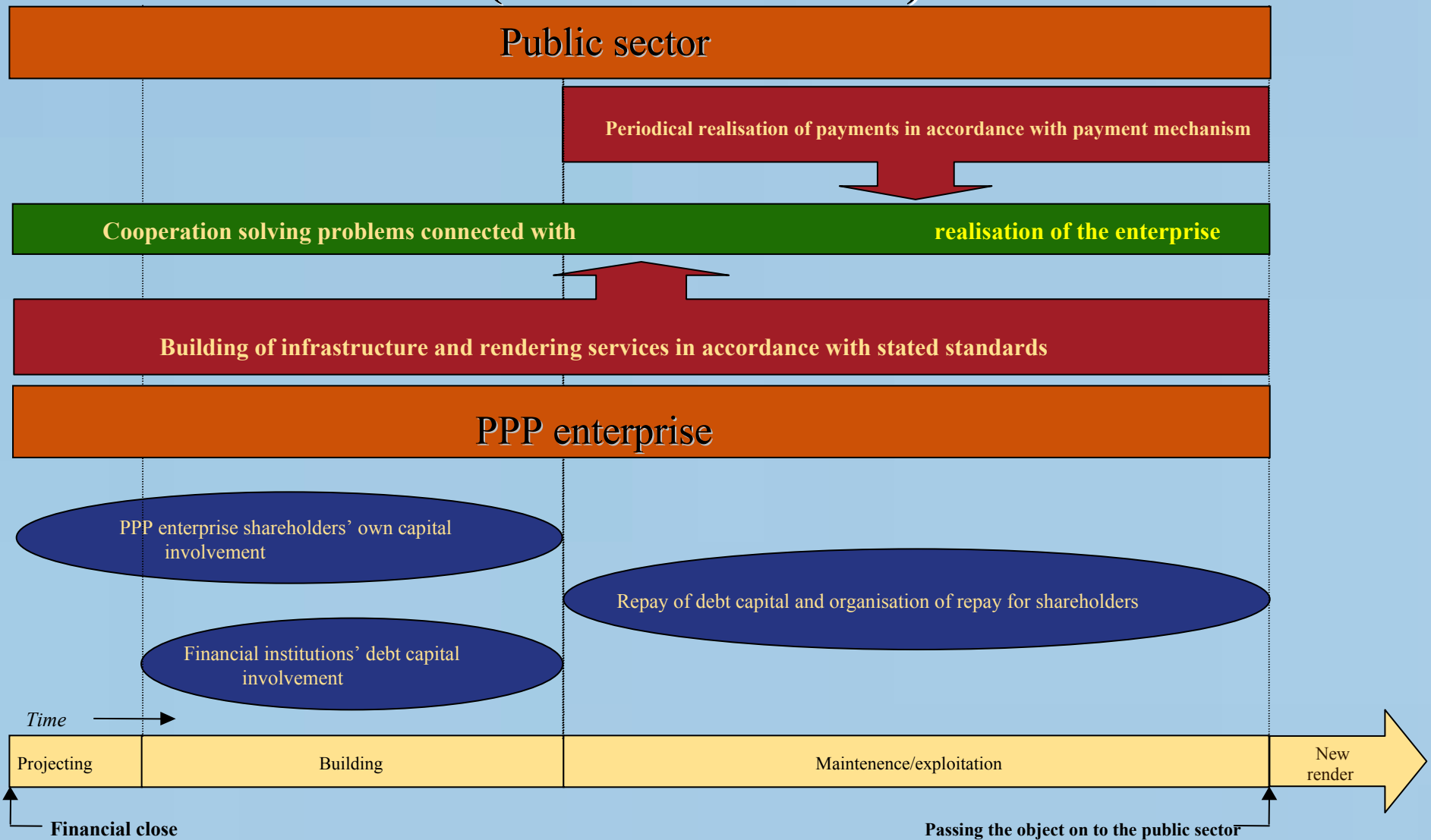
Projecting stage – SPV partnership realises works related to compiling of detailed technical project of a building to be built

Building stage – the most capital-intensive, as the costs are carried from debt and investors' capital

Exploitation stage – PPP contract lasts between 10 and 50 years. When it expires, the SPV partnership is obliged to hand the building over back under administration of public sector



Stages of the PPP enterprise in realisation phase (after financial close)





PPP advantages

- ✓ obtaining added value thanks to innovations
Private sector gains new opportunities on developing market and can bring in its own contribution to achieving a commercially attractive project, while a government can bring better quality product at the same price or achieve savings with the same quality
- ✓ adaptation to Polish needs concerning financial, law and technical requirements
- ✓ solving the problem of accessibility of public funds
- ✓ PPP enterprises are effective means of assuring necessary infrastructure and services connected with it



Activities supporting introduction of the PPP model in Poland

- ✓ accomplishing adequate preparation works
- ✓ use of other countries' experiences in its implementation and identification of weaknesses in established PPP methodologies
- ✓ adjustment to Polish conditions

Key elements for development of the PPP enterprises

- existence of legislative framework
- leading role of the government
- public confidence with reference to the PPP conception
- approval at the local government level



Present state

Poland is a leading country in Europe in realisation of road projects in the PPP system

The road infrastructure consists of:

- 699 km of motorways
- 317 km of express ways

In the realisation framework of the PPP there have been the following building works under way :

- 112 km of motorways (excluding motorways being built in concession system)
- 272 km of express ways



Priorities of the Minister of Infrastructure

- disposal of legally-formal barriers on the way of realisation of the infrastructural investments
- PPP as an equivalent system of financing investments
- elaboration of the building works or services licence act
- alteration of the PPP act
- adoption of an act on alteration of an act on special rules of preparation and realisation of investments in the range of public roads



National roads building programme for the years 2008-2012

National roads building programme for the years 2008-2012 has been established on the strength of resolution no 163/2007 of the Council of Ministers dated on 25th September 2007

Financing sources:

- budgetary funds
- EU funds (cohesion fund and European regional development fund)
- national road fund

Priority tasks:

Links between largest national municipal centres generating the biggest transport needs



Investments planned for the years 2008-2012

Within the realisation of the programme, in the years 2008 – 2012, here will be built:

- 632 km of motorways (additionally there will be about 473 km of motorways, built within the PPP system)
- 1 980 km of express ways
- 54 city bypasses, total length 428 km.

1 560 km of national roads will be strengthen or rebuilt

2 motorways undergo tenders (both in PPP system):

- A2 Stryków – Konotopa
- A1 Stryków – Pyrzowice

Motorway fares on these sections will be set up by the Ministry of Infrastructure



Motorway projects planned in the *Infrastructure and Environment Operational Programme:*

- A1 Nowe Marzy – Toruń (length of 63 km)
- A1 Toruń – Stryków (length of 144 km)
- A2 węzeł Lubelska – Siedlce
- A4 Kraków – Tarnów (Szarów – Krzyż junction)
- A4 Tarnów – Rzeszów (Krzyż - Rzeszów Wschód junction)
- A4 Rzeszów – Korczowa
- A18 Olszyna – Golnice (reconstruction of the south lane)

25 km of A1 Rusocin – Swaróżyn motorway has been opened for public use on December 22nd (2007). It has been built within the PPP system

The A1 Swaróżyn – Nowe Marzy section is planned to be built till the end of 2008



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**Thank you very much
for your attention**

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