



# EUROPEAN PPP REPORT 2009



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# THE FUTURE DIRECTION

## INTRODUCTION

The DLA Piper European PPP Report 2007 was upbeat and buoyant, reporting on an expanding market with good prospects for sustainable growth. By the end of 2007, the market had changed dramatically, coming close to stopping in its tracks. The spread of the banking crisis has brought about a re-evaluation of whether funders can provide long term, highly leveraged project finance, given the lack of confidence in refinancing options and in capital markets. Deals have closed, but on significantly higher margins and more aggressive terms, with general difficulty in reaching financial close in a timely manner on even the best of projects. Equally, the public sector has been suffering with a reduction in tax revenues and big holes in government budgets, together with rising unemployment and social expenditure. Thus, governments have had to look hard at their economic policies and decide whether they should use spending on infrastructure as an anti-cyclical measure.

## THE BENEFITS OF PPP

Broadly, the public sector across Europe is in support of involving the private sector in the provision of public services through a PPP model. This is because it is generally accepted that PPPs have provided the following benefits:

- Significantly increased proportion of large scale infrastructure projects delivered to time and budget.
- Promotion of the movement from a construction to a service culture which has increased innovation and competition with better design to minimise life cycle costs, and transfer of life cycle risks.
- Enhanced project evaluation and due diligence skills from independent funding parties to test the robustness of projects.
- Widespread innovation and higher quality standards through the introduction of competitiveness into public sector services, including across borders.
- A change of focus by public sector bodies on outcomes rather than inputs, in particular with a concentration on value for money over the longer term as opposed to concentrating on short term capital expenditure.
- Innovative ways of financing, which allow the public sector to spread its funding of capital expenditure and, in the case of revenue-based PPPs, remove the burden on tax payers completely.

- An alternative asset class for pension funds giving them the opportunity to match their long term liabilities with relatively low risk, index linked revenue streams.

Many governments have used spending on infrastructure, including on PPPs, as an anti-cyclical method of stimulating the economy. In addition, the EU Commission's recent Communication on PPP (published in November 2009) has promoted the use of PPPs as an economic tool. In this environment, the majority of European countries are likely to significantly step up their PPP programmes or commence major PPP programmes for the first time.

## THE CURRENT DIFFICULTIES

The current situation has highlighted the following deficiencies:

- Liquidity shortages amongst commercial banks and the closure of capital markets has prevented them from providing debt financing and meeting commitments.
- The concept of a long term partnership needs to be able to accommodate the prospect of change in private sector partners over the life of the project and seek to reward and incentivise them throughout the various stages of the concession to meet the public sector expectations and requirements for on going change.
- Ad hoc measures introduced to deal with the issues arising from tensions arising from economic prosperity (eg high private sector profits made through refinancing gains) need to be systematised into a more coherent regulatory system which can also cope with issues arising from economic downturn (eg compulsory refinancing due to mini-perm structures).
- It is becoming more difficult for projects to be off balance sheet, either by reason of the different risk transfers that the economic crisis has brought about or because of the evolution of international accounting rules.

The expectations are that many of these problems will fade away when the financial markets and the world economy recover and that it will be back to business as usual. Evidence for this expectation can be seen in the French government's policy for its new guarantees – they are to fall away when the project refinances. The British government loans through TIFU are to be repaid after the construction period. Notwithstanding these expectations, we argue that PPP models need to evolve further to deal with these deficiencies.

## SHIFTS IN PERSPECTIVES

The parties to PPPs are continually shifting their perspective as the market and PPP models develop. In this crisis, the private sector is looking for more support from government. On the other hand, the public sector wants an end to providing loans and guarantees, if not completely, then at least as soon as possible in the life of a project. Ideally, governments also want projects to be off balance sheet and to be able to deliver changes in outputs and flexibility in the level of committed expenditure by reference to changes in circumstances and public priorities from time to time. Building contractors, facility managers and equity providers all want an exit strategy so that they can realise their gains through refinancing or through secondary sales after a reasonable period. The commercial banks have changed their terms because of the increased cost of finance and the collapse of the syndication and capital markets. They also want to be able to exit the project after a reasonable period. Pension funds may be willing to take a greater share in the funding of PPPs but only after their concerns about project risk have been met. All of these entities are challenging the current risk allocation models. These significant changes in requirements for each party to a PPP have developed in an unregulated and unstructured manner in each European country. However, the challenges are the same across Europe.

## A NEW PARADIGM

PPP models need to evolve to accommodate these challenges and on-going shifts in perspective.

### New sources of finance

It is unlikely that the market will return to the same willingness to finance long term. One of the basic principles of PPP (which still stands) is that risks should be allocated to the person best able to manage them. Previously, the public sector took market risk up to financial close and the funders took the liquidity risk for refinancing as equity took the risk of being unable to exit. During the economic crisis, those risks have been starkly exposed as real and unmanageable risks and so we argue that the illiquidity risk is here to stay. The market is saying that it is not willing to expose its institutions to the risk of a future illiquid funding market such as has developed during the credit crisis.

Accordingly, the market is discussing solutions, including the revival of monolines and wrapped bonds and the development of new types of bonds, to take the place of monoline wrapped financing. If properly structured, these new “project” bonds could take on an annuity type character, which could appeal to institutions requiring long term income streams, albeit with some limited share of project risk in the operational phase of the projects they are funding. They could be on standard terms with homogenous risk profiles, thus requiring limited due diligence. Such bonds would be readily tradeable in the market.

Many observers contend that governments should actively encourage pension funds to participate in the market but recognise that there is a limit to the influence of individual governments as the problem is universal. Since the problem is Europe-wide, a European wide solution is called for. The credit crisis has seen all governments turn to the EIB as an anchor lender for their projects. Perhaps now is the time for a European wide bond to be created by our EU institutions that could wrap the risk as the triple A rated monolines used to. If governments have accepted increased risk allocation, then it is logical that they mitigate their risks by sharing them across boundaries. Placing debt instruments of this kind back into the market will need careful handling to avoid a rerun of the sub-prime market meltdown (which would need to be dealt with through the structuring of the bonds themselves), but it argues for a true public private partnership across a single market.

### Service led PPP

In much of Europe, the focus remains predominantly on PPP as a means of delivering hard infrastructure. Before the current economic crisis, governments in the more developed PPP markets were becoming concerned with the equity returns being made on exits post construction phase and the lack of flexibility in the PPP model to deliver continued innovation and development to meet changing public needs. In the post crisis financial environment, the role that PPP can play in modernisation of public service delivery will be an increasingly important part of the value for money case for private finance. The public sector will seek an increased emphasis on using PPP to deliver more efficient responsive and better value for money services using existing assets but resisting the necessity in the short

term to totally rebuild these assets. This is “service led PPP” rather than construction led PPP. Such a paradigm shift includes recognition that the public sector needs to regulate and structure the medium term financing of major asset upgrades to achieve best value for money rather than leaving it to the private sector. The private sector has taken this market risk on the basis of the possibility of exceptional upside with limited downside. A more developed model could deliver a properly incentivised private sector which can also adapt and accommodate changes to meet ongoing consumer demand.

### **The project not the partners**

In construction led projects, where the investment is made in the first few years of the project, there is a need to recognise that it is the project, as regulated in the contract documentation, which has an on-going life and that the original partners to a deal may not necessarily remain partners through its complete life-cycle. The shifts in perspective outlined above could be harnessed for the long term benefit of the public sector whilst at the same time providing practical solutions to the illiquidity risk. Further refinement of the model would provide for the public sector to take a more pro-active role in the selection of a new partner and management of their change. One solution could see banks financing a project’s construction phase, while post construction debt would be packaged as an annuity like product and aimed at institutional investors. In effect, this is an extension of the banks’ response to the crisis in the form of ‘mini-perms’ that would also provide for a potential change in partner at a critical stage. A project could be structured so that there was a contractual provision for a ‘re-tender’ at a point after completion of the construction phase, so that rather than purely the private sector being involved in the choice of new partner through a sale of the project, the public sector could be involved as well. The on going development of a secondary market for PPP projects is evidence that there is demand for this kind of change. It had effectively been market practice until the credit crisis – albeit achieved through refinancing or equity sales and not through any public sector intervention.

## **CONCLUSION**

The public sector approach to long term risk and the market’s ability to manage it within a sustainable affordability envelope are being challenged. These challenges are affecting all European countries. Whereas previously we have reported on the fragmented nature of European PPP, now we are seeing the development of common approaches to common problems. Common solutions will bring significant improvements in the PPP model: an enhanced ability for both public and private sectors to be able to manage the long term risks which have so sharply been shown up in the economic crisis as real, the development of the PPP model to deliver more responsive services at better value for money and increased recognition of the stages in the life of a project and the changing needs of the partners PPP is here to stay, and the models must continue to deliver the improvements necessary to meet the needs of the public for fundable infrastructure across Europe.





# VIEW FROM EIB

## INTRODUCTION

After the dramatic deterioration of the situation on the financial markets, and the subsequent development of the economic crisis from late 2008, the European Investment Bank has developed a range of programmes to help the Bank play its part in countering the crisis and securing renewed growth for the European economy.

The Bank's anti-crisis response has two main components: increased lending activity and the development of a range of new products and initiatives.

## LENDING ACTIVITY

In 2008, the EIB increased its total loans to €57 billion from €47 billion in 2007. In both 2009 and 2010 the EIB will be increasing its lending volume by up to 30% compared with the level of previous years.

This is part of a broader package of support measures which was announced in December 2008 as part of the EIB's Plan for 2009-2011. This broader package comprises, apart from SMEs and mid-cap companies, the energy, climate change and infrastructure sectors, clean transport and convergence lending.

Accordingly, the Bank's revised Corporate Operational Plan envisages borrowing and lending of around €70 billion in 2009. Within this, there will be a particular

focus on the Structured Finance Facility (SFF) – the EIB's instrument for low or sub investment grade lending. The Bank's target for SFF lending in 2009 is some €3.5 billion.

## NEW PRODUCTS AND INSTRUMENTS

In addition to its enhanced lending volumes, the EIB has also developed a range of new instruments which have been deployed as a component of the Bank's anti-crisis activities. These include the development of facilities to guarantee debt obligations of corporates and the public sector.

The Bank has also explored, in conjunction with the European Commission, the possible roles that could be played by new initiatives designed to support investment in the Trans European Network – Transport area. The new initiatives could include instruments which provide improved leverage on the use of EIB funding, as well as the resources of risk sharing partners. Use of such instruments could build on the contribution made by the Loan Guarantee for TEN Transport (LGTT – see below) of which three were signed in its first year.

Other options could include facilitating the issue of project bonds for TEN-T through the development of subordinated debt tranches which would enhance the credit of projects or portfolios. The purpose would be to uplift the credit profile of the higher ranking senior debt financing to A/

## LOAN GUARANTEE FOR TEN TRANSPORT (LGTT)

LGTT is a guarantee instrument introduced by the Bank in 2008, and for which 2009 was the first full year of operation. This instrument is a mezzanine product, which provides coverage of traffic volume related revenue risks during the critical early operation phase of eligible TEN-T projects. The financial plan for LGTT projects provides for a standby credit facility (offered by commercial banks) which may be drawn in cases in which the initial ramp of traffic volumes is insufficient to meet senior debt service obligations. Once drawn, the repayment of the facility is guaranteed by the LGTT, with the risks of recovery of the guarantee payment shared between the EIB and the European Commission. LGTT can significantly improve the economics of eligible projects by improving the credit rating, and thus reducing the margins, on senior debt. It also represents a highly effective way of leveraging European Commission funding for TEN-T projects.

### THE A5 MOTORWAY, GERMANY

The A5 Motorway project in Germany demonstrated clearly how a relatively limited investment can have a significant effect in a carefully structured financing plan. The project, which reached financial close in the middle of the crisis in 2009, employed three specialised EIB instruments: (i) a Structured Finance Facility (SFF) loan (ii) the Loan Guarantee for TEN –Transport (LGTT) and (iii) equity investment through the Meridiam Infrastructure Fund. The LGTT facility of €25 million supported senior debt of several hundred million euros. Similarly, by investing through an equity fund, EIB’s proportional investment in the project amounted to a few million euros, but made a significant contribution to a €500 million project being fully funded without recourse to public sector budgetary financing.

AA/AAA, which would interest institutional investors in the sector (see [www.eib.org/attachments/documents/issues-paper-on-facilitating-additional-ten-t-investment.pdf](http://www.eib.org/attachments/documents/issues-paper-on-facilitating-additional-ten-t-investment.pdf)).

The Bank has complemented its senior debt and guarantee instruments with a programme of investment in equity funds. In some cases, this has enabled the EIB to take senior, mezzanine and equity stakes in projects – a good example is the A5 Motorway project in Germany (see above). In 2009, the Bank, along with its partners, will significantly step up its activity in the equity market with the launch of the Marguerite Fund (see right).

### EIB AND PPP

Since 1990, the EIB has progressively broadened the geographic scope and sectoral spread of its PPP lending. The Bank is now Europe’s foremost funder of PPP projects with a portfolio of 120 projects and investment of around €25 billion.

As a result of the crisis, governments have increasingly looked to IFIs to support their key, strategic PPPs. In this context, the EIB has become a cornerstone lender

on a wide range of European PPP deals. EIB finance is recognised by the market and public sector as key to closing major, strategic deals in the current environment. Examples of flagship projects closed in 2009 include the M25 and M80 motorways and Manchester Waste (UK); Grouped Fire Stations (Greece), Liefkenshoek Rail Link (Belgium) and the A5 Autobahn, (Germany) (see left).

Notwithstanding the challenges of the financing market in 2009, an important impact of the crisis in much of Europe has been a renewed interest in PPP models. This is not only because infrastructure investment will play a key role in delivering renewed growth, but because budgetary / fiscal constraints will limit the ability of governments to fund infrastructure investments directly.

The European Commission’s Communication on PPPs identifies PPPs as a core component of both anti-crisis strategy and structural reform. In particular, the Commission has committed to clarifying the regulatory framework for PPP, identifying obstacles to the development of PPPs and finding ways to address these.

### THE MARGUERITE FUND

The Marguerite Fund was initiated in September 2008 as a key measure of the European Economic Recovery Plan, and at the request of the ECOFIN Council. Agreement has now been reached to launch the Fund before the end of 2009, with core sponsors including the EIB, Caisse des Dépôts (France), Cassa Depositi e Prestiti (Italy) and KfW (Germany), as well as Instituto de Credito Oficial (Spain) and Powszechna Kasa Oszczednosci Bank Polski (Poland). The Fund will raise €1.5 billion equity, as well as a Debt Co-financing Initiative (DCI) of €5 billion from both public and private institutional investors. The Fund will operate on market principles and invest in the areas of energy and climate change, as well as transport infrastructure. In view of the approach taken to combining market principles while supporting public policy objectives, the Fund is expected to be a model for future public and private funds.

## THE EUROPEAN PPP EXPERTISE CENTRE

In addition to the EIB's lending activities, the Bank plays a number of other roles in support of the development of the PPP market in Europe. Foremost amongst these is the *European PPP Expertise Centre* (EPEC), a collaborative initiative of the EIB, the Commission and EU Member States.

EPEC was established in September 2008 and its mission is to assist the public sector to improve its organisational capacity to deliver PPPs and, more generally, to promote expertise and experience sharing in the field. Some 25 public sector entities – all of whom have policy or programme responsibilities for PPP in their jurisdictions – have joined EPEC.

Analysis of the impact of the credit crisis and the responses of the public sector has been a core component of EPEC's work in 2009. EPEC has published a paper examining potential remedies that the public sector could take (this paper can be found at <http://www.eib.org/epec/infocentre/library/responses-to-the-crisis---paper.htm>), and has also

looked at the role of capital markets in PPP financing, while exploring potential solutions to revive and expand capital market financing.

However, EPEC is also undertaking collaborative work with Members on identifying the wider benefits of PPPs, on Eurostat's treatment of accounting issues and the balance sheet treatment of PPPs and the implementation of Competitive Dialogue. A major project to identify 'best of breed' public sector guidance on PPP (a 'guide to guidance') will be completed late in 2009.

EPEC also has some capacity to work bilaterally with Member organisations on their PPP structures and delivery mechanisms. EPEC is already working with four members in this way and discussing with several more how best to engage with EPEC in the future.

**Nicholas Jennett**

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# CURRENT LOCATION

## INTRODUCTION

In the process of pulling together the country reports, we have identified a number of themes which were not evident at the time of the 2007 report. These themes are common across most European countries and we have brought them together in this current location report. Clearly the most important theme has been the impact of the credit crisis on delivering and structuring PPPs but we have also seen the European Commission take a more active role in promoting PPPs along with governments and a dynamic response from the private sector to the emerging European cross border PPP markets.

## THE FINANCIAL POSITION

### The financial crisis and investment in infrastructure

Infrastructure investment has a key role to play as an anti-crisis measure. With the pressure on public resources set to increase for the foreseeable future, unlocking the potential of private finance becomes ever more urgent. Across Europe, PPP is established as a valuable additional option for investment in infrastructure and strategic public services. Different countries place different emphases on the relative contribution from PPP and 'conventional' procurement. Some countries are explicitly committed to targets for proportion of public investment to be procured through PPP (for example, Germany's target of 15%).

### The effects of the financial crisis on funding PPPs

The main effects of the financial crisis on the PPP funding markets can be summarised as follows:

- The financial crisis has substantially reduced the financing available for PPP projects.
- Project finance and PPP lending is competing for scarce regulatory capital and the opportunity cost for banks and capital market investors of PPP lending has, therefore, increased.
- The bank syndicated loan market is not operating and deals are closing as 'club' transactions.
- Bank margins have increased substantially from pre crisis levels, and senior debt tenors have reduced, although the increase in rates is partially offset by the reduction in base rates.

- There is a high degree of selectivity on the part of banks and a general lack of consistency in the terms and conditions required by funders, making forward planning more difficult for procurers.
- No viable capital market solution has emerged to replace the wrapped bond market which closed with the demise of the monoline business.

As a consequence, there has been a significant reduction in the number of deals that have reached financial close since the onset of the crisis.

### The response of the banks

Although there are signs of easing, there have been some fundamental changes in the attitudes of banks towards the PPP finance market. Some banks have partially or wholly withdrawn from the project finance market. There is also evidence that previously active international players have become more orientated to their domestic markets. Although margins have eased somewhat from their 2009 peaks, tenors remain restricted. Where resources are scarce, the banks are concentrating on their long-term customers and 'relationship banking' is back in force. Project finance lending continues to have to compete for scarce regulatory capital allocations with more attractive corporate opportunities. The opportunity cost of lending to PPP projects has undoubtedly increased as the returns on other lending have improved. The reduction in the number of banks able to fund, and the unwillingness of financiers to underwrite, PPP transactions has also resulted in more uncertainty as to financing terms and an increase in price.

One of the most important basic parameters for the development of future PPP projects is the present situation of the international financial markets. International comparisons display that, even at times of a financial market crisis, solid and well structured projects with a fair risk allocation and a debt requirement of between €200 million and €500 million are bankable. The German PPP projects meet these conditions.

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## Enduring change

The impacts on the financing markets are likely to endure because:

- Banks believe that the conditions which prevailed before the crisis (very long tenors up to 35 years, with sub 100 bps pricing and structures) are unlikely to return in the medium term. These terms were mostly driven at the margin by banks repackaging their loans and selling them as highly rated CDOs in capital markets (a source of funding that is currently not available in large volumes) and intense competition between banks, and between banks and the capital markets. Many banks see the current crisis as a 'return to normal' rather than a temporary aberration.
- Many large players have left the market. Smaller players may be attracted by the opportunity presented by the funding gap, but they are likely to prove more conservative than the more established players.
- Capital markets are not likely to fill the gap unless a solution is found to replace the monoline model or provide PPP structures more acceptable to institutional investors.

## Book building and funding competitions

Prior to the crisis, one or two banks typically committed to provide all of a project's senior debt prior to the award of a PPP contract. On larger projects, this debt was then subsequently sold (or syndicated) to a wider banking group. The current scarcity of bank capital, the lack of syndication and capital markets and a general aversion to taking large, single risks on balance sheet mean that banks are no longer willing to underwrite a project's debt prior to syndication.

To optimise access to scarce banking resources and to facilitate access for the preferred bidder to the broadest possible funding market, current practice for major PPP projects now generally consists of selecting a preferred bidder on the basis of conditional financial offers, and proceeding to financial close by running a 'book building' exercise or other form of funding competition with the preferred bidder.

In consequence, senior debt is only committed after the preferred bidder is selected. For large transactions (eg the UK's M25 Widening PPP) this can result in a very large number of banks (15 or more) having to agree the terms of the senior debt before financial close – with consequent impacts on timetable and complexity.

## Funding competitions and procurement considerations

This inability of the banks to provide firm financial commitments at tender stage sits somewhat uneasily with the requirements of the EU's procurement procedures, which are predicated on the existence of competition. The competitive dialogue procurement procedure requires that final offers must contain "all elements required and necessary for the performance of the project" and after submission of their final offers, bidders may only be asked "to clarify aspects of the tender or confirm commitments... provided this does not have the effect of modifying substantial aspects of the tender" (EU Directive (2004/18) – see further below). Procuring authorities need to be sensitive to the reduced capacity of bidders to offer financial commitments in the period before financial close, whilst at the same time complying with the requirements of procurement law. Before the credit crisis, tenders specified particular funding requirements – such as the provision of fully committed finance at the initial bid stage. This has become very difficult to achieve in current circumstances and has resulted in a number of failed bids.

## Mini-perms and their effects

Mini-perms structures have become more usual. There are two varieties of mini-perm, the hard and the soft. In a hard mini-perm, there is a contractual obligation to refinance after a given period, generally at a reasonable time after projected completion of construction. If the project is unable to refinance, then the project terminates and compensation on termination is payable: ie refinancing risk is shared between the public and private sectors. Under a soft mini-perm, if the project is unable to refinance then margins ratchet upwards and there is a cash sweep towards repayment of the loan.

Whilst the sharing of refinancing risks and associated costs could deliver value for money, the use of mini-perms raises a number of issues for procurers, in particular the loss of cost certainty going forward. In the longer term, shorter debt maturities may in time lead to shorter concession periods. This in turn might require a modified risk allocation to improve the relative attractiveness of PPP to funders. Such wider structural changes to the PPP model may affect both the affordability of deals and the value for money they deliver.

## Funder or guarantor

Looking across Europe, a number of EU Member States or regional governments are exploring two main avenues for direct financial support for PPPs: state guarantees (supporting project debt or bonds) and co-lending

facilities. In virtually all cases, these initiatives are being designed not to replace commercial lenders but to build market confidence to bring other funders into a deal. With this in mind, these facilities are being priced at commercial levels – also essential to ensure that the initiatives do not fall foul of EU state aid regulations.

Public sector lending facilities of the type offered by the UK and France are, perhaps, the most immediate and targeted response. Under this model, the public sector meets funding shortfalls through loans on identical terms to those offered by commercial banks. The underlying principle is usually that these loans will be sold back into the market as and when conditions ‘normalise’. The model is, however, not without its challenges for the public sector, not least the practicality of establishing and managing a fully fledged lending unit, the risk of crowding out (when is a shortfall a shortfall?) and the implications of selling down public stakes in due course.

An alternative model, tested by the UK Treasury with its Credit Guarantee Facility some years ago and currently under consideration in France, Germany and Italy, involves public sector provision of liquidity to projects but on the basis of guarantees provided by the private sector. This model is particularly relevant to the extent that the constraint on commercial lending is a liquidity shortage amongst commercial banks – in this case, the opportunity for the private sector to offer (unfunded) guarantees to the public sector maintains the principles of risk transfer whilst enabling transactions to complete.

Where the lending of private banks is more constrained by the availability of capital allocations for project finance than liquidity *per se*, an alternative guarantee mechanism may be more appropriate. Amongst others, both France and Portugal are offering direct guarantees to project finance lenders in order to facilitate banks participation in large projects by reducing their exposure to project risks. Various forms of indirect guarantee (in other words, where the state limits lenders’ exposure via project documents) are also being made available. These range from revised compensation on termination provisions to the use of direct irrevocable payments from the public sector (such as French *cession de créances* or German *forfeiting* structures) and to refinancing guarantees (which have been used by the Regional Government of Flanders in Belgium).

## THE PUBLIC SECTOR POSITION

Notwithstanding the challenges of the current financing market, an important impact of the crisis on much of Europe has been a renewed interest in PPP models. This reflects not only an appreciation of the role that efficient infrastructure investment can play in promoting economic growth but also the reduced capacity of governments to finance these investments directly due to their increased indebtedness. The record of delivery to date has, however, been disappointing. There are a number of reasons for this. Of these, capacity constraints within the public sector have been foremost. In many countries, the public sector lacks the expertise necessary to devise and deliver effective PPP programmes. However, there have been other factors, such as inexperience amongst regional contractors and weaknesses and lack of depth in local debt and equity markets. The importance of the latter has been exacerbated by the impact of the credit crisis – a number of funders have withdrawn from the project finance market, and those that remain are more focused on domestic markets and relationships. This has meant that some public authorities have reverted to traditional procurement and others have put projects on hold due to affordability constraints.

## POLICY

### Facilitator of new funding sources

There is strong, general consensus that the institutional capital markets are the “natural” lenders to PPPs. The public sector could consider at least three options to revive the institutional market for infrastructure and facilitate the entry of new investors:

- Restructuring of the PPP model to access the unwrapped bond market;
- Revive the ‘monoline model’ for wrapped bonds;
- Develop a “debt fund” concept.

### Unwrapped bonds

In the absence of monoline insurers to wrap bond deals, the challenge is to implement measures to get investors comfortable with project risk. The public sector could have a role to play here, for example, through implementing mixed structures in which it would guarantee some project risks, with institutional investors covering the rest. Alternatively, public authorities could insist that sponsors offer sufficient credit support to ensure higher project ratings, or explore other project modifications to improve credit quality.

## VIEW FROM FRANCE

### PPP STIMULUS MEASURES IN FRANCE

A number of large, and strategically significant, projects are due to hit the French market in the coming months, and the government has been acutely aware of the possible impact of the financial crisis on these. As a mitigating measure, in February 2009, the French Parliament adopted a three pronged scheme designed to facilitate private funding of PPPs. The scheme focuses particularly on improving the availability of senior debt and extending the tenors available for this financing.

### GUARANTEE PROVISION

The first provision consists of an amendment to the budgetary law for 2009 that allows the state to guarantee up to 80% of the private sector financing required for PPP and concession projects – be it senior debt or bonds – provided the projects are signed before the 31/12/2010.

The total value of guarantees that may be issued will have an overall ceiling of €10 billion. However, the guarantee can be in addition to any regional or local subsidies made available to projects. It will be priced according to prevailing market rates, in accordance with EU state aid regulations. The MAPPP (the French PPP task force at the Ministry of Finance) is in charge, with the support of financial advisors, of determining the exact terms and conditions applying to every project for which the public contracting authority asks for this guarantee. The general provisions of the guarantee term sheet were finalised in April 2009, and the first project

reviewed was the Tram Train (LRT) of La Réunion Island. Subject to finalisation of terms, this project could benefit from a guarantee of up to €800 million.

### ADJUSTABLE FINANCING TERMS

Secondly, the revised version of the French PPP law also states that bidders no longer need committed funding letters from banks at BAFO stage. “Adjustable” financing terms would be considered enough to submit a final offer. Whilst the intention is clearly not to encourage bidders to submit uncommitted offers, given current market conditions (and in order not to unduly restrict limited bank resources), the intention is to allow banks which are backing competing bidders to be able to support the winning proposal.

### CO-FINANCING FACILITY

Finally, a €8 billion envelope of Caisse des Dépôts-managed “fonds d’épargne” (centrally managed savings & loans) has been earmarked over 5 years, to be allocated to co-finance projects and Special Purpose Vehicles alongside private sources, particularly for longer tenors, at slightly lower than market rates.

Taken together, these mechanisms aim to provide the required supply of financing to privately financed projects, while limiting the immediate impact on the budget. An unresolved aspect, however, is the treatment of the State Guarantee with regards to Eurostat criteria on public debt.

**François Bergère**  
Secretary General of the PPP Taskforce  
France

### Public sector wraps

A further avenue that could be explored is the revival of the monoline model, or rather to use the ‘monoline’ concept to design a public or quasi-public credit enhancer. Whilst sponsors and investors’ recent experience with monolines will be difficult to overcome (there is understandable dissatisfaction about paying an AAA price for a guarantee significantly below AAA quality) some variant of this model may be the key to re-opening the deep, institutional funding markets to project bonds.

### Debt funds

Debt funds could provide an alternative means of bringing institutional money to the infrastructure market. The concept involves using institutional funds to finance an

investment vehicle which, in turn, issues long term debt to project SPVs. This vehicle would provide structuring, due diligence and monitoring services to the lending institutions thus addressing a hitherto unresolved issue – the lack of capacity on the part of institutional investors to undertake project risk assessment. The concept is not, however, without disadvantages – notably that investors may be reluctant to enter into complex securitisation arrangements in which there is little or no visibility of the underlying projects.

### Green Policies

Concerns about the ozone layer, carbon emissions, climate change and the wasteful use of the limited resources of the planet have driven policies everywhere. Public pressure



has determined the adoption of national policies, including the transfer of travel from roads to rail, through the building of high speed rail links, light rail urban transport and the rethinking of waste management practices.

The introduction of strict EU standards in the environmental field with which each of the member states of the EU must comply is playing a large role. Many countries have a lot of work to do to reach the high standards on time and, with limited funds, this is proving an incentive to use PPPs for solid waste, waste water and

water projects. For example, the EU Landfill Directive, which requires the diversion of a significant amount of the continent's waste away from landfill, has necessitated a radical change in the way most countries manage waste, and has led to a scramble to construct new waste treatment facilities. As a result there is a strong pipeline of waste projects. This coupled with the amount of money being diverted by governments to this sector, has resulted in several new players entering the market.

#### VIEW FROM THE UNITED KINGDOM

PPPs (PFI in the UK) represent one of the principal means by which Government procures the delivery of long-term infrastructure assets and related services. In the UK it has a track record of on-time and on-budget delivery and receives high levels of user satisfaction.

The crisis in the financial markets in late 2008 and early 2009 left many of our PFI projects unable to secure sufficient debt from the private sector, thereby causing a significant backlog in their achieving financial close. These were projects that were already in procurement and a key part of the Government's investment plans.

Throughout this period the Treasury worked with individual procuring authorities, Partnerships UK and the EIB to develop a range of solutions to help projects to reach financial close. However, it became clear that traditional measures, such as increased capital contributions and increased EIB funding, could not give Government sufficient confidence that its pipeline would be delivered in a timely fashion.

We considered re-procuring these projects conventionally but concluded that would have caused unacceptable delay and placed value for money at risk. We therefore needed a PFI-based solution which could get the market moving again whilst maintaining the benefits of private sector involvement in public infrastructure procurement over the long-term.

The Government therefore announced in March 2009 that it was prepared to lend to PFI projects that could not raise sufficient debt finance on acceptable terms. This arrangement was designed to be both temporary and reversible so that it could be withdrawn once market conditions improved.

The Infrastructure Finance Unit (TIFU), which was set up to implement this policy, has already proved its effectiveness in reducing the backlog of PFI projects. In particular, it has provided £120m of funding for the Manchester Waste PFI project which, through the contract and associated works, is expected to provide £401m of capital investment in improved waste facilities in Greater Manchester and create or safeguard over 5,000 jobs.

However, the overall success of TIFU should not be measured solely in terms of its lending but in its impact on the market as a whole. In 2008/09 only 18 PFI projects, worth £1 billion, closed. The period post the establishment of TIFU has already seen 20 projects worth £3.45 billion successfully reach financial close; including the key M25 widening project and 12 school projects. This increase partly reflects an improvement in the long-term financing markets as a whole, but crucially TIFU has given funders confidence that PFI deals will reach financial close and given sponsors and authorities a lever with which to secure greater funder engagement and on-market terms. The result has been a clear and substantial improvement in the rate at which PFI projects are reaching financial close.

Whilst our long-term infrastructure funding markets do show signs of recovery they remain fragile, and margins and other terms, remain unattractive by recent standards. The confidence that TIFU provides to the PPP market in the UK therefore remains crucial and continues to be a key element in the UK Government's ongoing programme to provide essential national infrastructure and world-class public services.

#### Ian Pearson MP

Economic Secretary Responsible for PPP Policy  
HM Treasury

## Social policies

Another trend in the PPP market across Europe is the increasing prioritisation of achieving social welfare objectives, such as better health care and education, rather than the provision of infrastructure, such as roads and railways infrastructure which are more aimed at supporting general economic objectives.

## DEVELOPMENTS AT EU LEVEL

There is a new emphasis from the European Commission on PPP as a component of its anti-crisis strategy. The Commission has indicated that it will shortly publish an important Communication on mobilising private finance and PPP in the context of the European Economic Recovery Plan. President Barroso has also referred explicitly to the importance of PPP in setting out the political orientations he would wish to see for the next Commission. For the first time, therefore, the Commission is explicitly committed itself to clarifying the regulatory framework for PPP, identifying obstacles to the development of PPPs and finding ways to address these obstacles.

Within the Member States, this renewed interest in PPPs explains the welcome that has been given to the initiative of the EIB and Commission in establishing EPEC as a collaborative initiative to help share information, expertise and good practice in respect of PPPs across the public sector.

It has been recognised, that a state of the art public infrastructure is a key precondition for sustainable growth. It has been common sense for a long time that PPPs are a very useful tool to procure, build, finance and maintain infrastructure projects in an efficient and sustainable manner.

**Peter Rambold**

Vice President  
Dexia

## EPEC

It is significant that when the banks operating internationally have not been able to provide the financing, particularly for larger infrastructure projects, governments have turned to the European Investment Bank which now is the anchor lender in virtually every major financing throughout Europe. The role of the EIB has been considerably extended in the services it offers and the decision to found

the European PPP Expertise Centre, in conjunction with the Commission, is a significant sign of the acceptance that the PPP model now has throughout Europe.

## The blending of EU funds with PPPs

The impact of EU grants has also been a factor. Governments understandably often regard grant finance as a preferred alternative to loan funding. However, this neglects the role that PPPs can play beyond being simply a source of additional funding – the benefits of fully engaging the private sector in all aspects of project planning and implementation, as well as a ‘whole life’ approach to asset management. There is considerable international evidence that well structured PPPs can deliver better value for money than conventional procurement as a result of optimising risk sharing between the public and private sectors. It is in recognition of the benefits that PPPs can bring to large infrastructure projects that JASPERS has been engaged on the drafting of guidance on grant – loan blending. The publication of this work is imminent and first pilot projects have been identified in Poland, Romania and elsewhere to put into practice what may well develop into a major market segment over time.

## The EU Interpretative Communication on PPPs

At European Community level there are no specific rules governing the founding of PPPs. In February 2008, the European Commission published an Interpretative Communication explaining the EC procurement rules that apply when private partners are chosen for a PPP. If the task assigned to the PPP is a public contract fully covered by the Public Procurement Directives, the procedure for selecting the private partner is determined by those Directives. If the task is a works concession or a public contract that is only partially covered by the Directives, the fundamental principles derived from the EC Treaty apply in addition to the relevant provisions of the Directives. Finally, if it is a service concession or a public contract not covered by the Directives, the selection of the private partner has to comply with the principles of the EC Treaty.

The Interpretative Communication expresses the view of the Commission that under Community law one tendering procedure suffices when a PPP is set up. Accordingly, Community law does not require a double tendering — one for selecting the private partner to the PPP and another one for awarding public contracts or concessions to the PPP.

The Interpretative Communication acknowledges that PPPs are usually set up to provide services over a fairly

long period and must be able to adjust to certain changes in the economic, legal or technical environment. It is only where the change to the PPP moves outside the scope of the original PPP that new procedures under the procurement laws are required – otherwise the changes can be agreed between the parties.

### Remedies Directive

The Remedies Directive was published as Directive 2007/66/EC in December 2007. Member States have until 20 December 2009 to implement the new Directive into national law. The new Directive requires public authorities to wait a certain number of days, known as a ‘standstill period’, before concluding a public contract. This gives rejected bidders the opportunity to start an effective review procedure at a time when unfair decisions can still be corrected. If this standstill period has not been respected, the Directive requires national courts under certain conditions to set aside a signed contract, by rendering the contract “ineffective”. The Directive also seeks to combat illegal direct awards of public contracts, which is the most serious infringement of EU procurement law. National courts will also be able to render these contracts ineffective if they have been illegally awarded without any transparency and prior competitive tendering. In these cases, the contract will need to be tendered again, this time according to the appropriate rules. The introduction of these new rights for rejected bidders should assist in removing barriers for EU businesses to bid for contracts anywhere in the EU.

### Competitive Dialogue

Historically, the European Commission questioned the appropriateness of using the negotiated procedure for the procurement of PPPs, arguing that substantive negotiations with a preferred bidder could distort competition and that the public sector was struggling to negotiate successfully in the absence of competitive tension. The competitive dialogue procedure was introduced to fill the gap between the restricted and negotiated procedures. The procurement directive introducing competitive dialogue (Directive 2004/18/EC) required national governments to implement its provisions into national law by 31 January 2006 (other than Bulgaria and Romania who were obliged to implement them by 1 January 2007, when they acceded to the European Union) and each of the member states has implemented it.

Competitive dialogue can only be used for “particularly complex contracts” where the public authority:

- is not objectively able to define the technical means (...) capable of satisfying its needs or objectives; and/or
- is not objectively able to specify the legal and/or financial make-up of the project, and
- must consider that the use of the open or restricted procedure will not allow the award of the contract.

### Constraints of competitive dialogue

In the three years since its introduction, relatively few projects using competitive dialogue have closed across Europe. Experience has shown that following the competitive dialogue procedure is not easy and requires a great deal of work by all parties to succeed. One problem that has emerged is that the public sector needs to have experienced personnel to oversee the tendering procedure – currently these seem to be in short supply.

A major problem for all parties is that procurement costs are significantly higher than under any other form of procurement including the negotiated procedure. The increased competitive tension of dialogue is counterbalanced by the need for more negotiations and more written submissions for both the public sector and bidders to deal with. This is because of the need to take two or three bidders through a dialogue process right up to the time of award of the contract rather than a negotiation with one preferred bidder. It is particularly hard on bidders who fail to win the award as they must spend as much on their bid as the winning bidder does. This is proving to be a considerable disincentive to bidders to participate in tenders and is resulting in some failed tenders through lack of bidders.

Bidders are also concerned about protection of their intellectual property, specifically the risk of bidders’ ideas or commercially sensitive information being shared with competitors during the dialogue process.

### EU enforcement actions

A recurring theme in comments on the economies of Central and Eastern Europe is general lack of transparency. In the case of some newer members of the EU, this has resulted in an increase in the numbers of investigations and charges in respect of procurement practices by the European Commission. In countries further afield,

## VIEW FROM GERMANY

In the current situation there are uncertainties on the part of the public sector about the financeability of PPPs. The Federal Ministry of Finance has however made clear that PPP projects can be supported under the “Konjunkturpaket II” (economic stimulus package II).

The majority of PPP construction projects in Germany have not currently been much affected by the crisis in the financial markets. Although there has been a certain reticence on the part of individual banks in the field of project finance, it is our perception that the road to more settled markets is already open.

The ÖPP Deutschland AG (Partnerschaften Deutschland or Partnerships Germany) was founded on 11 November 2008 and has been operational since the beginning of 2009. As of 1 July 2009, the team of experts will comprise 22 advisers in total and will be further strengthened in the foreseeable future.

With a unique pool of public and private PPP know how, ÖPP Deutschland AG is extremely well placed to successfully perform the tasks entrusted to us. As an independent advisory undertaking, we want to significantly extend the market for PPPs in Germany. For this purpose, we are exclusively advising the public sector on projects which can be implemented efficiently within the PPP framework.

Against this background, we are pursuing the goal of acting for the benefit of the state, the economy and society. The particular advisory approach of ÖPP Deutschland is based on implementing experience in

foundation work gained from projects (e.g. further development of standards, distribution of market recommendations for the simplification of PPP processes). The business activities of ÖPP Deutschland will be focused on advice in the early phases of actual PPP projects. The spectrum of ÖPP Deutschland’s services will extend beyond these as business adviser during the whole life cycle of a project. In the context of advice in the early phases we will offer the public employer the opportunity of obtaining free initial advice from ÖPP Deutschland’s helpdesk on PPP projects whether planned or already running. Currently ÖPP Deutschland is working on PPP projects in Dresden and Berlin. For ÖPP Deutschland, the PPP Culture Project in Dresden is the first communal advisory mandate for a groundbreaking PPP project in the nature of a pilot project. With the planned new build of the Federal Ministry for Research and Development in Berlin, ÖPP Deutschland is supporting another challenging PPP project in the administrative sector.

In future, ÖPP Deutschland will act as financial adviser for a PPP project for a research institute as well as for a PPP project planned in the hospital sector. In addition, we envisage stronger PPP projects in the areas of IT and healthcare. We would like to contribute to the better and more economic implementation of public infrastructure and to the increase of the share of value for money PPP projects in public investments.

**Prof. Dr. Martin Weber**  
ÖPP Deutschland

the difficulties of navigating the procurement process can discourage investors, particularly without local partners and knowledge.

### Internationalisation

One of the EU’s original objectives was the introduction of the single market to promote economic growth. Public procurement regulations, which require international publication of tenders, have gone a long way to open up markets internationally. The PPP market has demonstrated that the best skills from each country can be utilised across the whole of Europe. The construction companies of Spain have exported their skills in rail and airport infrastructure. The water and road companies of France have brought

innovation in their sectors throughout Europe. Austrian and German construction companies have developed roads throughout Central and Eastern Europe. British consultants regularly advised on PPPs internationally. PPP markets have demonstrated the single market in action.

## DIRECTIONS FOR THE DEVELOPING PPP MODEL

### More than one PPP model

No single model for PPP exists across Europe and a dogmatic definition is best avoided, recognising instead that the concept can embrace a wide range of arrangements for sharing risks and responsibilities between the public and

private sectors for the provision of strategic public services. The model of PPP adopted by a given country will, therefore, reflect that country's particular economic, political and legal context. For example, UK PPPs are distinct in important respects from the approaches adopted in other EU countries with major PPP programmes. Key features of the UK context are, for example, its common law legal framework, the sophistication of its financial markets (the UK is, the only country in Europe to have drawn extensively on the capital markets as a means of funding PPP), the experience of the public sector in PPP procurement, but also the *relative* weakness (in terms of balance sheet strength) of much of its contractor sector.

#### WHAT IS PPP?

A public-private partnership (PPP) is a long-term agreement between the public sector and the private sector to deliver a service traditionally provided by the public sector. PPPs can be a way of both increasing access to financing options and delivering efficiency gains while maximising quality of service. The range of structures used for PPPs varies widely: thus, in some countries, the concept of a PPP equates only to a concession where the services provided under the concession are paid for by the public, whereas in others, PPPs can include every type of outsourcing and joint venture between the public and private sectors. Characteristic features of a PPP which generally distinguish it from other types of long term contract, include the transfer to the private sector of the design, build, operation, through life maintenance and financing of an asset, from which services are provided to the public sector or to the public on behalf of the public sector. After a specified period, the rights of the private sector partner to deliver such services revert back to the public sector along with the ownership of the underlying assets. Although many different PPP models have emerged across Europe, all seek to improve efficiency and quality by transferring certain risks to the private sector and incentivising the private sector to manage these risks effectively. We have indicated in any relevant country report where the concept of PPP diverges from this classic conception.

#### The benefits of the classic PPP model

The principal benefits of the PPP model have been:

- Improvements to the way public projects are procured. PPP has acted to impose new disciplines on public procurement teams and encouraged a focus on investment objectives rather than the means by which they can be achieved
- a 'life-cycle' approach to capital investment, where an investment is considered on its complete cost over time, including long term maintenance and performance, rather than on the original capital expenditure only
- efficient incentives and the alignment of the interests of the public and the private sectors through risk sharing and appropriate contractual arrangements
- the engagement of third party funders. This brings robust external scrutiny to projects. Equally important, funders are incentivised to ensure the long term performance meets the public sector's specification.

#### Developments in the PPP model

Given the significance of long term, third party finance for PPP transactions, the current difficulties in securing long term debt on affordable terms represents a considerable challenge for the PPP model. Some of the responses to these challenges currently in place in Europe are:

- **Public sector co-lending facilities for PPPs.** A French facility, which focuses on the education sector, has been established. The UK, of course, already has experience of the Treasury Infrastructure Funding Unit (TIFU).
- **Public sector liquidity guaranteed by the private sector.** In practice, this usually involves commercial guarantees for debt provided by public sector promotional banks, such as KfW in Germany, CdC in France or CDP in Italy. This model was tested in HM Treasury's Credit Guarantee Facility a few years ago, but was discontinued due to its unfavourable balance sheet treatment.
- **Direct guarantees to the private sector.** Direct guarantees are state guarantees offered to lenders outside the provisions of project agreements. These have been proposed in France, Portugal and Slovakia, principally in the case of large projects where banks need to limit their exposure. Typically, these are structured to leave a residual risk with lenders;

- **Indirect guarantees to the private sector.** Indirect guarantees are typically applied through specific provisions of project agreements. These may range from favourable compensation on termination provisions which have applied, for example in Spain, to direct irrevocable payments from the public sector to lenders after project completion – examples are the German *forfaiting* model or the French *cession de créances*.
- **Refinancing guarantees.** A number of European authorities, for example, in Belgium, have proposed forms of refinancing guarantee to address the uncertainties related to short term debt tenors (so called ‘mini-perm’ structures).

I am confident that in the partnership approach between the public and the private sector, which is at the heart of PPPs, solutions will be found to align the interests and requirements of the financial sector with the needs of the public sector. This will lead to new financing structures based on a fair sharing of risks and rewards between the PPP parties.

**Peter Rambold**

Vice President  
Dexia

**The risks of de-risking**

These models are characterised by greater or lesser degrees of de-risking private sector debt. In assessing these, it is important to recognise the key risk management role performed by equity and third party debt in PPP transactions. Indeed, it is arguable that the role of finance in scrutinising the economic and financial performance of projects is the principal reason for the superior ‘time and cost’ performance of PPP vis a vis conventional procurement. To state the issue starkly, the more debt is de-risked, the greater the probability that the public sector will, eventually, be called upon to pay out project lenders. This underlines the importance of a clear analysis on the part of the public sector of reasons for de-risking debt. There is a significant difference between guarantees on the one hand for poorly structured projects with weak economics which could not otherwise be bankable and, on the other, guarantees which address reasonable lender risk aversion on the very largest deals.

**Off balance sheet financing**

For many countries, being able to classify a project as ‘off balance sheet’ is an important factor in the choice of PPP as a procurement model for particular projects. This can assist with meeting the Maastricht criteria, which limit the amount of budget deficit that a country can incur. The EU has made exceptions to these obligations because of the credit crisis but has already started to bring countries to account for excessive breaches. As the world economy starts to recover, these pressures will increase. In 2004, Eurostat recommended that the assets involved in a PPP should be classified as non-government assets, and therefore recorded off balance sheet for government, if both of the following conditions are met:

1. the private partner bears the construction risk, and
2. the private partner bears at least one of either availability or demand risk.

If these conditions are met, then regular payments made by government to the partner will have an impact on government deficits/surpluses only by reference to purchases of services and “imputed interest” and the assets themselves will be considered as ‘off balance sheet’ in a country’s national accounts.

But now new interpretations of international accounting rules, such as whole of government accounting, require a government to disclose all liabilities and the analyses of risk transfer are becoming more rigorous. It is thought that such treatment might result in assets which revert to the government at the end of a contract, such as toll motorways or government buildings, for example, coming on balance sheet, whilst moveable assets with a shorter life, such as aircraft, which do not revert to the public sector at the end of the contract, would remain off balance sheet.

Further, the dilution of risk transfer brought about by the credit crisis means that fewer projects are qualifying as off balance sheet because insufficient risk is being transferred. For example, if the financing of a project is fully guaranteed by a state or the state has acted as lender to the project, it becomes harder to assert that the PPP can be classified as ‘off balance sheet’. It has been suggested that by 2014, nearly all PPP projects will be regarded as on balance sheet and some of the incentive for governments to use PPPs will have gone.

## PRE-CONDITIONS FOR USING PPPS

Our country reports cover countries at very different stages of economic and political development. All of them are seeking to use PPP in one form or another. So what are the conditions which make for successful PPP implementation in a country?

First and foremost, there must be a political will to support PPP, coupled with ongoing political stability. Long term projects need long term support. Governmental support should include a regulatory framework, which is probably (but not necessarily) best delivered through a central, focused unit specialising in PPPs. The unit should have the ability to guide and control the public sector entities embarking on projects, providing them with education and if necessary, experienced support in implementing projects. It should also act as a focus for learning from experience and feeding the results into legislation and guidance to improve the regulatory environment. The public sector staff who are implementing PPPs need to be trained

to deliver projects. Lack of experienced personnel who understand and believe in the process and who are focused on delivery is a feature in a number of countries which is causing serious delays to project implementation and in the worst cases, undermining the credibility of the country's PPP programme. Transparent procurement processes are needed to attract investors and many argue that in addition to an adequate legislative framework, PPP techniques encourage transparency as there are so many players involved. Having a visible and credible pipeline of projects attracts new market players, both on the sponsor side and on the funding side. Another pre-condition is a stable financial market which can provide long term debt funding. Closely related to this is the need for good credit ratings, not only of the projects and their private sector providers but also of the public sector entities which ultimately may pay for the service. Finally a country needs a strong private sector or the ability to attract foreign players to work with their private sector entities.

## THE POSITION OF THE PRIVATE SECTOR

The current position of the private sector is that organisations are being driven by more short term agendas in the light of the current financial position, which conflicts with the more long term approach required to develop a sustainable PPP business. This conflict has led to many exits from the market and difficulties in managing expectations of both the public sector and their own senior management.

### Contractors

Whilst on the one hand, contractors recognise that PPP is a key method of obtaining work at a reasonable return, on the other hand, they are becoming more wary of participating in tenders because of the increased costs of bidding exacerbated by, amongst other reasons, the introduction of competitive dialogue.

### Investment funds

In addition to funds sponsored by governments and their agencies, over the last two years a number of investment funds have been set up across Europe by the private sector. Some of these are directed at infrastructure generally but some, for instance in the UK and in the Netherlands, are specifically targeted at investment in PPPs.

### Secondary markets

In more mature markets, both the traditional building contractors and the newer service companies require an exit route so as to realise profits from the projects at an earlier stage than is forecast through the financial models. This is generally achieved through refinancing or by selling on their projects, generally after the construction phase is completed. Over the past few years there have been willing buyers for such projects and the secondary market has developed rapidly. Many of these portfolios are international in nature so that risks are spread across a number of countries. At present, this exit route is limited because of the constraints of the illiquid market. In addition, institutional investors are reluctant to invest in structures that are not of the highest credit ratings or not wrapped by a monoline insurer. Nevertheless, the secondary market for PPP projects is of increasing importance.

### Monolines

The monolines had provided a wrap to many of the large project financings but mostly they had insured structured products backed by residential mortgages. As the sub-prime loan crisis unravelled in 2007 with ever increasing defaults, the monoline insurance was called upon so that the monolines themselves started to make

losses. Early in 2008, the monolines themselves were downgraded by the rating agencies which meant that many of the bonds that they insured were also downgraded. As losses mounted, the monolines were no longer able to put up the additional collateral that was required to meet insurance regulations and some ceased to trade. Credit rating insurance became so expensive that it is no longer economic to use it and the market for wrapped bonds has, so far as PPPs are concerned, collapsed.

### **Building businesses**

An emerging trend is the use of PPP programmes, such as the Building Schools for the Future in the UK or the Greek programme for provision of government accommodation such as fire stations. In each case, the government is allocating funds for a programme which will transform a particular sector. In doing so, it is transforming the way in which the private sector looks at its business. It opens up new possibilities of developing an ongoing business rather than just bidding for a one off project.

### **Refinancing gains and profits on sale**

In the past, the private sector has been willing to take refinancing risk on the basis that it could take the upside from such refinancing. Governments had been concerned about the excessive profits being made through such refinancing and introduced mechanisms to share the upside. Now that refinancing can no longer be regarded as a certainty, the private sector is arguing that if there is a sharing of refinancing gain when the project goes well, then there should be a sharing of pain when the project does not go well, particularly as it may be beyond the control of the private sector rather than by reason of its own failures to perform. Similarly, there is discussion about the gains realised from the selling off of a project by the private sector partner.

## **PPP – A TOOL FOR THE LONG RUN**

PPP has proved its worth as a tool for the delivery of infrastructure. In most of Europe, the focus remains predominantly on PPP as a means of delivering hard infrastructure. It is also clear that, as a result of the financial crisis and difficulties suffered by the banking market, the price of risk has increased and is unlikely in the foreseeable future to return to pre-crisis levels. To survive in the post-crisis world, the PPP model must evolve and develop to continue to deliver innovation and the value for money that it promises.





# AUSTRIA

## UPDATE

- The Austrian Government has declared the need to invest in infrastructure, particularly in the transport sector, but it is not clear whether such investment will be directed through PPP schemes.
- Despite the highly publicised A5 PPP motorway project, major new road schemes will not be implemented as PPPs although regional roads may be.
- As a response to the current situation, the Government has suspended its plan to establish a competence centre for PPPs.

## RESPONSE TO THE CREDIT CRISIS

The IMF, in its report of June 2009, characterised Austria as having performed better than average in the Eurozone during the credit crunch. The government has stimulated the economy by tax cuts and taken swift action to regulate and support its banks, with only one bank going into liquidation. However, Austria's openness to Eastern European markets together with a lack of liquidity generally has raised fears that the credit crunch will continue to bite. The economic downturn continues to be felt: for example, ASFINAG, the Austrian state owned motorway operator, reported that the toll income from heavy vehicles on Austrian motorways decreased in 2009 by more than 10%. The government is looking to investment in infrastructure as a way of stimulating the economy but no priority is being given to make such investments on a PPP basis and most investments seem likely to be procured on a traditional basis.

Companies face difficulties in their attempt to secure financing. In particular, those who seek long term financing are failing to do so, with only short term funding at less favourable rates being available. This means that of the few PPP projects coming to market, even fewer are likely to reach financial close, or if so on less favourable terms than in more prosperous times.

## GOVERNMENT AND LEGISLATION

In its programme of 2007, the government had sought to facilitate efficient and fast implementation of superregional infrastructure projects by uniform streamlining, simplification and shortening of the planning processes, particularly for road, rail and energy projects. The government considered establishing a competence centre

for PPP to facilitate this process further. However, in 2009 this plan was suspended. This reflects the general central governmental policy that investment in infrastructure will be made through traditional means.

Policy varies from one region to another within Austria and some regions are looking at PPP more closely.

## Procurement

The Austrian Procurement Act was amended in 2006 to comply with EU regulations but as yet no sizeable PPP has been conducted under the new competitive dialogue procedure.

## PROJECTS

### ROADS

At the beginning of 2007, the first section of the A5 motorway project, leading from Vienna north towards the Czech border, reached financial close. This project was widely considered as a catalyst transaction, which, if successful, would lead to further PPP road projects, including further sections of the A5. However, the management of ASFINAG recently announced that it will not carry out the forthcoming parts of the Austrian A5 as PPPs.

On the other hand, PPP is being considered for other types of road, such as regional roads. While the Styrian Regional Government decided against PPP, the Government of the Region of Lower Austria has recently launched a tender for a by-pass around the village of Maissau.

### RAIL

Whilst a number of rail projects are under consideration, it is unlikely that any will be implemented as PPPs. Examples include the Summerau – Spielfeld railway announced some time ago, which has been put on hold and will not be implemented as a PPP.

### WASTE/WATER

For some years, PPP structures have been applied particularly to waste collection and waste water treatment schemes. In December 2008, a tender for refuse collection, sewage management and refuse transport was issued by the city of Villach. The project is currently in progress and it is expected that it will be awarded in 2009.

## HEALTHCARE

Similarly to the waste sector, some healthcare PPP projects were started in 2008 and 2009. The hospital in Oberndorf has operated since 2008 under a PPP scheme between the municipality of Oberndorf and a private partner, holding 49%. Under a very similar scheme, the operation of the Nursing Home Neudörfel has been transferred to a joint venture between the KRAGES Burgenländische Krankenanstalten Ges.m.b.H. as the public partner and a minority private partner. Further, a PPP project for the Nursing Home Hirschenstein was commenced and, as at September 2009, the competitive dialogue is in process.

## THE FUTURE

PPP has been implemented in some form in Austria for years but the current pipeline is particularly sparse. The waste and healthcare sectors seem to be the only ones where any significant activity can be expected. Overall, companies will continue to find the financing of projects difficult until the credit crisis diminishes.



# BELGIUM

## UPDATE

The PPP climate in Belgium is optimistic.

- There are a number of significant PPP projects in preparation including: NZK, R4, Spartacus, Liège Tram.
- The Flemish Region has, to date, taken the lead in PPP developments; however PPP also has significant potential in the Walloon Region and Brussels Capital.
- The Flemish Region has responded proactively to the crisis and instituted guarantees which are available to support financing of PPPs.
- The sectoral distribution of Belgium's projects is wide with relatively small programmes in each sector. The overall value of planned transactions is nevertheless significant.
- Smaller PPP projects (city regeneration, sports facilities, etc.) not using a full project finance type of structure are also continuing albeit progress is somewhat slower due to the market conditions.

## RESPONSE TO THE CREDIT CRISIS

The federal government is seeking to support the economy and, in particular, employment in the building sector by undertaking major infrastructure works. The PPP model will be used for part of these works.

The credit crunch has impacted Belgium's PPP market in two main ways that are largely common across Europe: (i) more lenders are participating in club transactions as the individual stake that banks are willing to take in a single project has reduced significantly, and (ii) banks will no longer enter into very long term financing agreements, but wish to limit these to a term of 7 or 8 years after which loans need to be refinanced.

In order to counteract the constraints of the finance market, a refinancing guarantee scheme was introduced in the Flemish region in April 2009 under which projects procured by *De Lijn*, the Flemish transport authority will benefit from a guarantee from the Flemish region to provide refinancing at the same rate as its original financing plus 25 bps if the project company is unable to refinance on similar terms. A similar guarantee will be applicable to the Flemish Schools project.

## GOVERNMENT AND LEGISLATION

Regional elections in both Flanders and Wallonia in June 2009 resulted in a hiatus in progressing new projects in the first half of 2009. However, ongoing projects such as the Flemish Schools PPPs have progressed.

A Flemish draft decree (the VIPA decree) is in preparation in order to allow alternative forms of financing for investments in infrastructure for social welfare purposes (e.g. homes for the elderly, health, education, medical equipment, facilities for the disabled, etc.)

The Flemish PPP centre has been very active in Flanders in giving advice to players in PPP, providing guidelines (such as the DBFM handbook), investigating issues of concern and seeking to standardise contracts.

The Walloon government has not been so active but is now looking more closely at PPPs as a means of promoting the region's economy. It is concentrating on social welfare projects and currently has a number of social housing PPP projects in preparation. Towards the end of 2008, the Walloon parliament adopted a decree allowing alternative financing through PPPs for the renovation of school buildings.

The Brussels capital region has only entered into one PPP, the Aquiris waste water treatment plant, and that was in 2006. The Brussels capital region does not appear to have any particular interest in PPP although it has been involved in a number of significant procurements.

## PROJECTS

### ROADS

The outlook for roads projects is positive in Belgium. The main challenges are local resistance to some large scale projects and, as a result of the credit crunch, difficulties with financing.

The Kempense noord-zuid highway PPP has procured the design, build and maintenance of the project separately from the finance. A financing tender was issued in April 2009 requiring the private partner to provide debt for the project in addition to 51% of the equity required from the successful tenderer. Capital investment is estimated to be in the region of €100 million. Another noteworthy feature of this PPP is that it is being run by Via Invest, a joint venture between public company ParticipatieMaatschappij

Vlaanderen (51%) and the Flemish Region (49%) set up for the specific purpose of improving road infrastructure in the Flemish region through PPPs. Over the next three years new road projects in Flanders are likely to be tendered.

### **RAIL AND LIGHT RAIL**

The outlook for rail and light rail projects is also positive on the whole. During the last year, rail PPP projects closed in relatively short time frames. As a result of the credit crunch, the main challenge for rail projects is difficulty with financing of large scale projects. Lenders are now only willing to provide limited financial resources, (both in terms of maturity and amounts) and usually require government guarantees.

In June 2009, a preferred bidder was announced for the Brabo 1 tram project in Antwerp. Whilst financing for the capital expenditure of some €124 million is available from a consortium of banks, the project qualifies for the Flemish region's refinancing guarantee. The project consists of the construction of two 4 tram lines in the Antwerp area, connecting Mortsel to Boechout and Deurne to Wijnegem and their ongoing maintenance and operation for 37 years.

In April 2009 the Walloon region published a tender for the preparation and development of the Liège light rail project with a view to issuing a tender for the project itself.

### **SCHOOLS**

The outlook for schools projects is positive. The €1.5 billion Flemish schools project for the construction and renovation of school buildings appointed a preferred bidder in June 2009. It will take several years to complete the project which includes 221 schools. The Flemish government is proposing to guarantee up to €1 billion of senior debt as part of its strategy to support infrastructure projects.

A PPP in relation to German speaking schools is also close to being finalised.

### **PRISONS**

In June 2009, the Belgian federal government issued tenders for four DBFM prison projects in Antwerp, Charleroi, Mons and Dendermonde. Capital expenditure is expected to be between €40 million to €70 million for each of the four prisons which will each have capacity for between 300 and 400 prisoners.

### **PORTS**

The Flemish region closed an unusual PPP in April 2009: the €98 million project for the provision of a fleet of pilot vessels for the Scheldt estuary. The winning consortium is responsible for designing, building and maintaining the pilot vessels which will then be chartered on a bareboat basis (i.e. without crew) to the Flemish government for a period of 14 and a half years. Payment is made on the basis of availability.

### **THE FUTURE**

The outlook for PPP is cautiously hopeful. It is the policy of the federal government to use PPP as a tool to boost the economy and it has taken measures to support PPP, particularly through the prisons programme. The Flemish region is more active but the Walloon region is beginning to develop proposals, particularly in the area of social housing. It is likely that PPP will be limited in the coming years to classic sectors such as transport infrastructure and real estate, but with an increasing bias towards social welfare sectors such as education and social housing.

# BULGARIA

## UPDATE

- Since 2007 Bulgaria has made both legislative and institutional progress in the area of PPP. Although there is no specific PPP law, sector specific legislation has been amended to accommodate PPPs.
- The sectors attracting most attention for PPP development are education, IT/Telecoms, infrastructure, health care, waste management and renewable energy.
- Some of the continuing obstacles to successful development of PPP projects include the need for further legislative clarity and more transparent procedures for awarding PPP projects.
- Trakia highway, a major project, was cancelled due to lack of financing.
- One of the main priorities of the Government elected in July 2009 is to adopt measures which will lead to the unblocking EU funds and the creation of a favourable environment for PPP development.

## RESPONSE TO THE CREDIT CRISIS

The timing of the elections of summer 2009 acted to limit the ability of the government to take decisive action in the face of the crisis. While, at the time of writing, it is too early to know what the response of the new Government will be, the unblocking of the frozen pre-accession EU funding is expected to be one of the main priorities. Should the new Government be successful in its endeavours to release EU funding, this could have a positive impact on the PPP climate in the country. Negotiations to release these funds are nearing completion.

Currently there are no explicit government measures aiming at the Bulgarian PPP market. However, the Bulgarian Government instigated a BGN 500 million (Bulgarian lev - €255.6 million) capital increase at state-owned Bulgarian Development Bank (BDB). The aim of the capital increase is to support small and medium sized enterprises (SMEs) through various financial instruments, including credit line agreements with other banks.

In addition to the support of €500 million – €700 million per annum already committed over the period 2007-2013 for Bulgaria's national transport and infrastructure investment plans, in May 2009, the EIB signed a memorandum of understanding with the Bulgarian

Ministry of Regional Development and Public Works (MRDPW) and the Ministry of Finance for assisting Bulgaria's largest municipalities with drawing up integrated urban development plans and projects. This memorandum of understanding allows also the funding of urban development projects via a specially established holding fund. The fund will come under the Joint European Support for sustainable Investment in City Areas (JESSICA) initiative

## GOVERNMENT AND LEGISLATION

There is no specific PPP legislation in Bulgaria, so PPP projects are carried out in the form of concessions under the 2006 Concessions Act or contracted out in compliance with public procurement legislation. A draft PPP bill was submitted for discussion to the previous Bulgarian Parliament. Due to the fact that the new Government intends to undertake big infrastructural projects in the form of PPPs, it is thought that it will bring in PPP legislation although it is not yet known whether it will support the existing draft PPP bill or develop its own PPP bill.

Two legislative amendments to facilitate PPP projects were implemented by the previous government. These were amendments to the Waste Management Act to introduce the possibility of partnerships for creation of landfills on a regional basis and amendments to the Privatisation and Post-Privatisation Control Act allowing privatisation of hospitals. A third measure on education was introduced but was not adopted. The new Minister of Environment and Water has announced that by October 2009 further legislation for facilitating investments in the waste/water treatment sector will be introduced and it is expected that these will further open the sector to PPP projects.

Some municipal councils have also adopted local PPP Regulations under the CA and the Municipality Ownership Act, which allows for PPP development on the territory of these municipalities.

There is some capacity at national level to support public authorities commencing PPP procurements. For example, the PPP Unit within the EU Funds Directorate of the Bulgarian Ministry of Finance has issued methodological guidelines for PPPs, *The Good EU PPP Practices Handbook*, and financial analysis instruments for the initial assessment of the feasibility of a PPP scheme.

## VIEW FROM BULGARIA

### NEW LEGISLATION

Legislative changes are planned for the immediate future, in order to facilitate and promote the use of PPP schemes in both the realisation of investment projects and provision of public services. The envisaged amendments will address issues such as:

- The possibility of structuring PPPs with “availability payments”
- Step in rights
- Reintroducing into the Concessions Act the negotiated procedures and the competitive dialogue
- Amending the Public Procurement Act so as to omit the time restriction on the provision of services
- Overcoming other obstacles that have hindered PPP development.

The last set of guidance on structuring PPPs was issued in June 2009 and it is too early to assess its impact and usefulness among experts at either national or local level. The objective was to strengthen the understanding and administrative capacities of experts involved in structuring PPP deals and lead the way during the phases of identifying, assessing, contracting and Implementation of such deals. As an attachment to this guidance the PPP unit also elaborated a tool for preliminary assessment of the viability of such deals (a form of preliminary Public Sector Comparator).

### BURGAS AND VARNA AIRPORTS: A SUCCESS STORY

The concession deal for the airports of Burgas and Varna was structured by a project team comprised of experts from the relevant government stakeholders. The good practice demonstrated in that deal will be implemented in PPP projects in the pipeline in other sectors. The professionalism of the experts of the Ministry of Transport involved in all phases of the project that led to positive assessments by both local and international players. A strong team of local and international legal and financial experts also advised on the structuring of the project. Tribute should also be paid to the private sector participants, who led a very open and constructive dialogue in the negotiation phase.

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## PROJECTS

### AIRPORTS

The positive effects of PPP projects in the airport sector in Bulgaria are already visible. The concession for two Bulgarian airports, Varna and Bourgas on the Black Sea coast, has led to an increase in airline passenger traffic, modernisation of passenger terminals, purchasing of new flight safety equipment, and contributed to the development of the tourism sector in the Bulgarian Black Sea coastal region. The two airports were awarded as a 35 year concession. The

State received an initial concession fee of €3 million and will receive an annual concession fee of 19.2 % of the higher of: (i) all income from the airport activities, or (ii) airport fees.

The Ministry of Transport plans to launch two more procedures for granting a concession for the Ruse (Sharkelovo) and the Gorna Oriahovitzta airports. Located 70 s away from Bucharest, the Ruse airport would attract passenger and cargo traffic destined for Romania, which would benefit both countries. This project is currently on hold due to the fact that there were no bidders for the original tender.

A significant amendment to the Bulgarian Civil Aviation Act (Published in State Gazette No. 94/1.12.1972) is expected to be adopted. This amendment should allow the granting of concessions for separate parts of Bulgarian airports, e.g. cargo terminals, passenger terminals, parking lots, and thus, should contribute to and facilitate the implementation of more PPP projects.

The Plovdiv Airport Project closed in June 2009 and the Parking Lot Construction Project at Plovdiv Airport is currently listed as in pre-tender status.

## ROADS

The Bulgarian government is considering a PPP for the €1.5 billion Hemus motorway, the €720 million Black Sea motorway, and the Rila motorway projects (a by-pass connecting the Struma, Trakia and Hemus motorways). These very large projects are currently in pre-tender phase.

The €720 million Trakia Highway concession was awarded in March 2005, but the European Commission found the original contract in breach of EU state aid rules which led to it being amended in 2008. The concession was officially cancelled following a resolution from the Bulgarian Council of Ministers after the concessionaire failed to meet the financial closing deadline.

## HEALTHCARE

The expected decentralisation of the system of health care payment should create a positive trend in this sector. Amendments to the Privatisation and Post-Privatisation Control Act have allowed privatisation of state and municipal health care centres.

Hospitals are mostly centrally located in the cities, making them an attractive opportunity for real estate developers. This could present a big challenge for the privatisation authorities, as hospitals could be acquired through privatisation only for the location that they are on. The PPP model would serve well as a way to mitigate these potential negative effects and balance the interests of the private and public sectors.

## IT/TELECOMS

No significant PPP initiatives have been launched in the IT/Telecom sector in Bulgaria. The privatisation of the Bulgarian Telecommunication Company in 2004 was the first positive signal, and the Bulgarian state retained privileged shares in the capital of the Bulgarian Telecommunication Company (arguably making it a specific form of a PPP). Since this privatisation, the services in the sector were improved and the market opened up for competition.

Certain smaller IT/Telecom projects are in place on the municipal level, such as provision of completely equipped internet rooms at schools, and creating educational centres and broadband infrastructure.

According to the National Programme for Development of Broadband Access in the Republic of Bulgaria, 2009, adopted by the Bulgarian State Agency for Information Technology and Communications, all Bulgarian citizens should have the possibility of access to broadband internet by 2013. The Programme provides that PPP is one of the most appropriate models for financing such projects.

## EDUCATION

The previous government encouraged the establishment of private schools through: (i) simplified procedures for incorporation of private schools compared to the procedure of company incorporation; (ii) simplified procedures for renting of state and municipal owned buildings to be used for schools, or leasing land for school construction, which would open up additional PPP opportunities. However, it is not yet known what the new government policy will be.

The Ministry of Education intends to renovate the existing student accommodation at university campuses, which should open multiple PPP project opportunities.

The only current project in this sector (although not a pure PPP project) is the development of a system for video surveillance and improvement of the control of safety in Bulgarian schools. A tender procedure for this project was initiated in January 2009.

## WASTE/WATER

The Waste Management Programme adopted by the Council of Ministers facilitates the possibilities for creation of PPP projects in the waste/water sector. The plan introduces a separate waste collection service over the entire country and provides predictability and a vision of development for the whole sector. It is expected that waste management companies will actively participate in the construction of landfills and waste water infrastructure projects through PPP models.

Due to the possibility of using local taxes and fees for waste collection and management, the municipalities should have financial resources for PPP initiatives. EU funding in this sector has also reopened, which contributes to a favourable PPP environment.

## THE FUTURE

The major task for the new government is the unblocking of access to EU funds. Thereafter, it remains to be seen whether the new government will continue the favourable policies of previous administrations towards PPPs. At this point, this is considered very likely due to the general lack of available financing caused by the credit crunch and budgetary deficits. Most of the major infrastructure projects under contemplation by the new government are expected to be implemented in the form of PPPs within the next two years.





# CROATIA

## UPDATE

- The worldwide financial crisis coupled with shrinking state resources has led to budget cuts and reduced numbers of PPP projects.
- A new PPP Act passed in 2008 introduced a new Agency for PPP and provided additional requirements for consents and compliance with the state budget, such that local authorities no longer have autonomy to introduce PPPs and the tender procedure is lengthened.
- Croatian road concessions have successfully attracted refinancing.

## RESPONSE TO THE CREDIT CRISIS

The worldwide economic crisis and shrinking GDP has had a big impact and Croatia has had to implement budget cuts. This has resulted in a reduction in the number of new projects, including PPP projects. Some local authorities have suspended ongoing PPP projects, either by putting the whole project on hold, reducing the scope of the project or by reverting to traditional procurement with financing provided by the state, county and local authorities where they still have funds to do so.

The general budget restrictions will also result in a decrease of PPP projects until the economic crisis is overcome because, according to the new PPP Act, local authorities are no longer entitled to make their own decisions to initiate new PPP projects, and each PPP project has to be financed from the general state budget.

Many companies are incurring losses and the number of companies closing down or becoming insolvent is growing. Further, due to the increasing price of loans and the restrictive money lending policies of financial institutions and the more cautious policies of companies towards their investments, the number of projects that the private sector can finance is significantly reduced.

## GOVERNMENT AND LEGISLATION

Together with management of the economic crisis, accession to the EU is the highest priority of the Croatian government. This means that a lot of new legislation is being adopted to harmonise Croatian laws with EU standards. Much of the country's budget is devoted to bringing Croatian infrastructure up to EU standards. The environmental sector should benefit in particular.

The local elections in May 2009 caused a hiatus in the implementation of PPP projects already initiated and delays in the introduction of new projects. Tighter budgetary controls and the requirement for permissions from central government mean that local authorities now have much less autonomy to introduce PPP projects. Delayed projects are not likely to come back on stream due to lack of funds.

In November 2008 the new Croatian PPP law came into force. The PPP Act provides for two different types of PPP projects, (i) contractual PPP, where the relationship between the public and the private partner is regulated by a contract, and (ii) status PPP, which is based on a joint venture, i.e. the shareholding of the public and the private partner in a joint company. The new PPP Act establishes the Agency for PPP and sets stronger criteria for the implementation of PPP projects. Both before starting a PPP project and before the signature of a PPP contract, the Agency for PPP has to give its consent, having obtained prior confirmation from the Ministry of Economy and the Ministry of Finance that the relevant project is provided for in the general state budget. It is likely that the new procedures will mean the time from initiation of a project to financial close will take up to two and a half years, whereas previously, a PPP tender could have been finalised within 10–12 months.

## PROJECTS

### AIRPORTS

New investments in the airport sector, although necessary, have been put on hold. It is likely that they will be recommenced only once the world economy and, in particular, the tourist industry picks up.

### EDUCATION

PPP projects have been very successful in the education sector in Croatia. About 30 PPP agreements have been signed during the last few years, through which 23 elementary schools and 7–8 school sports halls have been constructed. However, due to the credit crunch there are currently no new PPP projects in the education sector.

## ACCOMMODATION

There is currently one project under procurement in the leisure and cultural sector, namely the procurement of a concert and congress hall in Opatija, which is being let under a concession agreement.

## HEALTHCARE

With the suspension of the current project for the extension of the Children's Hospital "Srebrnjak" in Zagreb, there are currently no projects in the healthcare sector. The Stubicke Toplice spa project worth €109.7 million, which closed in 2009, was primarily a tourism project, but it included the renovation and maintenance of the hospital to a value of €35 million.

## ROADS

Road, tunnels and bridges have benefited from significant investment over the last few years. Currently the motorways in the main three directions (Zagreb-Split-Dubrovnik, Zagreb-Osijek and Zagreb-Rijeka) are being extended and are in very late completion phase.

In October 2008, syndication of the refinancing of the Zagreb-Macelj motorway successfully closed. This motorway extends from the Zagreb ring road to the Croatian-Slovenian border at Macelj and forms part of the Trans European Network. The motorway was built under a concession jointly owned by Strabag and the Croatian government. This follows the successful syndication of the refinancing of the Istrian motorway in March 2008.

## WASTE/WATER

According to the Plan for Waste Management for the period from 2007 until 2015, the establishment of County Waste Management Centers and Regional Waste Management Centers is planned. The financing of these centers is to be secured, among other financing sources, through PPP projects and concessions. However, although expected in the near future, no such centres have yet been initiated.

## THE FUTURE

Due to obligations to meet the EU standards regarding environment protection, there will be an increase of investments in environment protection, especially in the waste water sector where over €7.94 billion is expected to be invested. It remains to be seen how much of this can be effected through PPPs, but it is likely to provide significant opportunities.

Growth is also expected in the rail, airports and healthcare sectors, but probably only after economic recovery is well under way.

With budget cuts and the urgent need for domestic saving as a result of the worldwide financial crisis, it is expected that no further road and IT/Telecom projects will be planned in the near future.



# CYPRUS

## UPDATE

- The Cyprus economy is holding up well under the credit crisis.
- Few large projects have been undertaken since the Pafos and Larnarca airport terminal projects in 2006.
- The Paphos-Polis highway concession is still under procurement.
- The Larnaca port redevelopment project is likely to be awarded in the last quarter of 2009.
- There has been no progress on a framework for PPP projects.

## RESPONSE TO THE CREDIT CRISIS

As an off-shore banking centre, Cyprus has been quick to assure the world that its banks have not suffered in the credit crisis in the same way as banks in other countries. Cyprus joined the eurozone in 2008. The IMF reported that it is the only country in the eurozone that delivered economic growth in the first quarter of 2009. Whilst growth is forecast to decline sharply in 2009, Cyprus will still be one of the few countries with positive growth and there will be a slight recovery in 2010.

However, the credit crisis has hit Cyprus through a reduction in visitor numbers and its income from tourism and so Cyprus is facing increasing unemployment. The budget is likely to be 3.9% in deficit by the end of 2009, a sharp reduction from positive balances in 2008.

## GOVERNMENT AND LEGISLATION

### Policy

Whilst in the past PPPs have been used to procure infrastructure projects, currently there is little PPP activity. The DBFO concessions for the terminals at Pafos and Larnarca airports were successfully closed in 2006 and the Pafos terminal is built and operational and the Larnarca terminal is expected to be completed by the end of 2009.

### Procurement

Cyprus' procurement regulations are fully harmonised with EU public procurement regulations. There is no special legislation on PPPs. Some attempts were made to introduce a framework for PPPs during 2007 and 2008, but no actual framework materialised.

## PROJECTS

### LOCAL GOVERNMENT PROJECTS

There are plans for the use of PPP techniques for a number of municipality projects such as car parks, theatres and cultural centres. The municipality of Limassol is considering using PPP techniques to create a cultural centre from an historic water tower, which is a prominent landmark in the city. Waste facilities constitute another sector which is under consideration.

### ROADS

A preferred bidder has been selected for the 30 year Paphos-Polis highway concession in January 2008 and following appeals to the Tender Review Authority, confirmed in July 2009. The onset of the credit crisis, together with the tender's requirement for financing support rather than committed financing, has delayed negotiations. Given that the project is "availability" based the increased financing cost has a direct impact on the bid's Unitary Charge and the Government's ability/willingness to afford it. Negotiations are ongoing.

### MARINAS

A contract for the construction and operation of the Limassol marina has been awarded together with rights for the development of real estate in the adjacent area. Financial close however has yet to be reached.

There are a number of other marina projects which are likely to be procured on a BOT basis by local municipalities. Proposals include the construction and operation of Pafos, Ayia Napa and Paralimni marinas.

### PORTS

A preferred bidder was named in July 2008 by the Cypriot Ministry of Communications and Works for the redevelopment of the port of Larnaca. Under a 35 year concession, the private partner will be responsible for developing and upgrade the existing commercial port to accommodate cruise ships, to extend the number of berths in the existing yacht marina from 200 to 1000 and to develop the surrounding areas into a tourist destination linked to the centre of Larnarca. The original tender for a DBFO contract was published in October 2005. Whilst the Cyprus Communications and Works Minister announced in September 2009 that the project is due to begin, it is not clear that the contract has actually been awarded.

## THE FUTURE

Whilst PPPs are officially government policy, following the large projects that are completed or still in procurement, it seems that only small local projects are in the pipeline. Cuts in government spending to meet the EU public deficit criteria may mean that more investment is undertaken through PPPs but as yet the effect on PPPs is hard to see. PPPs may continue to be used by municipalities who want to exploit concession opportunities such as for marinas and other tourist attractions.



# CZECH REPUBLIC

## UPDATE

- Few projects have closed since 2007 and the prospects for PPP remain mixed. According to the Ministry of Finance, there is only one national project remaining in procurement with all other projects being suspended.
- Despite the negative outlook on a national basis, local authorities have been active and innovative. The D3 motorway is very promising and a sports complex project has been successfully completed in Tachov, while a similar project in Ostrava may also be implemented.
- New legislation has sought to make PPPs easier to implement.

## RESPONSE TO THE CREDIT CRISIS

The Czech economy was one of the success stories of Central and Eastern Europe and grew considerably up to mid 2008, particularly through exports. But according to the National Bank, it is expected to fall into negative growth in GDP in 2009. An anti-crisis package was introduced in April 2009. After a vote of no confidence in Parliament, the prime minister resigned in March 2009.

## GOVERNMENT AND LEGISLATION

By contrast with the outlook in our previous report, prospects for PPP in the Czech Republic appear to have waned. PPP no longer has political priority and many of the major PPP pilot projects have been on the books since at least 2005.

Local authorities look more favourably on PPP techniques and many have created innovative public/private risk sharing projects at the municipal level outside the legislative framework: for example by the sale of a building at a discounted price but with an obligation on the private sector to provide a public service. The PPP Centrum website estimates that at a municipal level, there are about 20 signed PPP projects. These are mostly small projects for water works or sports facilities and social services.

### Procurement

Amendments to the Concessions Act are under consideration. Although extensive amendments have already passed through preliminary stages in the legislative procedure, it is not yet clear whether the amendments will pass into legislation. The Ministry for Regional

Development, which proposed the amendments, has stated that the new regulation would speed up and facilitate PPP-related procedures.

Amendments to the Procurement Act are being considered by Parliament. The proposed changes relate mainly to the reinforcement of supervision and the so-called blacklist. The reinforcement of supervision includes proposed changes of provisions concerning guarantees and evaluation criteria for public contracts under a framework agreement amongst other measures. The blacklist will take the form of a register in which persons who are disqualified from participation in public procurements will be recorded. The amendments will also implement the EU's Remedies Directive into the Czech legal system.

The introduction in 2006 of competitive dialogue and changes to the concession tendering procedures to comply with the EU procurement regulations constituted a radical change from the previous regime but given the lack of political support for PPP it remains to be seen whether the opportunity to use these new methods will be taken up.

### Elections

The current government is a caretaker government. Under the Constitution, elections must be held no later than at the end of May of the next year.

## PROJECTS

### ROADS

The D3 motorway project tender was commenced in early 2009 but was suspended in September 2009 when Parliament rejected proposed amendments to the Expropriation Act to remove land expropriation risks from the private sector. Banks will not usually fund road PPPs if the private sector carries the expropriation risk.

A 25 year concession for a bus station together with associated commercial premises is planned for Třebíč. There are a number of other projects in the road sector and it continues to be an active sector for PPPs, e.g. in Ústí nad Labem.

### RAIL

The outlook for PPP in rail transport depends very much on experience with pilot projects. As the first pilot rail project is only in the pre-tender phase, considerable time is still needed to determine whether it will be successful.

A major project to be let as a PPP, although it is currently suspended, with a value of CZK 20 billion, is the upgrade of the Prague-Kladno railway line together with the construction of a railway connection to the Ruzyně Airport, including operation and maintenance of both the upgraded and new lines. This project would increase traffic from the airport, increase the capacity for commuters transportation into Prague and provide a top quality, high capacity link connecting Prague, Kladno and the airport.

### **HEALTHCARE**

The outlook for PPP in health care very much depends on the successful realisation of pilot projects in this sector. Two pilot projects have been initiated, one of which (Pardubice Hospital Bohemia Renovation) has failed. The new regional Pardubice government withdrew support from project which had originally been implemented by the previous government, on the grounds that the three bids submitted were not adequate. There have been discussions at central government level as to the scope of the project being reduced due to the impact of the financial crisis.

### **JUSTICE AND PRISONS**

The courts project at Ústí nad Labem remains on the list of pilot projects.

A new prison in the Rapoticích u Brna area is planned to be let under a PPP contract. Once completed, it will provide the necessary infrastructure and related services for 500 prisoners. The Prison Service will determine the service specifications and provide for the guarding of the inmates and the private partner will design, build, finance and operate the prison for a period of 30 years. A tender is expected in late 2009 and advisers have been working on the project for the last two years.

### **GOVERNMENT ACCOMMODATION**

In November 2008, the Czech Ministry of Industry and Trade announced further details of a PPP project to build new headquarters for its staff who is currently located in 13 buildings around Prague (the Ball Lightning Project). It is proposed that the successful bidder will pay the Ministry for the difference in value between the 13 buildings and the new building. The concession contract is to last for 30 years with construction works to be finished by the end of 2011.

The Ministry of Defence is looking to build hotel type facilities and car parking to service the central military hospital in Prague. The proposal is to combine the facilities for use by military personnel attending the hospital for outpatient treatment with a commercial hotel with retail premises. The project is currently in the dialogue phase.

### **STADIA**

A 30,000 seat football stadium is planned in Ostrava. Reconstruction and operation of the sport and recreational complex “Pod Červeným kamenem” is planned for the city of Kopřivnice, although the city is considering how to reduce the contribution of the city to the project or find sufficient finance.

### **THE FUTURE**

The political climate is not stable at the moment and the political will at central government level as well as among relevant political parties to implement more PPPs is unclear.



# DENMARK

## UPDATE

- The credit crunch has resulted in severe problems for Danish banks and has led to financing difficulties for all Danish projects including PPPs.
- The economic situation is likely to stimulate the interest of Danish local authorities in PPP techniques.

## RESPONSE TO THE CREDIT CRISIS

The effect of the credit crunch on banks in Denmark has been amongst the worst in Europe. As a result, the Danish government has given guarantees to back the liabilities of nearly all Danish banks including the Danish branches of foreign banks not covered under their parent jurisdiction. Whilst this has prevented many (but not all) Danish banks going into insolvency, it has resulted in severe restrictions on the ability of banks to lend. Financing for any project is therefore very difficult to procure and this includes financing for PPPs. Some potential PPP projects have been abandoned in the pre-analysis phase because the funding for the projects would be impossible or at least too expensive to obtain.

It remains to be seen what impact the rescue packages will have on the Danish PPP market. So far, the Danish government rescue packages have not had PPP as a specific focus, but the government seems generally interested in promoting more public contracts in an effort to overcome the crisis.

Availability based PPP projects remain attractive to banks due to the creditworthiness of the Danish public authorities who are ultimately paying. It is clear that, in common with other countries, a number of parameters important to the funding have been affected by the credit crisis:

- The cost of inter-bank loans has increased, leaving the PPP parties with increased costs of securing funding for the project.
- There is a higher risk of sub-contractors to the PPP-contract going bankrupt or otherwise being unable to perform their obligations and this is a risk which bankers have to take into account.

## GOVERNMENT AND LEGISLATION

The Danish PPP market is still at the very early stages and is characterized by lack of specific PPP regulation. The general rule is that PPP projects must comply with any legislation applying generally to the relevant sector.

The Danish Enterprise and Construction Authority and other central authorities have acknowledged the need to provide clear guidelines for the forms and rules applicable to PPP projects and the Danish government has taken some steps to promote the use of PPPs, including the issue of several guidelines pertaining to the use of different forms of PPP. For example, the Danish Enterprise and Construction Authority has issued a sample PPP contract and guidelines to the contract. The Danish tax authorities have issued informative statements clarifying the position regarding VAT rebates on activities comprised in PPP contracts.

In our last report, it was expected that Danish local authorities would be able to take a more active role in initiating PPPs. Whilst progress seems to have been slow, they remain interested in the possible benefits of using PPP structures and are likely to be increasingly interested. There have been recent changes in the rules on local government spending, which have moderated some of the obstacles for pursuing PPP projects.

## Procurement

Competitive dialogue is the usual form of procurement for PPPs. Within the infrastructure sector a method of procurement known as “consolidated procurement” has also been used. The “consolidated procurement” process entails a form of cooperation integrating the construction and operation of building activities based on the overall value-for-money of the project. The contract deals with the construction, renovation, maintenance etc. of one or more buildings and gathers these elements into a consolidated procurement with a contract duration typically amounting to 10-15 years. It differs from other forms of PPP in that funding and ownership remain with the public authority.

## PROJECTS

### ROADS

In September 2008, Denmark tendered its first road PPP. A new highway linking Kipleve and Sønderborg will be designed, built, financed, maintained and operated under a 26 year PPP contract. The costs are estimated at up to €268 million and the public sector will make availability payments. Four consortia pre-qualified in November 2008. The Road Directorate is currently hosting dialogue meetings with the four consortia. The final meetings are expected to take place in September 2009. The anticipated

deadline for submission of tenders is November 2009 and conclusion of the final contract is projected for the beginning of 2010.

### LEISURE

A tender for the Music and Theatre Centre/Academy of Music in Odense has been launched under the competitive dialogue procedure. The project was scheduled to begin in June 2009 with an expected completion by September 2013. The estimated capital expenditure of the contract is DKK 600 million. The partners to the project are the municipality of Odense (right of use), Carl Nielsen Academy of Music Odense (tenant – 25 yrs) and H.C. Andersen Kongres Center A/S.

Several municipalities have shown interest in using the PPP model to procure leisure projects and have commissioned feasibility studies. Due to economic conditions and other factors, none of these projects have been realised. Some are presently on hold and others have been shut down. For example, an ice rink in Haderslev tendered in January 2009 has been cancelled due to insufficient interest from suitably qualified candidates.

### GOVERNMENT ACCOMMODATION

A construction project for a new Land Registration Court in Hobro, Jutland is expected to house 140 employees and is designed to hold approximately 400 square metres of archives. Another project for archive buildings is being procured by the municipality of Aalborg.

The Palaces and Properties Agency entered into a contract in June 2008 for a building for the tax authorities in Haderslev. The contract is not terminable for 10 years after the commissioning of the building. The building is expected to be completed by February 2010.

The Palaces and Properties Agency also tendered a contract for four court houses in Jutland. The court houses are expected to be completed in 2011/2012.

A library project in Nyborg was abandoned due to lack of public funding and insufficient private sector interest.

### SCHOOLS

The municipality of Langeland has initiated a PPP school project, the capital expenditure for which is approximately DKK 200 million. Construction began in October 2008 and is expected to be completed by 2010.

### THE FUTURE

It is expected that 2010 will see an increased interest in PPP projects. As PPP extends within the local authority sector, it will be important that the lessons learned from completed projects are effectively disseminated. Infrastructure investment more generally is expected to strengthen in the coming year as the government uses it as a tool for economic stimulus.





# FINLAND

## UPDATE

- Finland successfully implemented the last western section of the E18 motorway PPP which opened at the beginning of 2009.
- Based in the state budget proposal for 2010, two PPP procurement processes for a railroad between Kokkola and Ylivieska and the E18 motorway between Koskenkylä and Kotka will be started at the beginning of next year. The PPP concept used in these major infrastructure projects follows the classic, strict PPP model.
- The PPP concept at the local and regional level appears wider than elsewhere and the authorities are developing innovative thinking about their procurement and its application to smaller projects in the fields of social welfare.

## RESPONSE TO THE CREDIT CRISIS

Whilst both the IMF and the Finnish Ministry of Finance have indicated that Finnish banks have come through the crisis reasonably well due to Finland's previous crisis experience in the 1990s, at the beginning of 2009 Finland took measures to support its banks. It provided subordinated loans and short term guarantees at commercial rates up to €50 million. The guarantee scheme has been extended to the end of 2009 but these measures have, however, not yet been utilised at the date of writing. Measures include also a permit for the State Pension Fund to purchase commercial paper from suitably sound Finnish companies; a measure which has been utilised. Additional funding has been made available for banks to lend to SMEs. Finland is seeking to stimulate its economy through devoting funds to innovation and training as well as continual improvement of infrastructure.

## GOVERNMENT AND LEGISLATION

### Policy

The Finnish government is concentrating funds on maintaining its competitiveness, particularly in the area of ICT where it remains a world leader. Within that policy, it is the aim of the Finnish government to explore new and more effective ways of building partnerships and to develop opportunities for the new types of partnerships to deliver more effective public services.

Information about Finland's ongoing development programmes at the local and regional level include many references to public private partnerships, but as with the case of water infrastructure described below, these partnerships tend to be more of a co-operative nature, although there are also a number of joint ventures of either a contractual or corporate nature.

There is a pilot project in the City of Vantaa for sheltered housing for the seriously disabled. Another pilot project involves the inclusion of a design competition within a service procurement which has not previously been carried out in Finland. The pilot project is being conducted by the cities of Espoo, Helsinki and Tampere in relation to their homelessness programmes.

The Association of Finnish Local and Regional Authorities aims to promote the use of PPPs in rural areas and provides information and advice on PPP models. Together with the Central Union of Agricultural Producers and Forest Owners, and the Confederation of Finnish Industries, it is currently running a project with the objective of developing opportunities for SMEs to participate in the provision of products and services that fall within the responsibility of local authorities and thereby to facilitate regional development.

### Procurement

Finland has adopted a binding target that all central government procurement must meet strict environmental standards by 2015. The same standards are aimed for by local government but the standards are not yet binding.

## PROJECTS

### ROADS

Finland's largest road project, the last western section of the E18 motorway connecting Helsinki and Turku, opened for operation at the beginning of 2009, well ahead of the original schedule. The road was financed by a consortium of the EIB, the NIB and private sector banks. The Finnish Road Administration, Finnra, will make availability payments. As mentioned above, procurement of a new road PPP for the E18 will be started next year.

## RAIL

Procurement of the first railroad PPP for a section of the Seinäjoki to Oulu line between Kokkola and Ylivieska will be started in 2010.

## WATER/WASTE WATER

Ownership of the Finnish water and waste water infrastructure is retained by municipalities or in smaller places, by the end users through cooperatives. However much of the operation of the systems is outsourced to private water companies or to other municipal water utilities. The close co-operation between the public and private sectors is balanced by regular competition for municipal contracts, generally every 3 years or so. This system works well for the very varied conditions for water supply and treatment that apply in Finland and offers a different model of public private co-operation to the one which is generally understood by PPP.

## THE FUTURE

At the state level, the classic, strict PPP model has been utilised and it seems that this model will be followed in the future. At the local and regional level, the Finnish perception of PPP seems wider than that which is commonly understood in other countries. There is a great deal of innovative thinking about procurement and the ways in which PPP models can be adapted to provision of public services.



# FRANCE

## UPDATE

- The biggest French PPP projects (high speed rail links, university accommodation (through the Plan Campus) and the Seine Nord Canal) are prioritised as part of an economic stimulus package worth in excess of €26 billion.
- Part of the French government response to the economic crisis, and a major innovation in the PPP field, is the introduction of a state guarantee to facilitate the funding of major PPP projects. The French state can guarantee projects up to an aggregate value of €10 billion. (See further the article by François Bergère on page 16).
- A lack of momentum in the closing of PPP projects (only 36 since 2004) led the French Parliament to introduce new measures to encourage PPPs including:
  - the introduction of an efficiency criterion in addition to the complexity and urgency criteria;
  - the introduction of value for money as a tool in assessing bids;
  - the ability for state entities to finance projects jointly with private project operators;
  - subsidies for PPP projects; and
  - the ability for a private sector partner to collect debts owed to state entities.
- French policy is targeting specific sectors for environmental reasons as part of the results of the *Grenelle de l'Environnement* roundtables.
- Due to cost constraints, French local authorities are more likely to turn to PPP to fund projects which cannot be dealt with under a concession, such as public buildings.

## RESPONSE TO THE CREDIT CRISIS

The French state has taken measures to boost the French economy and PPPs in particular up to an aggregate amount of €26 billion.

The most significant response to the credit crunch which affects PPPs is the introduction of a new mechanism of state guarantees up to an aggregate value of €10 billion for PPPs signed before December 31, 2010. The guarantee can apply to 80% of the debt (loans and debt instruments issued by project companies or banks that lend to them) of a project, including PPPs and concessions. The enactment

of a ministerial order (*arrêté*) is expected setting out the fees to be charged by the state, which will be in addition to the interest charged by banks. France's PPP unit, MAPPP is responsible for administering the guarantee.

Secondly, the French government announced that the state-backed Caisse des Dépôts et Consignations (CDC) may provide up to 25% of the financing of a project by channelling up to €8 billion from savings to infrastructure projects.

Finally, the programme allows the state to partially guarantee major projects on a case by case basis (up to an additional amount of €8 billion).

In May 2009 the French President announced plans for a national loan fund which would attract retail investors. The fund would be likely to invest in infrastructure projects, some of which would be PPPs. It is not likely that any more concrete details of the plan will appear until 2010.

Banks have been reluctant to back major PPPs as underwriters of the whole debt but large projects are still being funded through club deals. The introduction of the state guarantee is designed to provide the necessary incentive to the banks to carry on financing such projects.

## GOVERNMENT AND LEGISLATION

France has a long history of using concessions (where payments to the private sector result directly from user charges) as a means of delivering infrastructure. More recently, there has been increasing interest in other forms of PPP models. As of 1 April 2009, there were more than 200 French PPP projects in the preparatory phase or under tender. The scale of this pipeline is in contrast to the limited implementation of PPPs to date; only 36 deals have been closed since the PPP legislation was originally enacted in 2004.

Whether caused by legal complexity, litigation risks or political reluctance, this lack of momentum led the French Parliament to adopt a law in July 2008 which makes it easier for projects to be procured via the PPP route. Under the new law, projects deemed to be of economic interest will now be able to be undertaken as a PPP. Under France's previous framework law, projects had to justify that they were urgent and complex in order to be procured via the PPP route. A number of projects could not proceed under the old law because they did not comply with the criteria of urgency or complexity and France's Constitutional Council had annulled a temporary

provision that would have allowed certain types of projects to be procured as PPPs without having to meet urgency requirements.

In addition to the introduction of the state guarantee, a revision to France's PPP framework law in February 2009 has eased the financing requirements for bidders by permitting them to submit best and final offers without committed bank letters of support. An interesting development under the new law is that public entities considering a PPP may fund the project jointly with the operator. This possibility is of particular interest for expensive projects such as major road deals.

The law of July 2008 also created a new procedure applicable to "small" PPPs, i.e. a PPP the value of which is below €5.15 million and which consists of a construction project or other type of PPP project with a value below €206,000 (for local authority run projects) or €133,000 (for State run projects). For such projects, the procuring entity has more flexibility to organize the award procedure.

In addition to this new flexibility and the guarantee described above, the French Parliament has also explicitly authorised the collection, by the private partner, of certain sums owed to a public entity by end-users.

### **Procurement**

The Parliament has also started to harmonize the procedural regime for PPPs and PPP-like schemes (BEA, AOT/LOA, BEH). The goal is to co-ordinate and align different procurement rules into one system although this has not yet been achieved. However, competitive dialogue is now the standard procedure for PPPs.

Following the changes in law and the stimulus package, a flood of projects has been generated. Rail and road sector projects (e.g., Nîmes-Montpellier and Bretagne-Pays de la Loire high speed rail lines) have particular priority. Since many of the projects are likely to come to market at approximately the same time, there are likely to be difficulties in finding sufficient capacity and funding, to support the entire programme.

The French PPP task force (MaPPP), created in 2005, has worked hard in compiling data relating to PPPs and issuing guidelines in order to build a French PPP practice. MaPPP has issued guidelines and other documents to develop common resources and build market practice. The main guidelines are called *Les Contrats de Partenariat – Principes et Méthode* written by the French Economy,

Finances and Industry Department and a copy of these guidelines is available at [http://www.ppp.bercy.gouv.fr/guide\\_contrat\\_partenariat.pdf](http://www.ppp.bercy.gouv.fr/guide_contrat_partenariat.pdf).

Since local governments are suffering from budgetary constraints, many are now turning to other forms of PPPs for projects that cannot be funded under a concession because of the unwillingness or inability of consumers to pay. More than two thirds of PPPs have emanated from local authorities so far and it is likely that more PPPs will be seen from this source. Small, well-defined projects (such as the refurbishment of public lighting) will seem more attractive in comparison to more ambitious or more complex projects that will be difficult to fund.

## **PROJECT REPORTS**

### **TRANSPORT**

#### **AIRPORTS**

Concession contracts prevail in the airport sector due to the ability of the airport operator to collect fees from airlines companies. For example, the extension of the Roissy-Charles-de-Gaulle airport (building of a new Terminal T2G) finished in September 2008 was built without any recourse to public financing. *Aéroports de Paris* bore the financing costs alone supported by *Air France*, its sole customer, who paid 19 years rent in advance.

However, PPPs may be contemplated for accommodation in the vicinity of airports (see Nice and OPERA in the project list for France).

Under a law of 2004, the State transferred the responsibility for more than 100 airports to local governments. Since these airports have generally been operated by the local commerce and industry chambers (CCI) under concession schemes for years, many concessions will be coming up for re-tender. It is likely that this will open up the market to private bidders and contracts may be awarded to private consortia.

There is also a progressive opening up of the share capital of concession companies who operate State airports to private investors. It is expected that some of the new private shareholders will obtain majorities in the share capital of these companies by 2013.

Airport expertise is a French export and French companies have been involved in new airports which have recently been built, for example in North Africa (Enfidha and

Monastir Airports in Tunisia, for which financial agreements were signed in May 2008) and Madagascar (2005/2007).

## ROADS

Though the focus of the French Government, in the wake of the “*Grenelle de l’Environnement*” roundtables, is on rail for environmental reasons, the outlook for the construction of roads and tunnels is still reasonably positive notably because of the need to ease congestion in big cities and their surrounding suburbs.

The *Grenelle* roundtables are a “new” policy consisting of debating all points in relation to the protection of environment, notably the development of transport infrastructure across the country.

Traditionally, major French roads have been financed and operated through concession schemes in which the private sector takes full demand risk. However, concern over the future bankability of these deals has led to an interest in PPP structures based on availability payment mechanisms. One of the first road PPPs to incorporate availability payments is the €200 million Epinal-Saint-Dié road PPP for which the tender was issued on 6th July 2009. Shadow tolls are also considered as a means of leaving some traffic risk with operators.

Since road infrastructures need large financings, the crisis has particularly affected them but the €10 billion guarantee created by the French State in February 2009 to secure PPP loans should provide banks with new incentives.

In July 2008, under a new development for roads projects, a tender was issued for the construction and management of up to 63 road maintenance centres. The private partner will be responsible for designing, building, maintaining and financing maintenance centres along part of France’s state-managed networks.

## RAIL

*Réseau Ferré de France* (RFF) is the French public company which controls this sector. It is tasked with creating new lines and maintaining the existing network. Much of French rail infrastructure is ageing and the budget of RFF is relatively small. Nevertheless, the French government has significant environmental ambitions and regards the building of additional local infrastructure and

high speed links to encourage car-users to switch to train as an essential part of its transport policy.

The RFF is tasked with opening up rail transport to competition, which means that private investors can participate further in this sector. As for other sectors, concession schemes can be viable because of the fees paid by rail companies who ultimately derive their income from end users. Where traffic forecasts are not favourable, then the PPP model may be chosen and RFF will make availability payments. At present it is not clear how the introduction of competition will be managed but it is clear that the assessment of traffic risk, notably for new lines, will prove to be very challenging.

Again, as for other sectors, the size of the projects, which require massive debt funding, is a barrier. The current state of the banking industry means that there is restricted availability of funds and a reluctance of banks to take large risks. An example is the €630 million Charles de Gaulle Express rail link project where the requirement for the bidders to take traffic risk in a time of declining air passenger numbers is causing difficulties in progressing the project. The deals that do get done are essentially club deals, but the financing constraints are considerably slowing the pipeline of projects.

Interestingly, the €3 billion Bretagne-Pays de la Loire high-speed rail line (HSR) was re-tendered in April 2009 to take advantage of the new state guarantee which can be used for projects in addition to any regional or local subsidies. The amended tender also gives candidates the opportunity to submit BAFOs without committed bank letters, permitted under a revision to France’s PPP framework law (see above). France’s PPP unit, MAPPP, is also said to be working on government guarantees for the €7.2 billion Tours-Bordeaux high-speed rail line and the Charles de Gaulle Express project.

Another example of one of the larger projects being supported by the French government is the new stretch of high-speed rail (HSR) connecting Nice to Paris announced by the French transport ministry in July 2009. Although it is not clear at the date of writing, it is likely that the procurement will be a concession or a PPP. The estimated value of the project is €15 billion. Construction works are expected to start by 2020 with the new line to be operational by 2024 or 2025. It is intended that the project will shorten a trip from Nice to Paris to 3h 50m,

compared to the current 5h 25m. The new line will also go through Toulon and connect Nice to Marseille in one hour, compared with the current journey time of 2h 25m.

## EDUCATION

The outlook for PPP in the education sector is mixed due to a conjunction of three factors:

- the need for investment in French universities, which are mostly supported by the State;
- a €5 billion package for universities (“Plan Campus”);
- the environmental ambitions of public authorities in the wake of the “*Grenelle de l’Environnement*”, which promotes the energy efficiency of public buildings.

The need for investment in French universities is linked to a governance problem which makes any outsourcing project politically sensitive. In addition, certain universities are facing strong protests and strikes over various legislative reforms pertaining to the status of lecturers and professors. However, certain universities have been granted autonomy under a law dated July 2007, which means that they have now more room to diversify their financing and promote PPPs.

Under its Plan Campus, the French government has dedicated a €5 billion package to universities to fund innovative development programmes. 12 universities (out of 66) have been selected as eligible for funding. One of these is the University of Montpellier project. The new Montpellier campus will concentrate six existing university and research poles into a single campus occupying 840 hectares and served by specialised transportation infrastructure. Although central and regional government will contribute a total of €487 million for the refurbishment of the University of Montpellier, the project is intended to be a PPP project. €3 million has been allocated for a series of feasibility studies, in preparation for the launch of a PPP tender. It is intended that government’s contribution should yield about €13 million in annual availability payments for the private sector operator.

In May 2009, a Vinci/ Suez/ FIDEPPP/ Barclays Private Equity consortium, advised by DEPPFA, was announced as the preferred bidder for France’s €150 million University of Paris-Diderot (Paris VII). Financing is likely to be through a club deal. The financing aspects of this deal are interesting because although given its low overall cost it is not eligible for the state guarantee, it is likely to be one

of the first to have up to 25% of its finance (approximately €37million) provided by the CDC through the *Fonds d’Épargne* financing programme.

University PPPs are otherwise likely to progress at a slow pace whereas small projects carried out by local governments (e.g., colleges) are likely to develop much faster.

## HEALTHCARE

The French Government is implementing a plan called “Hospital 2012” (*Plan Hôpital 2012*) for the purpose of organising the global restoration of numerous existing hospital buildings. The building of some new hospitals is envisaged together with the improvement of ancillary services.

The biggest challenge for implementing PPPs is the desire of the authorities to reorganise and rationalise healthcare services by centralising the delivery of healthcare which requires technology intensive equipment. The aim is to establish local centres which will act as a hub for the delivery of certain types of care. This will have a big impact on the way in which healthcare is delivered locally.

Financing in the healthcare sector is difficult to obtain and the Government’s priorities seem to have shifted to transport, which means that PPPs may struggle in the healthcare sector.

## IT

IT/Telecom outsourcing projects have become increasingly more usual in the public sector and the sector is not specifically affected by the credit crunch. The market in this sector is now mature at both the local and state levels.

IT/Telecom PPP projects are generally more difficult to implement than other projects due to their high technological content and their upgrading requirements. French authorities as well as bidders have little experience of such projects and are experiencing difficulties in reaching mutually satisfactory arrangements.

At the national level, certain outsourcing transactions entered into by public entities have been implemented through PPPs. Some important projects have been closed or are in the pipeline but progress has generally been slow due to the complexity of the management of such large-scale projects.

Of particular note however, is the €1.9 billion PPP tender issued in March 2009 for an electronic tolling system designed to collect a “green tax” on heavy vehicles. The project forms part of the *Grenelle de L’Environnement* and will cover between 10,000 – 15,000 s of French motorway. The new tolling system will be operational in 2011.

Another major IT based project is in the rail sector. In February 2009, RFF announced a Vinci-led consortium as preferred bidder for its €1 billion GSMR-R rail communications PPP. The project involves the modernisation of the current sol-train radio system to the European standard GSM-R. The private partner will design, build, finance, operate and maintain the non-critical elements. The PPP project will be financed on a club deal basis. The project is not expected to draw on the state guarantee but funding of some €800 million is envisaged.

Since 2004, local governments have had more powers to build or have built telecommunication networks in their geographical district. Such possibility has prompted many initiatives from local governments in this sector due to the ever increasing demand for internet technologies. Local projects such as the building of broadband internet networks are generally based on concessions.

## WASTE/WATER/CANALS

In the water and waste sectors, concession schemes prevail due to the ability to collect fees from end-users.

PPPs may be justified for large investments (e.g., construction of an automatic underground waste collection infrastructure). Such PPPs can be financed when the public entity responsible for financing waste collection is able to impose a tax which does not vary according to the volume of waste which is collected rather than being based on volume-based fees.

Regarding water distribution, recent price increases imposed by concessionaires have prompted a wave of “municipalisation” of water distribution across the country, including the Paris distribution system. Political commitment to water PPPs, which resemble concession schemes to the extent that a private party operates the distribution system and has, at least, some influence on the level of tariffs, is suffering as a result.

Regarding waste landfills, the development of new capacity meets a lot of local resistance including protests and legal actions. However, due to the overriding need for such facilities, private investors’ appetite for waste landfill projects should remain significant.

France is one of the few countries who has applied PPP techniques to canals. The tender for the 106 extension to the Seine-Nord Canal, linking Compiègne to Aubencheul-au-Bac was issued in April 2009 by the Transport Ministry. The total project cost is likely to be some €4 billion. Since financing such large projects is difficult, the ministries of ecology and transport have signed a financing protocol with the regions of Picardie, Nord-Pas-de-Calais and Ile-de-France to provide a total of €900 million for the project. Central government is to contribute another €900 million and the EU will provide a further €330 million through Trans-European Transport Network (TEN-T) funding. The remaining €2.1 billion will be financed by the private sector. It is likely that the private sector funding will attract the benefit of the state guarantee for its debt financing.

## DEFENCE

Whilst the French Ministry of Defence has had a PPP unit for some years, it is only recently that PPP projects have been implemented.

An example is the awarding of two projects under PPP contracts in the defence sector, the first PPPs in the defence sector in France. The first PPP entered into as of 31 January 2008 by the French Army General Management (*Direction Générale des Armées – DGA*) is based upon the provision of helicopter flight hours for the training of pilots for €22 million per year. The first hours will be provided in 2010 in 36 EC 120 helicopters.

In June 2009 the French Ministry of Defence published a tender for a complex over an area of eight hectares at Balard in the 15th arrondissement to accommodate approximately 10,000 military personnel. The project has been dubbed the French Pentagon. The future SPV will be required to design, build, finance, operate and maintain the complex over a 30-year period. Capex for the contract is estimated to be in the region of €600 million and on-going payments for rent and services over €100 million per year.

In July 2009, the Ministry awarded a €100 million, DBFM campus contract for the new École Nationale Supérieure de Techniques Avancées. The contract involves the construction of a teaching and research facility, 432 studios and residential units and a gymnasium. Construction will commence in June 2010 and are expected to last for two years. The campus will have the capacity to accommodate 600 students and 180 teachers and other staff.

### PRISONS

The French Ministry of Justice Public Works Unit (AMOTMJ) awarded the third wave of its original €1 billion PPP prisons programme in January 2008 and financial close was reached in the summer of 2008. The three prisons will have a capacity of 2,000 places and will be located at Nantes, Lille and Réau. There is now a second prisons programme in development comprising between 10 to 15 prisons, varied in size and scope, with deals between €20 million and €200 million.

### SPORTS STADIA

If France wins the bid to host the 2016 European football championship, some 8 - 10 sports stadia are likely to be built either under PPPs or as concessions.

### THE FUTURE

Economically, PPPs are considered by the current Government as a way to mitigate the consequences of the economic downturn. New laws and government action give a positive outlook for French PPPs.

However, although the stimulus measures are making available huge sums for the financing of projects, there is likely to be a bottleneck in demand as so many projects have been proposed. For example, there are currently 3 high speed rail projects of more than €1 billion in value which could each draw on the various guarantees.

It will be very interesting to see how the implementation of the state guarantee causes the PPP market to develop. The French government envisages that as projects finish their construction phase they will be refinanced and the guarantee will fall away. Whether this will happen in practice depends on the length and depth of the recession and the appetite of the banks for risk without the backing of a guarantee.

In terms of the PPP sectors which may benefit from the guarantee, the French Government has recently put the emphasis on universities (Plan Campus) and environment-friendly transportation (rail projects and Seine-Nord Canal). Thus, other sectors may develop more slowly due to lack of ability to obtain finance.





# GERMANY

## UPDATE

2009 has already been a significant year for PPP in Germany.

- In March the A5 motorway, the last transaction in the first wave of the Model A motorway projects, closed successfully.
- At the same time prequalification for the first two projects of the second wave started.
- ÖPP Deutschland AG, which was established in 2008 as a promoter of the PPP concept, has announced its first projects.
- The credit crunch has affected PPP in Germany through the decline in bank lending and the increase in federal and municipal funding for projects.

## RESPONSE TO THE CREDIT CRISIS

As a response to the forecast decline of 5% in German GDP and to the global financial crisis the German federal, regional and municipal governments will provide €13.3 billion for additional investments in the field of education and improvements in the public infrastructure (rescue package *Konjunkturprogramm II*). These funds must be drawn upon before the end of 2011 which should ensure that public authorities will be encouraged to continue with their PPP initiatives. Whilst the private sector welcomes government support, it also appears to see the increased level of state funding as a threat to its role. This is particularly so in PPP projects where the private sector sees the increased funding from public authorities at all levels as a means of retaining services in the public sector. These services would have been transferred to the private sector in PPP procurements.

On 8 April 2009 the Act on Further Stabilisation of the Financial Markets was published including a so-called "Rescue Act" which paved the way for the nationalisation of shares in financial institutions. The German government has already provided aid in the form of state guarantees to a number of banks and this aid has been approved under the EU's state aid rules. Some of the largest

German players on the PPP scene, such as IKB Deutsche Industriebank AG and certain of the Landesbanken, were heavily hit by the financial crisis and they have had to resort to government support.

The German banks' need to conserve capital is limiting their ability to provide long term funding. As a result, the share of PPP in public infrastructure spending will not come near the official target of 15%. For example, whilst at the beginning of the first wave of Model A motorway projects in 2005 banks faced tough competition to provide funding and offered historically low margins, in the BAFO and closing stages of the latest of those projects it was the borrower that faced difficulties in finding funds. The complete change of financial climate meant the EIB took the unexpected role of anchor lender.

As part of a special programme for assistance for infrastructure projects in the financial and economic crisis, the state owned development bank KfW Mittelstandsbank is, subject to certain conditions, offering financial support of up to €200 million to SPVs which are majority privately owned and are undertaking project financing in Germany. The programme specifically includes PPPs.

## GOVERNMENT AND LEGISLATION

### Tax

On PPP projects, public authorities can be subject to higher VAT payments in comparison with traditional procurement. At the moment there is differing VAT treatment for services provided by public authorities from its own resources from the treatment for services provided by private companies. When the public authority provides design services or labour intensive operational services with its own staff, these services are not subject to VAT. However when a private entity delivers such services, they will be subject to VAT on the basis that the private entity constitutes a business. In particular PPP projects with a high proportion of labour intensive services involved in delivery, such as IT PPPs, will face an increase in cost due to extra VAT in comparison with conventional public procurement.

## Procurement

Following approval by the Federal Council in February 2009 the Act on the Modernisation of the Procurement Law came into force. Together with consequential changes in other acts, the changes to the procurement regime will impact on PPP in many ways. One of the main points of discussion was the objective of strengthening the position of the “Mittelstand”, i.e. small and medium sized companies, and the consequent requirement for the scope of work in some projects to be broken down into smaller lots to make them more accessible to SMEs. Whether this will result in a different approach in structuring PPP projects remains open. First, the Mittelstand has been quite successful in the municipal PPP market. Secondly, with regard to the relatively few large-scale infrastructure projects with an investment volume of above €100 million, it is clear that there are only relatively few market participants who can handle such projects, in particular if on a full scale project finance basis and whilst some projects are amenable to being cut into smaller lots, with others this will lose the benefits of scale. Finally, the legislation retains the possibility of claiming that a single project is required for economic or technical reasons.

Under the amended procurement law it will become more cumbersome for disappointed bidders to conduct procurement review proceedings successfully. This is of importance for PPP projects which are often subject to procurement review proceedings in Germany. In particular limitation periods have been introduced for translating complaints into formal procurement review proceedings and for challenging the final award.

The federal framework act on the financing of hospitals has been changed in favour of a general annual lump-sum aid for investments rather than allowances tied to single projects. This means that hospitals can now choose how to spend their annual lump-sum aids and it is anticipated that many will use them for financing long-term PPP projects.

## PPP Competence Centres and Partnerschaften Deutschland

Due to the federal structure of the German State there are PPP Competence Centres at federal as well as at the level of the Bundesländer. In recent years it has become clear that PPP Centres play a decisive role in the positive development of PPP. At the federal level, ÖPP Deutschland AG (Partnerschaften Deutschland or Partnerships Germany) was founded in 2008 and became operational in 2009. Its function is to make available best practice to public authorities and to provide expertise on individual projects, particularly at the early stages, where some advice will be provided free of charge. It is hoped to draw together results from the many different aspects of PPP projects and tendering methods that have already been evaluated, tried and tested and disseminate best practice across the country. In this respect, ÖPP Deutschland is able to draw on the experiences of the PPP units that have been long established in the Bundesländer with a view to developing more standard approaches across the Bundesländer. ÖPP Deutschland has already entered into a series of framework agreements with public authorities and has started advising on individual projects. Please see further the articles by Partnerschaften Deutschland on page 20 and PPP Task Force of North Rhine-Westfalia on page 54.

## Elections

2009 is a year of elections on the federal level and in many of the regions (*Bundesländer*) culminating in the general election of September 2009. The old conservative/ social democrat coalition was in principle supportive of PPP. However, in the political debate over ‘more’ or ‘less’ state management, the liberals (FDP) who are entering into coalition with the conservatives to form the next government, are likely to press for further privatisation and PPPs.

## VIEW FROM GERMANY

### FINANCING SOCIAL INFRASTRUCTURE PPP PROJECTS IN GERMANY

Throughout the last 12 months, financial markets and European lending environment have gone through significant changes due to the global financial crisis. Obviously, PPP transactions have been affected as well. In both structures occurring in the German market, project finance and forfaiting on a non-recourse basis, lenders are facing a substantial increase in financing costs due to higher liquidity costs of banks. The overall number of banks active in the PPP market has reduced substantially, which holds true in particular for banks offering long term financing of 20 years and longer.

At the same time banks have become more risk averse which has resulted in more conservative structures for project financings with higher equity ratios, longer tails and tougher cover ratios. Above all, banks neither take underwriting risks nor give binding commitments for extended periods anymore.

These developments tend to be strongly emphasised by sources which do not favour procurement through

PPPs. It is often stated that increased financing costs would undermine any efficiency advantages gained through PPPs and that there was a high risk of finding no financing at all due to a lack of interest from banks.

The market has reacted swiftly though and found mechanisms to mitigate financing problems. Among these are soft and hard mini perm structures. More commonly, binding financing commitments now tend to be required later than in “pre-crisis-times”, at BAFO by the earliest, and the period of validity of financing commitments has been reduced in many transactions. Even after BAFO, margin adjustments can be discussed, if it can be plausibly demonstrated that a margin increase is necessary due to an increase in liquidity costs.

As a result, up to October 2009 no PPP project in Germany has failed due to a lack of financing – despite the challenging environment. In the social infrastructure sector, PPPs have even achieved financial close without the need for mini perm structures.

#### Simone Geist

Senior Project Manager  
KfW IPEX-Bank GmbH

## PROJECTS

### ROADS

Transport infrastructure projects at federal level will continue to be the main source of large PPP projects, but it is also likely that there will be more regional projects, e.g. bundling refurbishment and operation of bridges or tunnels in larger cities or of a network of district roads. Types of road PPP projects are likely to be more diversified. While in the past all motorway projects have been tendered on a traffic risk basis, for the purposes of the second wave of Model A the Federal Transport Ministry is moving towards either shadow toll projects or availability payments with no element of traffic risk. Funds from the Konjunkturpaket II channeled to PPP projects are likely to result in investment support in the construction phase of projects together with a softening of risk transfer during the operational phase. One example is the new BAB A9 project which aims at expanding a section of a motorway in Thuringia with up to 85% of start up financing from the state and an availability based remuneration scheme during the operational phase. Another example of the second wave motorways is the €280 million A8 Ulm to Augsburg PPP for which pre-qualified consortia are currently

preparing their bids. Upcoming road projects are the A1 Lotte-Munster in North Rhine-Westfalia, the A30 Rheine-Lotte road; the A6 Wiesloch-Rauenberg to Weinsberg in Baden-Wuerttemberg; the A7 Bordeshom-Hamburg in Schleswig-Holstein; and the A7 Salzgitter-Damettal in Lower Saxony.

The last of the first wave of the A Model, the A5 closed in March 2009, but only after the withdrawal of a legal challenge to the choice of winning bidder. The unsuccessful bidder had challenged whether the BAFO of the winning bidder was compliant with the original terms of the tender given that financing terms had changed due to the market conditions.

### AIRPORTS

Berlin's €2.4 billion Brandenburg International Airport PPP closed in June 2009. The funding of €1.4 billion was provided by the EIB as an anchor lender with a consortium of seven German banks. The loan is fully guaranteed by the German state and the Bundesländer of Berlin and Brandenburg. The project involves the expansion of Schönefeld Airport and Berlin's two other airports – Tegel and Tempelhof – will be closed by 2011.

## VIEW FROM INDUSTRY

For PPP in Germany, 2008 was a good year, although not an outstanding one. In the social infrastructure segment, 25 projects were awarded, in transportation just one project. So in terms of both number and volume, there was a year-on-year decrease – in 2007, 33 projects were awarded in the social infrastructure segment alone. In January 2009, however, a federal agency for PPP with private participation was founded. Called Partnerschaften Deutschland AG, this represents a clear commitment to PPP by the federal state, and that is undoubtedly a big success. It means that PPP in Germany remains on track. This is especially true in the field of social infrastructure, where PPPs have become a recognized procurement alternative. In the roads sector, too, things are moving in a positive direction: the first series of A-models is in the implementation phase and a second series has been launched.

Of course, it is clear that the global capital markets crisis has impacted the German PPP market. Project financing of all dimensions has become more difficult. A key role here is played above all by the poorer loan terms, but in the medium run we hope that these should stabilize again. The German government has put together economic stimulus packages to speed up investment and help the economy out of the crisis. A large proportion of the money involved is to go into the transport infrastructure and into schools. But will PPP actually benefit from this? We will definitely have to fight to ensure that it does. After all, we see the

danger that the financial injections could prompt public authorities to conclude that they should go back to doing everything by themselves. Cities and municipalities must not react short-sightedly - they need to think on a long-term basis. In these times, PPP takes on a very decisive significance.

These are challenges which we must encounter constructively. The fact that success here is possible is evidenced by the Moers City Hall project, which was entrusted to HOCHTIEF PPP Solutions in April this year, and where the financial close took only a few weeks to structure. This shows that for private partners of good standing, projects – especially smaller projects in the field of social infrastructure – are still financeable. One thing is clear: HOCHTIEF will continue to examine every commitment very carefully, particularly from the angle of in which markets and projects to invest its own equity capital. Our choice of projects is clearly structured and geared to the criteria we have set for ourselves in respect of the risk/return profiles. At the same time, we expect that developments in the PPP sector in Germany remain promising, even if the market volume is more limited. Given appropriate invitations to tender, we will examine the possibility of engagement very closely.

### **Bernward Kulle**

CEO

HOCHTIEF PPP Solutions GmbH

## PORTS

In August 2009, the Hamburg Port Authority issued a tender for a market consultation on carrying out a PPP or joint venture for the extension and ongoing operation of its port facilities.

## SCHOOLS

Whilst there have been many schools projects rolled out by municipalities, they have been small and varied. It is hoped that standardisation brought in by ÖPP Deutschland will assist municipalities in procuring more efficiently, although some of the Bundesländer, such as North Rhine-

Westfalia have already been very active in disseminating knowledge. The peak for schools projects in Germany has probably passed, although the Nürnberg school project was awarded in April 2009 and the Oberspreewald-Lausitz school project in July 2009.

## MUNICIPAL ACCOMMODATION

German local authorities have been very active in procuring facilities using PPP and many PPPs have been initiated and indeed closed. Projects include sports facilities and administrative, cultural and other buildings for municipal use. The trend, whilst slowing, is at least

continuing. A recent example is the issuing of a tender for a sports facility for the city of Unterlüß. Another example is the tender for a community centre for the town of Ahrensburg which was issued in February 2009. Partnerschaften Deutschland is advising on a state Operetta Theatre in the city of Dresden.

### HEALTHCARE

The Hochtaunus district and the Bundesland of Hesse have proposed a PPP project for two hospitals in Homburg and Usingen with a value of approximately €140 million. Whilst there does not seem much evidence of other projects to date, it is thought that the healthcare sector will represent a significant area for growth of PPPs in Germany over the next few years as policy moves more to welfare issues.

### THE FUTURE

The availability of government incentives to invest in domestic infrastructure means that it may be more likely for regional governments and municipalities to opt for conventional funding than for PPPs.

The trend is for government to channel incentives and funding into the construction phase, which de-risks projects for banks and may encourage private lending in the operational phases.

Bank lending, even if it increases from the recent low levels, is likely to be a much smaller proportion of project financing with more equity and government funding required to make up the shortfall.

Market participants will be keen to see how the role of Partnerschaften Deutschland develops.



## VIEW FROM GERMANY

### PPP IN GERMANY – THE ROLE OF THE BUNDESLÄNDER

The federal basis of the German state is reflected in the country's PPP sector, both in terms of the realisation of PPP models at the federal, state and municipal level and also regarding the wide variety of PPP Competences Centres and networks. All market players agree that it will require the joint effort of all parties involved to meet the challenges currently faced by PPP in Germany.

The realisation of PPP projects is affected by conditions which are specific to individual Bundesländer. This includes on the one hand different legal frameworks, e.g. in the area of subsidy law, approval procedures and requirements for viability studies, and on the other, a focus on different PPP sectors and models.

So far 133 PPP projects in the civil engineering and transport sector, with a total investment volume of €5.5 billion have been signed in Germany (see <http://www.ppp-projekt-datenbank.de>). The majority of projects, 122 in all, have been in the civil engineering sector. Focusing on the regions, most projects have been carried out in North Rhine-Westphalia (38 projects) in Hesse and Baden-Württemberg (each with 15 projects) and Schleswig-Holstein (13 projects). Leading the way in the development of project realisation are clearly the municipalities with more than 98 out of a total of 133 projects. In recent years a great many projects have been carried out in the education sector, in particular schools, and administrative buildings. Standardisation guidelines for these sectors have now been established. Pilot projects will be used to examine if further sectors e.g. day-care centres for children and the IT-sector are appropriate for PPP models.

The beginnings of PPP in Germany can be traced back to the founding of the PPP initiative in North Rhine-Westphalia in 2001 (see <http://www.ppp.nrw.de>). The PPP Task Force was set up within the Ministry of Finance in order to promote PPP. Since then the development across the country has been dynamic. Now each of the 16 Bundesländer has a PPP unit or a PPP contact person (see below for a list of websites). These units have different structures and tasks. One difference is the institution within which they are based e.g. within the Ministry of Finance, the Ministry of Economy or the State Development Bank. The Bundesländer and the federal government work together in a so called "Federal PPP Competency Network" in order to support PPP

on a national level. The Network has set up working groups which focus on interdisciplinary topics and sector specific issues, e.g. for SMEs, hospitals, municipal roads and sports facilities. Experience gained from across the regions is collected and the question of whether unitary standards and guidelines can be developed is examined. Another network which is particularly important against the background of the current credit crisis has been set up by the State Development Banks, the so called "PartnerRegio" network (see <http://www.partner-regio.de/>). Beside the specific standardisation work "PartnerRegio" focuses on product and program placement. The aim, through the development of innovative new programs, is to facilitate the financing and support of PPP projects.

In addition to the procurement of projects, the issue of standardisation plays a vital role for the further development of PPP. The objective is through standardisation to reduce transaction costs and to enhance clarity in the procurement process throughout Germany. Several guidelines at both Land and federal level have already been published, e.g. the guidelines on the assessment of viability studies and procurement law. For example the latest publications by the PPP Task Force of North Rhine-Westphalia focus on small PPP projects and on the issue of the role and selection of external advisors. An important role of the units is to act as a contact partner ensuring the exchange of experience and information between the public and private sector. After the strong start made by PPP in Germany the greatest challenge is now to continue the successful development of PPP within the current financial context.

#### Regina Cablitz

PPP Task-force  
North Rhine-Westphalia

#### LIST OF WEBSITES

Baden-Württemberg: <http://www.ppp-bw.de>  
Bavaria: <http://www.ppp.bayern.de>  
Brandenburg: <http://www.ilb.de/ppp>  
Hesse: <http://www.ppp.hessen.de>  
Lower Saxony: <http://www.ppp.niedersachsen.de>  
North Rhine-Westphalia: <http://www.ppp.nrw.de>  
Rhineland-Palatinate: <http://www.per-rlp.de>  
Saxony-Anhalt: <http://www.ppp.sachsen-anhalt.de>  
Schleswig-Holstein: <http://www.ppp-sh.de>

# GREECE

## UPDATE

- The government of Greece is using PPPs as a key instrument for economic development.
- In 2008, the government proposed a PPP programme focusing primarily on social infrastructure with a value in excess of €5 billion.
- The first project in the programme, the grouped Fire Stations PPP project, closed in April 2009 and two more projects have appointed a preferred bidder.
- The Special Secretariat, the Greek PPP unit, has gained credibility and experience and now has a significant pipeline of PPP projects under procurement.
- PPP projects to date have not suffered from legal challenges to procurement procedures although challenge through the courts was a regular feature of previous procurement regimes.

## RESPONSE TO THE CREDIT CRISIS

Following PPP legislation in 2005 and the setting up of the Interministerial PPP Committee and the PPP Special Secretariat in 2006, PPP has become a key instrument for economic development in Greece. Most recently, in 2008, the government proposed an ambitious social infrastructure programme with a total value of in excess of €5 billion.

Greece's experience of the impact of the financial crisis on the PPP sector has been somewhat different from much of the rest of Europe. Whilst Greece's commercial banks have not been immune from the crisis, banks are not, as yet, limiting their funding to miniperms or other forms of short-term financing, although it is understood that margins are generally increasing. However, given the relatively small size of projects awarded to date and specific contractual terms incorporated in the tender documents, which allow banks to limit their exposure to an increase of spreads, banks have felt able to offer competitive terms in order to gain the prestige and experience of being involved in pilot projects.

Despite the market turmoil and the downturn in the Greek economy (which was already characterised by high levels of public debt and trade deficits) there have been a number of syndications in the roads sector for projects which closed in the last two years. It is also encouraging that despite the credit crunch, in April 2009 the first PPP

project for a group of fire stations successfully reached financial close supported by the EIB and a commercial Greek lender.

Greece's sovereign credit rating was downgraded by Standard & Poor's to A - (the lowest in the eurozone) in January 2009.

## GOVERNMENT AND LEGISLATION

The market had been initially sceptical about the Greek state's ability to deliver bankable projects without continued high-level political focus and support (as existed in the pre-Olympic works and the Olympic Games themselves). Lack of transparency in respect of public procurements was a common criticism. An additional source of concern shared by the government and the PPP unit was the likelihood of challenges to procurements under the PPP law in the Greek courts.

The successful conclusion of the first Greek PPP project has marked a turning point for Greek PPPs. The PPP Special Secretariat has clearly demonstrated that it can perform and has gained experience in managing PPP tenders. It is now managing the implementation of the social infrastructure programme and a pipeline of more than 50 projects in eight sectors (Public Sector Accommodation; Tourism & Sport; Justice; Education; Health; Ports; Environment; and Defence).

Whilst progress has been strong in some sectors, others have, to date, more limited programmes. For example, the public sector accommodation has issued many tenders for fire stations, police stations, government administration buildings and courts; in contrast the environment sector has only issued a small number of waste projects. Overall, however, Greece has been particularly successful in focusing on *programmes* of PPP investment (as opposed to 'one off' pilot projects). This has undoubtedly acted to promote private sector interest and *may* have been a factor in modifying what was previously a sometimes litigious response from unsuccessful bidders.

The government and the PPP Special Secretariat have also been addressing some of the issues which were previously a source of criticism of the PPP process. For example, lenders now benefit from a guarantee that termination payments due to the private sector will be paid by central government rather than by local authorities (which have

sometimes had problems in meeting their budgetary commitments). The Special Secretariat has also insisted on a strict focus on quantified and objective criteria in awarding contracts. As a result, as of September 2009 there have been no challenges to tender awards and PPPs remain relatively popular. This approach has attracted some criticism that “value for money” is subordinated to price in awarding contracts but a clear consequence has been increased interest from international contractors in bidding in the Greek market. Given the scale of Greece’s programme, further involvement of the international contracting community will be essential and even this may not prevent capacity constraints.

### Procurement

The Greek PPP law incorporated the relevant EU Directives on public procurement (including Directives 2000/52/EC and 2004/18/EC) and thus the PPP Special Secretariat has the option to choose between the open procedure, restricted procedure, negotiated procedure

and competitive dialogue. Thus far, it has only used the restricted procedure and both the tender process and the project agreements are fairly standardised.

In January 2008, the European Commission decided not to raise objections to certain measures adopted by the Greek authorities in support of road infrastructure and confirmed that various grants for the construction and upgrading of three motorway concessions in Greece did not constitute state aid. The concessions included the Maliakos-Kleidi section of the Patras-Athens-Thessaloniki-Evzoni (PATHE) motorway project, the Korinthos-Tripoli-Kalamata motorway and Lefktro-Sparti branch projects and the motorway sections between Maliakos and Kleidi (part of the PATHE project), between Tembi and Skotina and between Evangelismos and Leptokaria. In coming to this decision, the Commission took into account the fact that all the projects were competitively tendered and that the grants did not provide any advantage to the concessionaires.

### VIEW FROM GREECE

A new legal framework for PPPs was ratified in Greece in September 2005, as part of the reforms implemented by the Government in its efforts to boost economic growth.

The ratification of the new legislation was only the beginning of a series of actions that ended up in the creation of a dynamic market. Two new governmental bodies were established; the Inter-Ministerial PPP Committee and the Special Secretariat for PPPs, a PPP Taskforce, set up within the Ministry of Economy and Finance, which has a key role of coordinating, promoting and monitoring the PPP initiative.

Even if the concept of Public Private Partnerships was not totally new for Greece, the Special Secretariat had a difficult task to carry out: informing public authorities about the opportunities presented by the new initiative, educating public sector employees; defining a plan of action; reassuring contractors regarding their future reimbursement by the Greek State, creating a solid pipeline of projects and applying best international practice from successful examples of other countries, mainly those delivered in the UK. As a result, since March 2006, a pipeline of 52 projects worth €5.7 billion in NPV has been approved by the Inter-Ministerial PPP Committee. These projects range from education and health to port infrastructure, waste management, public sector accommodation, transportation, defence, sports and tourism.

Despite initial reservations about this initiative from a number of stakeholders, good practice has helped to change perceptions. Greek public authorities now realise the benefits

and opportunities of PPPs. The private sector also considers PPPs as a promising new field for business activity. More than 40 Greek and foreign companies have participated in the tenders, with the average number of participating companies per tender also increasing significantly. In particular, the participation of many well-established foreign companies demonstrates that the Greek PPP market is a broad market based on a new and efficient legal framework, as well as on swift and transparent procedures which have eliminated legal challenges that previously caused a lot of problems and delays.

Up to the summer of 2009, 16 projects of €1.5 billion in NPV have been tendered, while the Special Secretariat is releasing on average one new PPP tender PPP per month. It is estimated that by the end of 2009, half of the Greek PPP programme will be in procurement. The first PPP contract came into force in April 2009 and it is estimated that two more projects will reach financial close before the end of this year. Recently, the World Bank acknowledged the Greek PPP market as one of the fastest growing PPP markets in the world.

The development of PPPs in Greece has the potential to become a model for the wider implementation of PPPs across South-Eastern Europe, the Mediterranean and the Middle East region.

### Leonidas Korres

Special Secretary for PPPs

Ministry of Economy and Finance, Hellenic Republic



## Elections

In the October elections, the Panhellenic Socialist Movement obtained the most seats, replacing the New Democratic Party as the government of Greece. It is not yet known what policies the new government will adopt towards PPPs.

## PROJECTS

### PUBLIC SECTOR ACCOMMODATION

In March 2009 three consortia submitted final bids for the €56 million government accommodation PPP for the prefectures of Trikala and Corinth, in north-western Greece. With an announcement of the preferred bidder in May 2009, the project is the second in the pipeline to reach preferred bidder status.

In July 2009 four consortia submitted their final bids for the construction of two new government buildings in the prefectures of Fthiotida and Achaia with a value of approximately €70 million.

The first PPP in Greece's social infrastructure programme to reach financial close was the €26.5 million grouped fire stations PPP which closed in April 2009. The EIB supported the project with a loan of €9.5 million and a local bank provided the remainder of the loan for the 24 year project.

The Hellenic Public Real Estate Corporation tendered for advisers in May 2009 for a number of other PPP projects for rescue services including 3 fire stations, 4 catastrophe management units and a headquarters building. It is thought that the contracts for the projects will be let on a design, build, finance and maintain basis over a 26 year concession period.

### AIRPORTS

A tender has been issued for a private partner for a new airport in Crete. To be implemented on a joint venture basis with a new airport operating company, the concession will last for 35 years.

### ROADS

Loans for two motorway concessions have been successfully syndicated. The Corinth-Patras-Pyrgos-Tsakona toll road motorway concession awarded in 2007 was financed through a syndicated loan for the €2.8 billion project. The syndication attracted an oversubscription of

around 20%. The EIB participated with €200 million of the total debt. The tenor of the loan is only 13 years which reflects the economic difficulties of negotiating long term loans for PPP projects.

A total of seven banks have joined the syndication process for the €1.54 billion of debt backing the E-65 Central Greek motorway project with a further two banks still reviewing the process. The Greek government has provided a bridge loan of up to €929 million for a period of six years (i.e. to the end of the construction period). The project also involves a section of road which will be built by the government and then handed over to the concessionaire for on going maintenance and operation.

To date, a total of 5 motorways have reached financial close, notably Maliakos-Kleidi; Elefsina-Korinthos-Patras-Pyrgos-Tsakona; Korinthos-Tripoli-Kalamata plus Lefktro-Sparti; E65; and Ionia Odos. A sixth one (Attica Urban roads, which is the extension of the Attiki Odos motorway) is planned to be tendered shortly.

### HEALTHCARE

In December 2008, 8 consortia submitted their expressions of interest for a €389 million, 30 year, paediatric hospital contract in Thessaloniki and in March 2009, the Greek Ministry of Economics and Finance issued its list of prequalifying bidders.

### EDUCATION

#### SCHOOLS

The Organisation of School Buildings (OSK), the state body responsible for school buildings, is the procuring authority for a number of schools projects. Eight expressions of interest were received in November 2008 for the Central Macedonia Schools PPP worth around €80.5 million. Also in November 2008, six candidates were shortlisted to design, finance, construct, and maintain a grouped school project for 14 school buildings in the Attica region. The tender has now been issued and the offer submission deadline has been set for December 2009.

#### UNIVERSITIES

In January 2008, the Greek Inter-Ministerial PPP Committee approved a package of 10 PPP projects for student accommodation. The first project, the construction of student accommodation at the university of Thrace, tendered for advisers in June 2009.

## JUSTICE

In April 2009, the Hellenic Public Real Estate Corporation (KED) released tenders for technical advisers for four DBFM contracts comprising several police buildings across Greece.

In July 2009 four consortia submitted final bids for the €80 million PPP project for the new Pireaus Police Headquarters. With an announcement of the preferred bidder in September 2009, the project is the third in the pipeline to reach preferred bidder status.

A project for two courts with a joint value of €120 million is under tender: one for Patras and the other for Heraklion.

## TOURISM

The former Olympic TaeKwon Do stadium is to be turned into an international conference centre for the general secretariat for the Olympics. The government is hoping for a private partner to take on its operation and take demand risk.

## DEFENCE

The Greek Ministry of Defence is at pre-tender phase with a proposed flight simulation training centre to be let under a PPP contract. In July 2009, it tendered for advisers.

The Ministry is also at pre-tender phase for a number of projects, which include the provision of facility management services to the Evelpidon Military School for a period of 15 years; a new military 250 bedroom recuperation facility, which is to be designed, built, financed and managed by the private sector in the province of Methana; and a third project is the Army and Air Force Residences project which includes the design, build, financing and operation of a number of Army and Air Force residences, nursery schools and sports facilities for a period of 27 years.

## PORTS

At the beginning of 2009, Greece cancelled a tender to privatise and upgrade port facilities at Thessaloniki, Greece's second largest port after the preferred bidder withdrew on the grounds that it would not be able to obtain financing because of the global downturn. Dockers had gone on strike and banned overtime working in protest against the proposed privatisation which caused profits to drop for OLTH, the current operator, owned 74% by the Greek state.

In November 2008, Piraeus Port concluded a contract worth €4.3 billion over 35 years for the upgrading and management of the container port facilities with a Chinese company, Cosco Pacific.

The Hellenic Ministry of Mercantile Marine is undertaking a Port Security PPP project under which the private sector partner will design, finance, install and operate the security systems for 12 ports. The project is valued at approximately €342 million, with the EIB providing 50% of the funding. The concession lasts for ten years and the concessionaire takes the risk of availability through availability payments.

## WASTE/WATER

The first waste project in the Region of Western Macedonia, worth almost €130 million, is at pre-tender stage, with the procuring authority in the process of taking market soundings. A tender for advisory services has been issued in relation to an integrated waste management project in Thessaloniki. The project is expected to cost €290 million.

## IT

Two PPP projects, for an integrated telematics system for area bus companies and for an integrated automatic fare collection system, are at pre-tender stage.

The telecommunications ministry announced in September 2008 that it is planning to create a new fibre optic network to be designed and operated through a PPP to improve its broadband and cable television capacity, to provide high-speed internet services, high-definition television and video conferencing capabilities across the country.

## THE FUTURE

The future is looking promising for Greek PPPs with a steady pipeline of projects which will appear on the market over the next few years provided that financing holds up. It remains to be seen how the recent change of government might affect PPPs.

# HUNGARY

## UPDATE

- The effects of the credit crunch and recession have been particularly severe in Hungary.
- The economic situation and the terms of a recent IMF loan to Hungary have resulted in restrictions on public spending and cancellation, suspension or postponement of PPPs outside the road sector.
- International financial institutions have developed a crisis response package for Hungary concentrating principally on investment in transport infrastructure, particularly motorways.
- Despite Hungary's track record in a number of sectors, the outlook for PPPs is uncertain. On the one hand, changes in procurement regulations and state accounting rules are adverse to PPPs, and with elections pending there is uncertainty over the future policy stance. On the other hand, the Interministerial PPP Committee report issued in June 2009 was positive about the record of PPPs and recommended their future development, whilst identifying a number of areas that need improvement in implementation.

## RESPONSE TO THE CREDIT CRISIS

The current economic situation combined with a significant external debt means that a serious decrease in state expenditure is necessary. As a result, most planned PPP projects have been cancelled.

State funds for investment in priority projects which involve long term commitments are fixed annually by the Budget Act up to a maximum value of 3% of the total amount of state revenues. The limit for 2009 is HUF 249 billion (approximately €1 billion).

Both lenders and private sector investors are now concerned about country risk and this has led to an increase in margins in addition to margin increases which have been a more general result of the financial crisis.

## GOVERNMENT AND LEGISLATION

There is uncertainty over the future potential for PPP in Hungary.

### Policy

Hungary had to cope with political uncertainty following the resignation of its prime minister, Ferenc Gyurcsany, in March 2009. General elections are scheduled to be held in April 2010. Should FIDESZ, win this election, on the basis of the party's current policy stance, further development of PPP projects appears to be unlikely.

## VIEW FROM HUNGARY

### THE IMPLICATIONS OF THE AMENDMENT OF THE ACT ON PUBLIC PROCUREMENT DATED 1 APRIL 2009 FOR PPP PROCUREMENTS

In 2003 the Hungarian Parliament passed the law regulating public procurement, known as the Act CXXIX. of 2003 on Public Procurement (the "Act"), which has been amended on several occasions, the last of which came into force on 1 April, 2009. This latter amendment makes significant changes to the procurement of PPP projects in Hungary. Further changes to the Act are coming into force progressively over the period from October 2009 to September 2010. The amendment affects the procurement of public works concessions both formally and in substance. Regulations were introduced, notably regarding the course of the contract award procedure, to ensure the fairness and the openness of competition. The new law further makes it clear that where only a single valid tender is received, the contracting authority has the right to discontinue the tender procedure irrespective of the total number of tenders actually received.

A second new important measure forbids any participant, with the exception of the winning bidder, from acquiring shares in the project company. This means that the winning bidder is prevented from selling its shareholdings.

The possible activities of the project company have become more restricted, as it may not pursue any other activity than the one for which it was awarded the contract. Furthermore, the project company has no right to acquire any shares in any other company, nor can it be transformed.

A contracting authority may publish tender notices only where it has ensured that it has, or can be expected to have, the budgetary resources necessary to meet its financial obligations under the future contract.

### Public Procurement Unit

Ministry of Transport Telecommunication and Energy, Hungary

### Changes in procurement regulations

The Hungarian Public Procurement Act was amended in 2008 thereby implementing recent EU procurement regulations. The majority of the provisions of the amendment are effective from 1 April 2009 and further provisions enter into force on 1 January 2010 and 1 July 2010. In addition, the new law requires that at least 50% of the value of works being procured must be performed by named partners of the successful consortium or by the project company established by them. This increases the level of accountability of the consortium, but as a corollary reduces its flexibility. Some commentators believe that this will reduce competition.

### State Accounting for PPP projects

The Hungarian Act on Public Finances will be amended as of 1 January 2010. According to the new rules, the total capital value of PPP investments must be accounted for as budgetary expenditure at the time of its accounting capitalisation. During the term of the contract, periodic instalments of this expenditure amount must be accounted for as state revenue. This rule will apply to PPP contracts concluded after 1 January 2010. This amendment could significantly affect the attractiveness of PPPs for public authorities as such projects will be on balance sheet. For this reason, further analysis of the application and implications of this amendment is currently under way by the Hungarian authorities.

### IMPPC Report

Whilst these factors are generally negative for the prospects for PPP, there is also emerging evidence of the effectiveness of PPP projects delivered to date. In particular, in June 2009, the Interministerial PPP Committee (IMPPC) issued its latest report on PPP in Hungary. The report highlights the efficiency gains brought by large projects and identifies a number of areas for improvement of lower value PPP projects, indicating the circumstances in which these could also be more cost efficient.

The IMPPC reported that the State Audit Office of Hungary and Eurostat had found that some projects were inadequate as regards the most effective means

of financing (i.e. they were structured in such a way that they did not achieve off-balance sheet status). The IMPPC found that projects were brought to it for an opinion too late for significant changes to be made in financing which would better guarantee the effectiveness of the projects and ensure that projects are off balance sheet for national auditing purposes.

### VIEW FROM HUNGARY

#### THE BENEFIT OF THE EDUCATION PROGRAMME

The *Universitas* programme has solved the problem of delivering better higher education facilities over the next 20 years by the use of a programme of PPP projects over a 5 year period. Of the 27 existing higher education institutions, 22 institutions are participating in the programme. New educational buildings, the reconstruction of existing educational buildings and student hostels have been delivered, and more will be realised through more than 50 PPP contracts in total. The programme will end in 2011. Taking into consideration the original plans, only a few, mainly smaller developments for art institutions, have not progressed. This has been for a variety of different reasons: for example, space in the premises was too limited, the university was not able to pay its own portion, etc. HUF 140 billion HUF would have been necessary to pay for all the developments actually delivered; this sum could only have been secured over the next 20 years, and even this does not take into account the effects of the current world economic crisis.

The next PPP developments – the Second Development Programme for higher education institutions in the Central-Hungarian Region, and the reconstruction programme for high school student hostels – were proposed to the Government in the interests of getting into the Priority Ranking. However, the Government has not yet discussed these programmes.

#### Mr Laszlo Cseresznyés

Head of Department  
Ministry of Education

## PROJECTS

The Government Decree on the rules of long-term financial commitments and the Act on Public Finances together contain the procedures for prioritising long-term commitments, including PPP-type projects. The priority list is reviewed six monthly and as of July 2009 is as follows:

	Project	Estimated maximum annual fee (Million HUF)	Operation phase
1.	M4 expressway, section between Budapest – Cegléd	9,000	2012-2032
2.	M44 expressway, section between Tiszaújváros – Kondoros	13,528	2012-2040
3.	M60 expressway (developable into a highway) section between Pécs South Junction – Szentlőrinc	3,491	2013-2038

### Monitoring of PPP projects

Specifically, the IMPPPC reported on the monitoring system which it applied in 2008 to the projects in the pools and gyms programme of the National Office for Sport, the prison projects of the Ministry of Justice and Law Enforcement and the Debrecen University project of the Ministry of Education and Culture (MEC). The IMPPPC found that problems typically include:

- preparation: deficiencies in the PSC calculation, lack of comparative data, failure to price risks, exaggeratedly high construction and operating costs;
- construction: problems obtaining permits, changes in the state's order make the construction risks undertaken difficult to follow, implementation of additional investments, functions not linked to the provision of the public duty;
- operation: transfer of operation to a third party, low rate of use for public purposes, revenue from charges for non-public use being due to the private partner only, no real sanctions regarding operation, operational risk assumed by the governmental (local governmental) party.

The IMPPPC makes recommendations to the relevant authorities in relation to projects with problems during operation but has no authority to ensure rectification of problems identified during its monitoring activity.

Nevertheless, the IMPPPC clearly advocates PPPs as a

suitable tool for use in counteracting the financial crisis.

In September 2009, the government announced that, with effect from 1 October 2009, the IMPPPC is dissolved. As from that date, the Ministry of Finance will oversee PPP projects. The detailed rules of the Ministry of Finance's role have not been published yet.

The priority ranking list indicates the most important new public investments entailing long-term commitments and also it may outline the investment policies the government wishes to follow in the next years. However, the projects on the priority list will not be necessarily executed as PPPs – this decision is taken through a separate process.

### SCHOOLS/EDUCATION

PPP projects in the field of higher education have been initiated under the 'Universitas' programme adopted in 2003. Most of the student homes and educational facilities have been completed and are in operation. There are only a few projects left that were granted the necessary government approval but have not yet been put out to tender. Plans for a large scale project for renovation of public education infrastructure seem to have been postponed. Consequently, and with the Universitas programme finishing in 2010, the volume of PPP projects in this sector will fall away.

There have been some administrative problems in implementing the programme. Projects falling under the scope of the 'Universitas' program may only be executed after obtaining the opinion of the Hungarian Central Statistical Office ('Központi Statisztikai Hivatal' – KSH.)

confirming that the project qualifies as the investment of the private sector (in other words, they are ‘off balance sheet’ as opposed to the investments made from the state budget). This has proved extremely lengthy in practice.

Another problem is the encumbrance of state property used by educational institutes. It takes about six months to obtain a resolution from the State Asset Manager (MNV Zrt). (a state-owned company appointed by law to manage all assets of the state) which would permit that a property be used in a PPP project and be encumbered with usufructus for the benefit of private investors.

It is interesting to note that up to the time of our previous report, it was education and sports which led the way in the area of PPP projects.

## ROADS

Motorways are government’s favoured projects to counteract the financial crisis and currently the priority ranking list includes three road projects (see table above) although, as noted above, these will not necessarily be completed as PPPs.

The M5 and three phases of M6 have been developed on a PPP basis and the other motorways in Hungary’s network of 5 motorways are owned and operated by the state. Both the EBRD and the EIB have been involved in the financing of the M1/M15, M5 and M6 motorways with the EIB providing some €400 million of financing for the M6. Users pay for access through electronic vignette creating income for the state, while the concession companies are paid on the basis of availability.

In November 2007, financial close was reached on the on the concession for the design, construction, financing, operation and maintenance of a 49.2 kilometre section of the M6 motorway between Szekszárd and Bóly and the 30.2 section of the M60 motorway between Bóly and Pécs. The expected total construction time for the two sections is 28 months. The net present value of the availability fees amounts to €980 million. The financing was syndicated in early 2008.

In July 2008, financial close was reached on the 65.1 kilometre section of the M6 motorway between Dunaújváros and Szekszárd awarded as a 30 year concession in June 2008. In August 2008, a tranche of €200 million was refinanced by the EIB. The section is to be opened to traffic in March 2010, at the same time as the third phase of the M6. The net present value of the availability fees amounts to approximately €440 million.

In July 2009, the Government Decree Nr. 1085/2008 (XII. 20.) which gives priority ranking to specified long-term developments was amended to exclude the proposed M3 expressway section between Nyíregyháza and Vásárosnamény as a PPP and the three bidders were informed that the PPP was cancelled on grounds of the impact of the financial crisis on the public budget. This was despite the fact that the EIB had agreed to loan more than half the senior debt for the project. It may be built at a later date using traditional procurement methods and EU funds.

## THE FUTURE

Despite the country’s track record, and the endorsement of the IMPPPC, the future of PPP in Hungary remains uncertain. A major factor in its future will be the stance towards PPPs adopted by the government following the 2010 general election. Currently the Ministries are vigorously seeking to develop and disseminate PPP know-how and expertise derived from experience.

# ITALY

## UPDATE

- The Italian PPP market continues to be centred on transport and healthcare projects with several very large procurements.
- The procurement regulations have been updated with new tender procedures and PPP regulations.
- Poorer regions of Italy in the South are less able to finance projects due to poorer credit ratings.
- Despite political support for PPPs, there is an enormous sense of frustration amongst the market participants over the lack of progress on PPPs in Italy. A recent report published by the Sda Bocconi School of Management argues that up to 88% of projects have failed or have been cancelled, primarily for reasons of lack of public sector organisation or change in political will.
- For large projects (over €100 million) very few have achieved financial close during the last 2 years.

## RESPONSE TO THE CREDIT CRISIS

Following elections in May 2008, proposals for infrastructure projects valued at €46.3 billion were passed in July 2008 by Italy's CIPE ministerial committee for economic programming (*Comitato Interministeriale per la Programmazione Economica*). The projects are taken from the Italian 10 year infrastructure plan (*Piano Decennale delle Infrastrutture Strategiche*) originally adopted in 2001 but revised on June 2008 by the Ministry of Infrastructure and Transport. Priority projects for the period 2009 - 2011 include:

- Three high speed train projects: including €5.1 billion for Milan/Genoa, €5.6 billion for Milan/Verona, and €3.3 billion for Verona/Padova.
- Other state rail projects amounting to €10 billion.
- Anas motorway agency projects amounting to €12 billion.
- Messina straits bridge amounting to €6.1 billion.
- €4.2 billion for projects in water, urban transport systems and port sectors.

Around 60-70% of funding for the programme is expected to come from the private sector.

Since that time, the plan was revamped and re-announced in November 2008 to include support for Italy's banks.

Italy has announced a number of agreements for the funding of infrastructure projects. In October 2008, it reached an agreement with the EIB under which the EIB will invest €15 billion in Italian infrastructure projects over a period of five years (2008-12). The EIB will work with the Italian government to select projects for funding. PPPs and concession projects have already been identified as potential projects. Priority will be given to projects such as the completion of the Italian sections of the TENs programme.

In February 2009, the Italian government approved a change to the constitution of Cassa Depositi e Prestiti's (CDP - a company owned as to 70% by the Ministry of Economy and 30% by a number of Italian banking institutions) that will allow it to invest funds from postal savings in PPP infrastructure projects. The change may make available up to €100 billion of such savings which previously CDP was only allowed to use to finance public bodies. To fund infrastructure PPPs, CDP had to raise money in the markets at much higher cost. In times of tight credit from banks, this could be a significant injection into the PPP market.

CDP is also participating in a number of new European infrastructure funds including the Marguerite fund together with the EIB, France's Caisse des Dépôts et Consignations (CDC) and Germany's KfW and the InfraMed infrastructure fund, which plans to invest in ports, railways and electricity transmission assets in southern and eastern Mediterranean countries.

CDP also raised €700 million in February 2009 through listing senior unsecured floating rate notes on the Luxembourg stock exchange, which is earmarked for financing infrastructure projects.

The Italian PPP market has been affected by the recent crisis in a similar way to other European countries. In the light of the infrastructure plans and funding agreements which the Italian government has successfully concluded, the value of tenders that have been issued is still high.

Nevertheless, funding on the private side remains difficult to find. Further reactions to the credit crunch include the spreading of risk over more members of bidding consortia, higher bank margins for funding and less transfer of risk.

Road PPPs have been particularly affected by the Italian government's economic measures. Despite some very large procurements in process, Italy froze increases in motorway tolls for the first four months of 2009, although

the concession contracts were not otherwise affected. The freeze was part of a general freeze on all tariffs.

## GOVERNMENT AND LEGISLATION

### Policy

Since the elections in 2008, the Italian government policy has favoured the use of PPPs. In particular PPP is used predominantly in the transportation sector (i.e. roads, highways, rail, light rail etc.). The technique is being used to help remedy the perceived gap between the standards of Italian infrastructure and those in other EU countries (e.g. Germany, France and Spain) as well as a method of stimulating the economy in response to the credit crunch. Both central and local government are providing funds to assist projects to reach close.

Despite this policy, not many projects are being awarded and there appears to be a gap between government aspirations and the practicality of completion of real projects.

### Report on progress

A report on public sector administration of project financings was published by the Sda Bocconi School of Management. The report found that of 2,235 initiatives by local authorities (thus excluding the initiatives in the health sector and large infrastructure projects) between 2005 and 2008 in four sectors: parking, sport facilities, cemeteries and public buildings, only 274 reached award of contract, which means a failure rate of 88 percent.

The report found that the main reasons for abandoning or not awarding a project contract could be classified as follows:

Internal evaluation of the entity or change of the top management:	27%
Problems connected with the payment of the public contribution:	25%
Lack of proposals from the sponsors:	20%
Works cancelled from the triennial plan:	18%
The proposal presented did not meet the public interest:	15%
Nobody participated in the bidding procedures:	11%
Bidding procedure suspended by the court:	10%
Lack of authorisation by competent bodies:	8%

Amongst the failings of the public sector identified in the report, preparation appears to be a major factor. Only in 9% of cases had the public sector prepared a feasibility study. 52% of the failures were due to a bad survey at the pre-feasibility stage, 25% to insufficient consideration of the purposes of the investment and 16% to a conflict between the design and other planning instruments previously adopted by the relevant public authority.

Clearly more attention is given to large regional projects and those of national interest. Large motorway projects and hospitals regularly continue to be awarded even if sometimes the process lasts longer than in other countries.

### UTFP

The UTFP (Unità Tecnica Finanza di Progetto – the Italian PPP Task Force), forms part of Italy’s Inter Ministerial Committee for Economic Planning (CIPE), and is in charge of:

- 1) Promoting use of infrastructure financing techniques through private capitals within Public Administrations, at both central and local level;
- 2) Assisting applicant administrations in all phases of Public Private Partnership (PPP) implementation process;



- 3) Supporting commissions constituted within CIPE relating to Italy's infrastructural interventions financing.

Recently UTFP tasks have been extended as follows: (i) the Ministry of Infrastructure and Transport may avail itself of UTFP to perform preliminary analyses for strategic infrastructure projects; and (ii) UTFP, together with the National Statistical Institute (Istat), has been given the responsibility of analysing the features of particular PPP contracts for the purposes of their impact on the Italian national public budget and net deficit. However, the scope of its functions remains more limited than in other countries with developed PPP regulatory bodies.

### Public Contracts Code

To make the implementation of PPPs easier, in September 2008, a new definition of PPP was set out in an amendment to the Italian Public Contracts Code. In particular the law now provides that PPP contracts are agreements where the scope consists of one or more activities such as the design, construction, management or maintenance of public works or utilities, or the supply of a service, which also includes total or partial financing by private operators. In such contracts, the allocation of risks must comply with EU legislation and guidelines. The decree gives the following as examples of PPP agreements; works concessions, services concessions, financial leasing, private finance initiative and mixed shareholding companies. Contracts where the contractor takes responsibility for the works and consideration is delayed or depends on the availability of the asset to the public authority or third party users also count as PPP contracts.

### Procurement

The project finance procurement system was amended in September 2008 (the so called *Terzo Decreto Correttivo*) and changed the procurement procedures for PPPs. There are now three alternative procurement procedures as follows.

#### First Procedure

The procuring authority may publish a call for bids from the private sector on the basis of a feasibility report customarily arranged by the public authority itself. Bidders submit a design and details of the technical,

commercial, financial and legal proposal. Having chosen a preferred bidder, the public authority may request certain amendments to the preliminary design. Should the sponsor not accept the requested amendments, the public authority is entitled to contract with the bidder who ranked second but the public authority must reimburse all the costs of the original sponsor.

#### Second Procedure

As an alternative, the procuring authority may issue a public tender calling for designs and specifying that the concession will not be awarded to the preferred bidder at the first stage. Once a preliminary design has been selected, a new tender is published on the basis of the selected design. In this case, the winner in the first tender has the right in the second stage of the bid to match the winning bid in this second stage. This is known as the *diritto di prelazione* or pre-emption right and must be exercised within 45 days.

#### Third Procedure

If a public authority does not publish a call for bids concerning public works included in its annual list of works within 6 months from the approval of this list, private operators who meet the necessary criteria can submit proposals related to any of such works within the following 4 months. On the basis of the proposals received, the public authority publishes a notice inviting competing proposals and setting out selection criteria. Following selection of a winning proposal, the authority issues a subsequent tender, through one of the following procurement methods: (i) the competitive dialogue, (ii) works concession under public initiative, whereby the Public Administration launches tenders through a restricted/open procedure on the basis of a preliminary draft, a business plan and a concession contract form; or (iii) a tender procedure based on the second procedure described above.

The Italian government tried to take into account a number of considerations including the need to avoid infraction proceedings by the EU and the request of private operators to retain pre-emption rights previously enjoyed under the *promotore* system. The result is that a significant improvement has been made but, nevertheless the regulation is still complicated and unclear in some points.

Market data referred to the first semester of 2009 (Sources: Infopieffe, Cresme and Ance Reports), showing the increase (+31%) in the number of the issued PPP tenders, although the decrease in the tender value (- 40% ) indicate a positive market response to changes introduced through the new legislation.

## PROJECTS

The predominant sectors using PPP techniques for large investments are roads, rail and light rail and healthcare projects. There are also water projects and a notable IT project. Predominant sectors for medium – small sized investments are parking, sport facilities, cemeteries and urban development.

## ROADS

More than 60% of Italian PPPs are roads projects, including tunnels and bridges. There are many projects in process (either in tender or awarded but not yet funded) and a number of projects on hold.

In 2008, an agreement which fixed the tariff increases for the concessions granted to a concession company by the highway agency, ANAS, was approved by the Italian parliament for temporary relief of road users during the ongoing financial crisis. The agreement, which came into force before the freezing of tolls in early 2009 described above, means that the concession company may only increase tolls by a fixed percentage related to inflation during the concessions.

A court decision by the Council of State ruled in favour of a bidder offering a price 25% lower than the *promotore*'s price for the award of the €2.1 billion Pedemontana Veneta toll road. The bidder had initially been excluded from the procedure but was readmitted by the Regional Administrative Court as a temporary measure. The final decision of the Council of State was in favour of the bidder originally excluded and it was awarded the concession.

This project is also an example of how public authorities are taking a stake in PPPs as €300 million is being provided by the Italian government and Venetian regional authorities.

In May 2009, ANAS published a tender for a new €315 million road PPP project to design, build, finance and maintain a 24 kilometre stretch of road connecting the

A1 motorway at the junction of Capua to Grazzanise airport. Public authorities are providing a significant portion of the financing (€200 million) with the private sector funding €115 million.

An example of how lack of debt finance is affecting the PPP market is the €1.1 billion Cispadana toll road which is being let on a BOT basis and which will likely be awarded to the *promotore*, since bidders were not able to find financing

Another project awarded to the *promotore*, is the €1.6 billion TEM project for Milan's eastern ring road. The project, which was started in 2004 and awarded in March 2009, did not attract any competitive bids, arguably on grounds of the difficulties of obtaining private financing.

ANAS reached agreement in March 2009 on a single concession agreement which renewed existing concessions for 242 kilometre of motorway linking Livorno to Civitavecchia, provides for upgrading of certain stretches and provides for the building of a new stretch of road. Total cost is some €3.2 billion.

## RAIL

Whilst the government stimulus package announced in July and November 2008 included a number of rail projects (notably the Milan-Verona line, the Milan-Genoa link and the Verona-Padova connection and a €10 billion allocation for other state rail projects), it is not thought that the heavy rail projects will be let under PPP or concession contracts since the Italian railways remain unprivatised.

Despite the ownership of the rail network by the state rail operator, Ferrovie dello Stato, the Grandi Stazioni railway stations project for the refurbishment of main stations in several major Italian cities operates as a 40 year concession with private partners. In January 2009 the refinancing of the project was closed when two banks provided guarantees for a €150 million loan from the EIB.

Light rail and metro projects are on the other hand moving on, above all in the main Italian cities such as Milan, Rome, Bologna etc. and the sector is expected to develop further over the next few years.

A preferred bidder was appointed in March 2009 by the Bologna authorities for the €90 million light rail system PPP linking the city to the airport. The project which originally

failed due to low traffic forecasts now includes an extended concession period and increased availability payments from the Bologna authorities of €1.5 million per year.

## HEALTHCARE

The hospital and healthcare sector represents one of the more developed sectors in the Italian PPP market. Many projects are under procurement and some of them have reached the financial close. However, this sector is more affected more than others by the difference in the economic development between northern and southern Italian regions. Healthcare projects are customarily procured by local healthcare authorities whose creditworthiness may be questioned by potential bidders.

The PPP Taskforce, supported by the EIB, has structured a new model concession agreement for the Italian healthcare market. The new agreement has been put into place to promote the standardisation of contracts and agreements, which has been long called for by the Italian project finance market. Although its use is not compulsory, if it is used by local healthcare authorities, it should facilitate the comparison and selection of bids and shorten the competitive dialogue.

In January 2009, a tender was issued for the construction of a new €134 million hospital in Monselice. This project is one of the first tenders to be let under Italy's recently amended PPP law. As for other sectors, the proposed contribution to capital expenditure by the public sector is high so that with only debt of €50 million to be found, the debt to equity ratio is low.

## WASTE/WATER

The management and operation of water networks and waste treatment systems is one of the potential growth areas for private sector investment in Italian public infrastructure. However the sector remains state owned and so remains subject to privatisation for full development. It also remains subject to delays and cancellations particularly in the south of Italy where financing is harder to procure.

Banks are finding a good market in the waste and water sectors where concessions and projects are often run by public authorities or companies owned by public authorities.

ACEA is the largest municipal utility in Italy, providing water and electricity to over 9 million consumers in Rome. Whilst it was originally wholly owned by the City of Rome, 49% was sold on the public market. In July 2008, the EIB provided it with a €200 million financing package for the ATO2 water and wastewater concession.

Another example is the waste to energy plant in Gerbido, Turin where in December 2008, 4 banks, including the EIB, provided a total of €412 million in financing. The operator is 91% owned by the city of Turin with other shareholders consisting of a number of municipalities from the Turin region.

In April 2009, two year bridge financing of €70 million for a 25 year water and other services concession in the Ancona region was provided by a 3 bank club. The loan is to be repaid from long term financing of €508 million to be raised in 2010.

## IT

In June 2009, the Italian government announced plans for a proposed PPP project to develop a nation wide high-speed internet network. The PPP project is estimated to cost €1.47 billion of which the Italian government is to provide €800 million and another €188 million is to come from EU funds. The private sector is expected to provide the rest of the funding. A further, more ambitious plan to introduce nationwide fibre optic network is also likely to be procured through PPP.

## THE FUTURE

With many major projects under procurement, the public sector faces an enormous task to organise itself well enough so that projects can be achieved. Even if projects overcome this hurdle, the difficulty will be to find sufficient numbers of private sector parties willing to provide equity funding to match government funds on large projects and to finance smaller projects generally.

# LATVIA

## UPDATE

- The financial crisis in Latvia is one of the worst in the EU and contributed to the collapse of its government in February 2009.
- Pre crisis, PPPs formed part of government policy but budgets constraints have resulted in many projects being put on hold.
- Most PPPs to date are concessions but a draft PPP law came into force in October 2009. It will provide a comprehensive framework for further PPP opportunities.

## RESPONSE TO THE CREDIT CRISIS

Until the onset of the world financial crisis, Latvia enjoyed a booming economy. After a sharp down turn which saw GDP shrinking by 10.5% in the last quarter of 2008 and a run on Parex bank, the third largest bank in Latvia, the Latvian government turned to the IMF and the EU for support, negotiating a support package of €7.5 billion. The support package was accompanied by stringent austerity measures, including unpopular cuts in public expenditure, such as 50% cuts in the salaries of teachers and 10% reductions in pension payments. GDP has continued to fall so that in the second quarter of 2009 it was down some 19%. At the end of February 2009, the government collapsed. The worsening economic situation led Standard & Poors to downgrade Latvia's rating to non investment grade BB+ with a negative outlook.

The Latvian government has undertaken, in a Letter of Intent sent to the International Monetary Fund in July 2009, not to launch any new PPP projects in 2009, except for an existing project for four kindergarten (see below in Education). In September 2009, the Cabinet of Ministers issued a decision reflecting this intent on the grounds that any such projects would require payments to be made from central and local governments' budget resources. The decision does not restrict preparatory work for PPPs being carried out by the public sector in order that tenders for PPPs can be issued as soon as public finances permit. In addition, the decision does not restrict the signing of concession contracts where payment is made by private sector end users.

## GOVERNMENT AND LEGISLATION

### Policy

The Latvian PPP programme was set out in the Latvian government's Policy Framework Document published in 2005 and the PPP Action Plan for 2006 – 2009. These two documents show how from a standing start, a framework within which PPPs would operate was to be put into place and provide the timeline by which the actions to create the framework were to be in place. The policy objective is to ensure that PPP becomes a significant instrument in the provision of public services and infrastructure.

As of June 2009, all the functions relating to the development of PPP policy, as well as PPP financing issues and human resources, moved from the Ministry of Economics to the Ministry of Finance which becomes the supervisory authority for PPPs.

The Latvian Investment and Development Agency (LIDA) is responsible for the implementation of PPP projects, working out proposals for promotion of PPP, development and supporting development and implementation of projects, provision of information and assistance to central and local government bodies. LIDA also acts as a central focus for PPPs and according to its figures, 2 PPPs were implemented in 2007 and 16 in 2008.

During 2008, LIDA organised grants for central government institutions (ministries) and municipalities (regional and local) for preparatory works for PPPs of between €20,000 and €250,000. Monies for the grants came from the Norwegian Bilateral Financial Instrument.

In addition, a PPP Consultation Board was established with the objective of providing a platform for various government institutions and private sector participants to discuss actual PPP-related issues.

### The legal framework

The Concessions Law of 2000 regulates certain types of PPPs including concessions, DBFO and BOT type projects. Concession agreements must be registered in the Concessions Register held in the Ministry of Justice although contracting authorities remain responsible for their monitoring and control.

In October 2009, the new "Public Private Partnerships Law" came into force. The law builds on the provisions of the Concession Law and draws on best practice across

Europe as well as taking into account the EU Green Paper. The Law deals not only with contractual PPPs but also deals with issues which have not elsewhere been legislated for, such as step-in rights and the regulation of what it calls ‘Institutional PPPs’ that is PPPs which consist of joint ventures between the public and private sectors.

The Law prescribes the procedures for decisions to undertake a PPP and entering into PPP contracts. It regulates the information to be included into the contract and many of the contractual provisions for both contractual and institutional PPPs. It sets out a regulatory framework for monitoring, including making provision for a Monitoring Institution, how it will operate and how it will control and monitor PPP agreements.

### Procurement

Latvia has implemented the EU public procurement regulations and in its policy documents specifies that normally the open or restricted method of procurement should apply, although it envisages that in some cases competitive dialogue will be necessary. The Public Procurement Law specifically states that all concessions over five years up to a maximum of 30 years must be approved by the Cabinet of Ministers.

## PROJECTS

### GOVERNMENT ACCOMMODATION AND SERVICES

A catering concession agreement was signed in December 2008 for the provision of catering services to the Latvian National Armed Forces.

In 2007, the Ministry of the Interior submitted a report on the State Fire and Rescue Service (SFRS) setting out proposals for the construction of new fire stations and renovation of existing fire stations. So far funds have been granted for only one such project, in Valmiera.

Riga City Council is drawing up plans for the building of an administrative complex in Tornkalns for its own and other public institutions’ administrative accommodation. In addition, Riga City Council has plans for a concert hall and a new contemporary art museum.

In March 2008, the Latvia and the Norwegian Ministry of Foreign Affairs signed an agreement to develop on a PPP basis a multifunctional centre which will become a focus of international and regional cultural activities based around the historic Daugavpils fortress.

## AIRPORTS

Three consortia submitted bids for the expansion and refurbishment of Riga international airport to handle up to 20 million passengers per year. The project value is approximately €150 million. A preferred bidder was selected as the private partner, but the contract was terminated by the Latvian party after reassessment of the passenger growth estimates due to the economic downturn.

There are plans for the development of the regional airport of Daugavpils.

## ROADS

The State Joint Stock Company Latvian State Roads is responsible for the implementation of road PPPs. It has a programme of 5 projects for the period 2008 – 2013 as follows:

- Road E67 Riga bypass, section Baltezers - Saulkalne;
- Road E67 Kekava bypass;
- Road E22 section Priedaine-Sloka;
- Road E77 section Riga-Jelgava;
- Road E22 Tinuzi – Koknese.

It currently has in procurement the €350 million Riga bypass pilot PPP project for which four consortia have pre-qualified. The project consists of the renovation and expansion into a dual carriageway of the 25km Riga bypass up to the Senite section of the E77/A2 road. The DBFO concession contract is for a 24 year period. The four pre-qualified bidders and the potential financiers were invited to comment on the draft tender documents, and the revised tender documents are expected to be released during the last quarter of 2009. The deadline for bids is estimated at year-end 2009 or the first quarter of 2010.

Another project which it has in preparation is the Riga park and ride scheme under which traffic would be diverted from the city centre which would assist in promoting clean air.

The largest Latvian procurement is the proposed Riga Northern Transport Corridor PPP project. This project is a new main road which will cross Riga from west to east, bypassing the historical centre which is a UNESCO World Heritage site. The project forms part of the TEN-T and will include Riga Port.

## EDUCATION

One project for a catering concession for a kindergarten including the provision of equipment and stock has already been signed.

Four local governments, Tukums, Kekava, Marupe and Ogre are combining to procure a new kindergarten for each municipality. The Ministry of Regional Development and Local Government is hoping to achieve economies of scale by procuring the kindergarten as a bundle. One other proposed PPP for a kindergarten was changed to traditional procurement.

## HEALTHCARE

Jelgava district council concluded a concession agreement for the reconstruction of the Jelgava district hospital and has transferred shares in the municipal enterprise “Jelgavas rajona slimnīca” to a joint venture company.

There is in preparation a project for the development of a cyclotron centre near the Salaspils nuclear reactor which is being dismantled and decontaminated. The radio pharmaceutical products of the cyclotron centre will be used for cancer and metastasis diagnostics, prevention and medical attention as also for diagnosis of cardiovascular diseases and neurological problems. The products will be used in other Baltic states which have no such centres. The centre will also operate as a scientific and medical research centre.

## WASTE/WATER

The Lielplatone district council granted a concession agreement for the management of resources which include artesian wells in Lielplatone and Sidrabe, the water main and waste water network. Similarly the Eleja district council granted a concession for water supply and waste water treatment in Eleja. In each case the existing infrastructure was handed over from the municipal enterprise to the private sector partner.

A waste collection and management concession agreement has been granted by the Aglona district council and another by the Sigulda district council for the provision of waste collection in the Sigulda area.

## DISTRICT HEATING

The Sigulda district council granted a concession agreement for the production of thermal energy and provision of district heating in Sigulda. This project benefited from an ERDF grant.

The Jekabpils City Council is seeking to implement a PPP which would help to keep down prices for heating through reconstruction of the local district heating system to make it more efficient and by implementing other incentives for heat conservation by end users.

## JUSTICE/COURTS

The Court House Agency has a PPP project in preparation for the construction of an administrative building for the agency and for three new court houses.

The Ministry of Justice announced in April 2008 that it was to develop a strategy for development of prison infrastructure. Investments of over LVL398.5 million over a 30 year period are envisaged.

## THE FUTURE

The economic and political situation is not currently supportive of PPP. However, the introduction of the PPP law suggests that government policy is likely to be favourable once the economy starts recovering.

# LITHUANIA

## UPDATE

- There have been no PPPs so far at central government level. The overall number of PPP projects initiated and carried out by municipalities has been relatively small.
- As part of its response to the credit crisis, the central government has recently decided to launch a PPP programme aimed at mobilising all available resources for an early economic recovery.
- The Government has already initiated legal changes allowing for a wider PPP concept which have recently been passed by Parliament and which will come into force on 1 January 2010.

## RESPONSE TO THE CREDIT CRISIS

Economic activity in Lithuania has slowed drastically over the past year. Driven by strong domestic demand and substantial capital inflows, real GDP rose by an annual average of 7.5% per year since 2000, before moderating to 3% in 2008. As with other Baltic countries, Lithuania has been increasingly affected by the deceleration in credit growth and falling asset prices. In addition, the global financial crisis, the difficulties in the whole Baltic region, and falling external demand as of mid-2008 led to a further slowdown, with the Lithuanian economy falling into recession in the second half of 2008. Both domestic and external imbalances have been high in recent years, leaving Lithuania vulnerable to the global financial turmoil. In particular, external financing conditions and global growth prospects have deteriorated significantly over the past year. Current indications suggest a substantial reduction in the availability of finance in the coming years for households, corporates, municipalities and larger infrastructure projects.

In the light of the financial crisis, the main priorities of the Lithuanian government are to stabilise the financial system, further improve the business environment to retain investor confidence, ensure security of energy supply and modernise municipal and environmental infrastructure. As part of its response to the credit crisis, the central government has recently decided to launch a PPP programme aimed at mobilising all available resources for an early economic recovery.

## GOVERNMENT AND LEGISLATION

### Policy

There is no published PPP strategy, but there is the clear understanding within Government that PPPs should be a means of stimulating the economy. Guidance has been prepared regarding value-for-money criteria and the allocation of responsibilities and structures for decision-making. This includes an approvals mechanism and guidelines to help coordinate the contributions of all relevant stakeholders.

A comprehensive concept for rolling out a PPP programme in Lithuania has been developed by the Ministry of Finance, which is in charge of the institutional set-up of the new programme, covering both national and regional/municipal public authorities. This defines responsibilities, procedures and milestones. The Ministry has already initiated legal changes allowing for a wider PPP concept, which were passed by Parliament in June 2009 and which will come into force on 1 January 2010. The Ministry is in the process of developing guidelines for PPP project preparation and implementation, including guidelines for risk sharing among projects partners, and is also about to establish a central PPP task force within the Central Projects Management Agency (CPMA, to be funded from EU structural funds) for the purpose of assisting the public sector on all PPP-related issues.

Implementation of the PPP programme is envisaged in three stages:

- Phase I is to cover the initiation of about 6 pilot projects in 2009/10.
- Phase II is to cover the closure and implementation of the first projects and the initiation of additional projects in the same sectors and using replicable structures in 2010/11 and beyond.
- Phase III is to cover monitoring and administration of the projects during the agreed period.

The selection of the Phase 1 projects is scheduled for the autumn of 2009.

### Procurement

The PPP concept envisages that project initiation and implementation would remain the responsibility of the relevant public authority, but that the central PPP task

force would provide transaction advice and support throughout the project cycle. As part of the quality control process a number of gateways are to be defined, which will need central government approval in order to proceed to the next steps.

## **PROJECTS**

### **Roads**

Road projects are likely to be included in the first phase of pilot schemes. Possible candidates are a number of much needed by-passes, e.g. for the city of Klaipeda.

### **Public buildings**

Public buildings seem to be another priority area of the Government, in particular schools and police stations seem to have been singled out for the first phase of PPP projects.

## **THE FUTURE**

The Lithuanian Government has decided to become serious about launching a credible PPP programme. PPPs are therefore to play an increasingly important role in Lithuanian public procurement once the new institutions and mechanisms have been tested with the first six projects.





## VIEW FROM LITHUANIA

### DEVELOPMENT OF THE LITHUANIAN PPP PROCESS

Lithuania is, as are most countries across the world, facing an increasing demand for public infrastructure and public services development and their qualitative improvement. For this reason, PPP is considered as one option to stimulate the economy and deliver the required investments needed in order to close the infrastructure gap. Previously Lithuanian legislation provided for limited public-private sector cooperation. However, appropriate improvements recently made in the country's legal system will soon allow for a wider PPP concept. Nevertheless, a lot of further work remains to be done in order to elaborate an effective PPP process and prepare for the launch of a coherent PPP pilot programme in line with the best international practice. In addition, one of the most critical issues remains public sector capacity to identify projects suitable for PPP procurement. These issues are currently under review by the Lithuanian Ministry of Finance (MoF) and its constituent entity, the Central Project Management Agency (CPMA). The CPMA has been recently assigned a central PPP task force to assist the public sector on all PPP-related issues and, working in close cooperation with the MoF, to contribute to achieving a high level of competence in Lithuania's PPP market. Central PPP taskforce activities will be funded from the EU structural funds' (European Social Fund) operational programme, "Development of Human Resources", IV priority "Strengthening of Administrative Capacities and Increasing Efficiency of Public Administration" within the 5 year period 2010-2014.

Further, MoF and CPMA activities will cover the establishment of well defined PPP process management and control systems and the development of an efficient, methodological and consultative assistance mechanism. The assistance mechanism will include working up comprehensive methodologies and recommendations for PPP transactions and other PPP related issues, including guidelines on projects selection criteria, projects evaluation, implementation and supervision. These will in turn enable the public sector successfully to progress PPP projects to closure. Substantial effort should be focused on arranging high quality regular PPP training for public and private sectors' representatives.

Because this scope of work will require the assistance of strong local and international experts, EIB and EPEC have been encouraged to consider contributing to the development of Lithuanian PPP through consultative support, assistance and financing and through the JESSICA programme by developing a concept for a guarantee mechanism to support the financing of PPP projects in urban areas (particularly public buildings like police stations, schools, hospitals, etc.). This consultative and financial support is likely to provide Lithuania with the necessary knowledge and skills to facilitate the implementation of PPP projects.

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Ministry of Finance  
Lithuania

# MALTA

## UPDATE

- Malta has come through the credit crisis better than most but has an increasing fiscal deficit.
- Malta implements PPPs both through a system based on the UK's Project Finance Initiative and regulated through its PPP Unit, and through concessions which are regulated through its Privatisation Unit.

## RESPONSE TO THE CREDIT CRISIS

The Bank of Malta expects GDP in Malta to decrease by about a total of 0.6% in 2009, having suffered falls of about 3.3% in the first quarter of 2009. It is forecasting a slight growth for 2010, although the EU and the IMF are forecasting higher rates of growth. The Maltese financial services industry, which has been growing at the rate of 30% per year since Malta joined the EU in 2004 has come out of the credit crisis relatively well. Although growth of only about plus 2% is expected in 2009, this is still positive growth where in other countries the financial sector has decreased dramatically. The Maltese Minister of Finance puts this down to high standards of banks and financial services regulation and to an absence of "toxic assets" from banks' balance sheets. The trend in another of Malta's major industries, tourism is down but it is also holding up well on a comparative basis. A major marketing campaign has been instigated to continue to attract visitors.

Despite its relatively strong economic performance, Malta is suffering from a fiscal deficit of some 4.6% for which in July 2009 the EU commenced action against it for breach of the rules of the Economic Growth and Stability Pact. Malta is therefore faced with having to implement expenditure cuts in order to reach the 3% limit by December 2010. Malta joined the eurozone in January 2008.

The government's budget for 2010 emphasises the need for investment in improving Malta's competitiveness through education and training and better infrastructure, energy security and efficiency and the next generation of broad band technology.

## GOVERNMENT AND LEGISLATION

Within the Ministry of Finance there is a PPP Unit whose task is to act as a focus for PPP initiatives and co-ordinate, monitor and advise on the efforts of various departments in implementing PPPs. It has developed a standard form

PPP contract based on the UK's SoPC4. The Privatisation Unit grants concessions as a form of privatisation which arguably are also a form of PPP.

## Procurement

As a member of the EU, Malta is in compliance with the EU public procurement regulations and PPPs are advertised in accordance with them. There are no special laws relating to PPPs, although there are some sectoral laws such as for maritime matters which may also be of relevance to PPPs in the relevant sector.

## PROJECTS

### LEISURE

In July 2009, MIMCOL received 3 offers for a ten year concession to manage, operate and develop the Dragonara Casino Complex.

Whilst the tenders for the 'privatisation' of 3 marina facilities are being handled by the Ministry of Finance's Privatisation Unit, arguably the tender is a form of PPP in that it asked for bids to manage, operate and develop the marinas for a concession period of twenty five years after which the facilities revert to the Malta Maritime Authority. Twelve bids were received in August 2009 and these are under consideration.

### PORTS

A 45-year extension of the terminal operation concession at Marsaxlokk port was granted to the incumbent concessionaire in February 2008. The extension is part of an agreement for a €130 million expansion and modernisation programme to develop the infrastructure and equipment. It includes dredging works, expansion of the shipyard and installation of modern equipment.

## THE FUTURE

With a requirement to cut expenditure to meet EU regulations, the Maltese government is focusing on other issues than PPPs.

# THE NETHERLANDS

## UPDATE

- Despite current conditions on the financial markets, the Government is still continuing its PPP policy, which identifies PPP as the key instrument to deliver better government services and value for money.
- Most projects are in the government accommodation, prisons and transportation sectors but new PPP sectors are under contemplation including education, health and municipalities.

## RESPONSE TO THE CREDIT CRISIS

In July 2009, the Minister of Finance stated that he was taking measures to reduce the funding required per project and increase the number of lenders involved in each project, for example by reducing the amount of committed finance required per project.

In March 2009, the government announced a €6 billion package of measures to stimulate the economy. Part of this package consists of the government bringing forward maintenance plans for roads and waterways. Money will also be spent on improving schools and hospitals or building new ones. Procedures will be accelerated so that businesses and private individuals can start construction projects more quickly.

In May 2009, the Directorate-General for Public Works and Water Management announced a new fund, the “Infrafronds” to finance infrastructure projects with the help of institutional investors, such as pension funds. The government is also considering greater involvement with the European Investment Bank.

Dutch infrastructure funds have responded to the government’s encouragement and have been active in creating new funds for PPP projects although many have so far concentrated on renewable energy. It is notable that Dutch investment funds aim at investments across the European Union and not only in the Netherlands.

## GOVERNMENT AND LEGISLATION

In June 2008, the Minister of Transport, Public Works and Water Management and the Minister of Finance was presented with a report from the Private Financing of Infrastructure Committee (the Ruding Committee) on the possibilities of deriving additional value by using private financing in the road and rail sectors. The committee’s

recommendations included, encouraging a more positive attitude towards PPP and the involvement of institutional investors in PPP. The committee found that transaction costs reduced but are still high and that there is a lack of experience with PPP structures in the semi government and decentralized government like health schools and municipalities.

As a result of the report, in October 2008 the Dutch government lowered the threshold at which projects qualify as a PPP from €112.5 million to €60 million in order to make smaller projects eligible for PPP. The Directorate-General for Public Works and Water Management is currently searching for new potential PPP projects, while a total of 12 infrastructure projects are in the Public Private Comparator (PPC) phase.

There are initiatives to systematise the current knowledge on PPP. The government has introduced a standard form contract for housing, defence and transport projects as a means of improving quality and decreasing transaction time and costs.

In addition, for the health and education sector two organisations have been set up, “Servicecentrum Onderwijs” (Service Centre Education) and “Centrum Zorg en Bouw” (Centre for Health and Building), which provide information about PPP to those putting projects out to tender in those sectors.

There are currently two municipal infrastructure projects for which a PPC is being executed in cooperation with the central government.

## Procurement

The EU public procurement regulations were implemented into Dutch law in 2005. The Ministry of Economic Affairs published a draft legislative proposal for a new procurement law in April 2009 which is open for public consultation. A previous proposal was rejected by the House of Representatives in July 2008 and it remains a draft.

In February 2008 the Dutch Ministry for Housing, Spatial Planning and Environment won a court appeal which upheld its selection of the Facilicom consortium as preferred bidder for its €25m Doetinchem Tax Office PPP. The appeal comes after the second-placed consortium Combinatie FACTOR had made a successful court appeal that stripped Facilicom of its preferred bidder status. This was overturned in the Dutch ministry’s favour and the Facilicom consortium should be confirmed as preferred

bidder. The second placed bidder FACTOR did not agree with the scoring system that was used to create the order of ranking. Both bidders, FACTOR and Facilicom, scored 50 points on the criterion of economic costs. Factor thought this was unfair, because it had provided a lower price than Facilicom on this criterion. The court found that only the bidder with the lowest price should be awarded 50 points. The court of appeal found that it was possible to award both bidders 50 points, because in the particular circumstances of this case it was not just a question of the lowest price. A graduated calculation of interest was used and therefore two bidders could be held to perform equally and be awarded with 50 points.

## PROJECTS

### GOVERNMENT ACCOMMODATION

In June 2008 a PPP project for the construction of a building to house the Tax Administration and Information Management departments in Groningen, in the north of the Netherlands reached close.

In September 2008 the first government building project, for the Ministry of Finance, finished its construction phase.

### ROADS

Four consortia pre-qualified for the €357 million project to widen the A12 connecting Utrecht to Veenendaal. The project forms part of the TENS network. The European Investment Bank will also be involved in financing this project.

In March 2009 a total of four consortia pre-qualified for the highway project worth some €2 billion from Maasvlakte to Vaanplein and the tender is likely to be issued at the end of 2009. The EIB is considering a €500 million loan for this project and the Dutch government is considering other methods of finance. The concessionaire will be remunerated through availability payments based on standards of performance.

In April 2008 the €595 million Coentunnel (II) project, a new underwater tunnel and the refurbishment of the original tunnel in Amsterdam closed but only after the Dutch government reviewed the level of dust emissions which the project will generate and gave clearance for the project to go ahead. The European Investment Bank is one of the funders and the project reached financial close in June 2008.

## EDUCATION

In the education sector there has been only one PPP project, the Montaigne Lyceum at Voorburg. In February 2009, the state secretary of the Ministry of Education, Culture and Science announced ten pilot projects in the education sector.

## HEALTH

The Minister of Public Health, Welfare and Sports announced three pilot projects in the health sector in February 2009.

## JUSTICE/PRISONS

A tender for the Zaanstad prison project, the second project in the prisons programme, was published in June 2009. It will house over 1,000 prisoners. Prequalifiers are to be announced in September 2009.

A new justice centre near Schiphol airport is currently being tendered. The project consists of a detention facility for 580 detainees, courtrooms, offices and a facility for persons applying for asylum.

## DEFENCE

In July 2008, the first defence PPP project closed. The DBFMO contract for the PPS Kromhout Kazerne (barracks) was amended in February 2009 to provide for an additional 1,000 workplaces.

## THE FUTURE

PPP remains government policy and the financial support which the government is providing and encouraging should feed through to enable existing projects to progress to completion.

In the sectors of infrastructure and accommodation, it is likely that several of the projects in the PPC phase as at July 2009, will go on to be developed into live projects. In addition, the N33 road project and the A1/A6/A9 Schiphol Amsterdam Almere project will be tendered in 2010.

PPP is being introduced in the health sector and further developed in the education sector. For these two sectors the government has announced a total of 13 pilot projects.

# NORWAY

## UPDATE

- PPP is used mainly to increase efficiency and value for money rather than for financial reasons.
- The current government does not favour PPPs but the situation may change following elections in autumn 2009.
- Local authorities may favour PPPs, particularly when they are required to take over the maintenance of roads from central government.

## RESPONSE TO THE CREDIT CRISIS

Whilst wealthy Norway is relatively unscathed by the credit crisis, it has taken measures to combat effects on the economy and to promote employment. The central bank has continually lowered interest rates and the government has pumped money into the budget. Whilst Norwegian banks remain financially sound, the government has offered support by means of a swap facility for bonds held by banks in exchange for government bonds and access to a state finance fund of NOK50 billion which will provide additional capital to banks so that they can maintain lending levels. The government is also setting up a second state bonds fund with capital of NOK 50 billion which will allow industrial companies access to the bond market. It has provided more capital for the Kommunalbanken Norway which funds local government and introduced tax changes for companies. Norwegian banks, as did other Scandinavian banks, suffered a financial crisis in the early 90s after which many were partially privatised. This model has been taken up by many countries in Europe as a solution to the woes of the banking sector.

It is interesting that a number of Norwegian local authorities had exposure to the credit crisis in the United States through direct investments in American commercial paper.

## GOVERNMENT AND LEGISLATION

The current Norwegian government does not see privatisation of the public sector or the use of PPP as useful policy tools. Despite the generally acclaimed success of the pilot projects, in its new Transportation Plan for 2010–2019, the government does not propose any further PPP projects in this sector. Even though the PPP model has resulted in a more effective execution of projects, it has not been possible to prove significant cost

advantages over the traditional model for financing from the state budget. With no shortage of funds, the current Norwegian government finds that the PPP model does not have substantial advantages over the traditional model for financing.

It should be noted, however, that an extensive survey from the Institute of Transport Economics (*TØI, Transportøkonomisk institutt*), commissioned by the government, concluded very positively in favour of PPPs in the road sector. It is also interesting to note that the national congress of the Labour Party (*Arbeiderpartiet*), which is the largest government party, voted in favour of project financing of roads and railways to secure efficiency in larger transportation projects, meaning that the largest government party in essence seems to disagree with the government on this issue (albeit it is not entirely clear what “project financing” entails in this context). One of the larger opposition parties has prepared an alternative Transportation Plan, which provides for the implementation of 3–5 PPP projects each year during the period. In total this alternative Plan proposes to implement a total of 22 PPP projects over a ten-year period in the road sector alone.

Consequently, the general elections to take place in September 2009 may significantly affect the prospects for future PPP projects in Norway.

It is however possible that the PPP model may be used on a regional or local level, as the county and municipality administrations may have a different view on the need for and benefit of PPP projects. Also, the regional and local administrations often have a weaker financial situation than the state and may need to consider PPPs for financial reasons. Although the potential extent is not entirely clear yet, regional governments will be required to assume responsibility for the upgrading and maintenance of large sections of the national road network. This is an area where PPPs may become relevant in the near future.

It is also likely that no further PPP projects will be undertaken in the near future at the national level in other sectors. Outside the transport sector, there has not been much PPP activity so far, with only two school projects having successfully closed and those were in October 2005. Both projects have performed successfully in terms of timely completion of construction and keeping to budget. Currently the PPP model is being considered by Vestfold county for the Færder school.

In addition, hospitals and rail infrastructure are areas that are being evaluated in terms of their potential for PPP. However, the evaluations are not yet complete and, currently, there are no concrete plans for PPP projects in these sectors.

A small number of projects in the defence sector have also been completed, but there are no specific plans for introducing PPPs on a larger scale.

## **PROJECTS**

### **ROADS**

The third of Norway's pilot PPP road projects, the E18 section between Grimstad and Kristiansand, is currently under construction, after financial close in 2006. There have been some "road-bumps" in the construction of this section, including cost overruns, but the outlook for completion is still good and is scheduled for summer 2009. Agder OPS, the concession company for the E18 project, has suffered difficulties under the credit-crunch crisis because its project is a monoline wrapped deal. The monoline guarantor has been downgraded from AAA to A- with implications for the other funders and project implementation. The project has also suffered cost overruns but these have been absorbed by the contractors.

The two other projects, the E39 Klett-Baardshaug in Soer-Troendelag County in the middle of Norway (financed partially by an EIB loan) and the E39 Lyngdal-Flekkefjord in Vest-Agder County reached completion with very favourable results and efficiency effects.

### **THE FUTURE**

The further development of PPP in Norway would appear to be dependent on a policy change. This could happen as early as after the elections in September 2009. Local authorities may view the concept more favourably on financial grounds as central government delegates more responsibility to them, particularly for the maintenance and operation of roads.



# POLAND

## UPDATE

- The effects of the credit crunch and the demands of meeting the EURO 2012 timetable meant that the government had to use traditional methods of procurement rather than PPP methods.
- In February 2009 a new Act on PPP and a new Act on concessions came into force. This new legislation triggered interest in PPP and concession schemes, particularly among municipalities where there are signs of an emerging pipeline of smaller projects.

## RESPONSE TO THE CREDIT CRISIS

To combat the recession, the Polish government has embarked on an €8 billion programme of asset sales (such as of the utility, Polish Energy Group) and has increased its investment in infrastructure. In particular, the government wants to deliver as many infrastructure projects as possible ahead of the general election in 2012 and the UEFA football championships (EURO 2012).

The difficulties in obtaining financing have delayed the financial close of two large motorway projects. The two motorway projects had been developed as DBFO concessions, so the private partners were theoretically responsible for finance but had been unable to secure sufficient funding. These two projects were rescued by the EIB but a third motorway project was cancelled due to the conditions on the financial market.

Tight financial constraints meant that municipalities have been looking at other methods of improving their infrastructure. Provided that a project is off-balance sheet, the PPP structure is attractive because it helps municipalities to avoid the legal constraints on incurring indebtedness. A pipeline of projects has started to emerge. These are mostly car parks, water supply and sewage treatment facilities, thermal utilisation plants and potentially some transportation projects. However it is expected that risk profiles need to be revisited to adjust to lenders' expectations and market conditions will have to improve before some of the new projects will be able to reach financial close.

## GOVERNMENT AND LEGISLATION

### The Government

The Polish government is facing political pressure in relation to the absorption of EU funds and so while its policy is encouraging to PPPs, it has in fact devoted more attention to ensuring that EU funding is used in its infrastructure projects. There is a perception that it is difficult to harmonise the implementation of a PPP project with the relevant political cycle. On the other hand, PPP is seen as an opportunity to make off balance sheet investments which is becoming more and more attractive for municipalities as their public debt approaches the permitted level of 60% of their annual income.

### The new PPP Act

A new PPP law entered into force in February 2009 but several issues still need to be resolved. In particular, in most cases, the sector regulations must be adjusted to enable or to adapt to the requirements of financing terms in PPP projects. For instance, each of the Law on Solid Wastes, the regulations concerning hospitals and their financing and the regulations concerning the tasks of the municipalities must be carefully examined to assess whether concession or PPP structures under the new PPP and concession legislation are in fact feasible in the given sector. As at August 2009, no new PPPs have been launched under the new legislation.

### Foundation Centrum PPP

In July 2008, the Foundation Centrum PPP was founded by over 40 entities, both public and private, to disseminate information and encourage better PPP implementation. The Centrum acts as a government agency. Its work plan for 2009 includes the organisation of 16 regional conferences under the patronage of the Ministry of the Economy.

### Procurement

According to the PPP law, either the procedures set out in the Public Procurement Law or in the Act on Concession should be used to appoint the private partner. The procedures set out in the Act on Concessions may be used where the remuneration of the private partner comes only or mainly from end users rather than a government body. In all other cases the Public Procurement Law procedures apply. Polish procedures are based on the EU public procurement regulations.

## VIEW FROM POLAND

One of the main actors active in the Polish PPP market is the Ministry of Regional Development (MRD). MRD is mainly, though not exclusively, involved in investments co-financed with EU Funds. The MRD has a special role in the monitoring of projects which are of strategic importance for the implementation of specific programmes and are an alternative to open competition.

One of the individual project groups planned via PPPs or concessions is thermal utilisation plants. Those projects are supposed to be put into effect *inter alia* in Warsaw, Szczecin, Lodz, the Tricity metropolis (Gdansk, Gdynia, Sopot) and Bydgoszcz – Torun. This last project is at the most advanced stage. A PPP feasibility study and prequalification tender are due in 2009. The proposal plans a DBFO concession over 25 years, with a project value of €160 million, financed as to 58% from the Cohesion Fund and 42% from financial institutions. The *Lodz Solid Waste Treatment - phase II* project will have completed a feasibility study in 2010 and is planned as a BOT. The management duration is still undecided. Project value is €660 million of which 55% will be financed from local authority budgets and 45% from financial institutions.

Some municipalities in the Polish market plan to purchase services via concessions. The following are examples of projects for which OJEU notices have been published.

- A concession for water and sewage management in Siemianowice Slaskie valued at approximately PLN 333 million. The contract is for at least 15 years.
- Concession sewage treatment facilities in Bedzin valued at PLN 325 million. Contract duration is at least 15 years.
- Concession services in the healthcare system in Bialystok valued at PLN 56.25 million. The services will be provided for 15 years.
- Concession access to wireless internet network in Poznan valued at PLN 23 million. The concession will continue until 31 December 2022.

Furthermore, municipalities and the MRD are interested in and have already signed agreements with consulting companies to prepare and implement a number of investments planned in cooperation with private partners.

Due to the fact that recent Polish legislation entered into force only in early 2009, none of the municipalities has yet signed an agreement with a private partner. However, the current economic climate is forcing the public sector to seek alternative sources of finance.

**Krzysztof Siwek**  
**Marcin Jędrasik**

Ministry of Regional Development  
Poland

## PROJECTS

### ROADS

Financing of road projects is proving problematic. In January 2009 the Strykow-Pyrzowice section of the A1, part of the TENS North South motorway, was awarded with a year to find funding. In June 2009 the concessionaire gave a mandate to two banks to seek funding for the project. The second part of the A1 from Gdansk to Torun reached financial close in July 2009 but only after negotiating funding of €575 million from the

EIB, €345 million from Sweden's development agency, SEK, and €150 million from the Nordic Investment Bank.

There are 3 sections of the A2 project which aims to link Warsaw with Berlin by motorway. The section from Nowy Tomysl to Swiecko is required for EURO 2012. It reached financial close in June 2009 and was oversubscribed. However, the project had a full government guarantee, covering not only debt service but also termination costs and the EIB provided 62% of the funding rather than its usual 50%. By contrast in February 2009, on the Stryków - Konotopa section of the A2 project, the government



cancelled the PPP tender and is retendering the project as a design and build project. The bidders and the government failed to agree the terms of the concession agreement due to the bidders considering that the original risk profile could not be accepted in 2009 market conditions and the government rejecting the bidders' proposals to impose tolls. This experience may cause the government to reconsider its approach to the risk profile on PPPs in this sector by moving towards availability payments.

The PPP pipeline currently under consideration by the road authorities is modest as it only includes a few projects including one motorway concession, a bridge and/or tunnel, and express roads. This may be due to a shortage of qualified personnel.

Recent changes in the road legislation aim to abolish the vignette system for heavy goods vehicles above 3.5 tons ("HGVs"). The result of the change in law is that the volume of HGVs using the toll motorways has dropped because the vehicles now have to pay tolls rather than a flat rate. This has resulted in a decrease in the income of concessionaires.

A tender for a toll system on the A4 Krakow Tarnow Motorway on a PPP basis was issued in March 2009. An electronic toll collection system for HGVs is to be implemented on motorways and also perhaps on express ways in 2011. It is possible that this scheme will be implemented through a PPP.

## AIRPORTS

After Poland was selected as one of the hosts of EURO 2012, several projects involving reconstruction/ construction of local airports were considered, with some of them to be implemented as PPPs. Currently, it seems that none of these proposals will materialise. The considerable amount of EU funds as well as the time pressure lead to a decision against PPP and in favour of traditional investments. However, Bydgoszcz airport has formed a 'PPP' by way of a joint venture with an international investor by selling off 49%, the maximum stake in an airport a foreigner may acquire under Polish law.

## RAIL

The outlook for PPPs in the rail sector is rather negative. There is a great need for modernisation of the rail infrastructure and rolling stock. However, the entire railway system is owned by PKP – a state owned group – and it seems that there is no unified plan for the development of the rail network. Due to these organisational difficulties, no major improvements have yet been tendered. The availability of EU funds for the development of rail has tended to discourage the implementation of PPPs. On the other hand there are plans for a high speed rail line from Warsaw to Wroclaw although it remains to be seen whether that will develop as a PPP.

The only exception seems to be railway stations. Refurbishment and construction of four railway stations, at Warsaw Zachodnia, Warsaw Wschodnia, Poznan Główny and Katowice Główny are targeted for EURO 2012. At least some of these investments may be achieved through PPP structures.

## HEALTHCARE

Healthcare in Poland is a particularly difficult sector. There is a great need for a general restructuring of the healthcare system. The current government is putting a major effort towards developing a restructuring plan for the healthcare system but it has not yet been published. Until the plan appears it is hard to predict the outlook for PPP in this sector.

Further, the biggest problem for the introduction of healthcare PPPs in Poland is the source of funding/ guaranteeing the private partner's remuneration. The sector regulations have not yet been adapted for the introduction of PPPs.

## WASTE/WATER

Investments in this sector have been financed with EU funds and, most recently, from EIB loans to be extended to municipal companies (the first transactions are currently pending).

As the demand for development in waste/water management sector is huge, the government is working on amending the regulations to enable PPPs in the sector.

## **EDUCATION**

Due to the fact that the standard of Polish education is considered satisfactory, PPP in the education sector is not a priority. Also, there is no experience of PPPs in this sector. On this basis, it is not expected that this sector will be of any significance in the near future.

## **THE FUTURE**

Official policy is in favour of PPPs but there have been few PPP projects in Poland to date. EURO 2012 is likely to continue to inspire investment in infrastructure, particularly roads. However financing has been difficult to obtain. It may prove hard for Poland to implement its infrastructure plans through PPPs although continuing investment through EU and other international agency funding will continue to support the Polish economy.

# PORTUGAL

## UPDATE

- Portugal has been one of the most active European countries in the PPP market in the last decades. Despite public debate and some criticism of major infrastructure projects, in the past year the current Government has demonstrated its commitment to PPPs by launching tender procedures for some of the major transport projects that were in the pipeline during 2006/2007 as well as by implementing legislative and institutional reforms to improve the execution of PPP projects.
- The Portuguese Government amended the budget for 2009 and announced a state guarantee programme for PPP projects. The larger PPP deals such as the High Speed Rail Link, the New Lisbon Airport and some road projects are likely to be included under the programme. The AE Centro project is the first PPP to have been earmarked for such a guarantee.
- The Portuguese government has also implemented EU procurement directives into a new Public Contracts Code (which also applies to PPP projects). This Code also introduces electronic tendering.
- The roads sector saw major change in 2007 through the conversion of the public company “Estradas de Portugal – EP” into a state-owned commercial law company. This had the effect of limiting the number of financial institutions that will lend to new shadow-toll/availability based Road PPPs.
- The government is countering the economic crisis with policies of increased investment in infrastructure, but, despite the availability of aid from European funds, it is not clear whether sufficient funds are available for the many projects that have been initiated.
- The Socialist government re-elected in September 2009 has promised large scale public works to boost the economy.

## RESPONSE TO THE CREDIT CRISIS

When the economic situation deteriorated into crisis in late 2008, many PPP projects were already under way. The Government decided to continue with these projects arguing that the response to the crisis would require greater public investment and more involvement of the private sector so as to increase market confidence. However, it is unclear if there is sufficient financial capacity in the

Portuguese banking system to embrace new projects and the credit crunch has also greatly reduced the risk appetite of the private sector.

The impact of these developments is yet to be fully worked through as most of the projects are still at pre-tender or in the early stages of tendering. However, as regards projects that are already at the BAFO stage, the constraints on commercial bank funding are clear. In many cases the EIB is assuming the primary lender’s role, but it will not be able to intervene in all PPP projects. Therefore, there is uncertainty as regards funding of projects such as the High Speed Train or the New Lisbon Airport. The biggest challenge now is to increase private financing for current projects and it is likely that the new state guarantee programme will be required in many cases.

On a political level, the opposition has claimed that the country does not have the financial means to support the current programme of PPP investments, but in the elections in September 2009, the ruling Socialist party was reelected albeit with a reduced majority. The prime minister has promised large scale public works as a way to deal with the economic crisis. To sum up, the effects of the credit crisis have brought some of the major PPP projects to a standstill and it is possible that some projects will be revised or abandoned.

## GOVERNMENT AND LEGISLATION

### Procurement

A new Public Contracts Code, which applies to tenders initiated after 30 July 2008, harmonised and systematised the various procurement rules which had previously been spread through different statutes. It also introduced competitive dialogue. The current PPP for the High Speed Link Poceirão-Caia is the first one to be procured under this Code.

The new Public Contracts Code applies to PPP projects as regards (i) pre-contractual procedures and (ii) substantive regime of public contracts. The substantive regime for public contracts sets the common rules applicable to public contracts of an administrative nature, including general provisions on financial balance, step in and step out, risk and benefit sharing, determination of the contract’s duration based on the time needed to refund and repayment of the capital invested by the private partner, termination events by the awarding authority, among other rules that

bring relevant benefits in terms of legal certainty, safety and systematisation. However, some matters were already covered by Decree-Law 86/2003, of 26 April, as amended by Decree-Law 141/2006, of 7 July (the so-called ‘PPP Law’). The majority of Portuguese authors argue that the new Code only revoked the provisions of Decree 86/2003 that are now covered by the provisions on PPP inserted in the Code, meaning that all the other provisions are still in force and applicable to PPP projects. The arguments have not been tested in practice.

### **Conversion of Estradas de Portugal**

In the roads sector, “Estradas de Portugal – EP” was converted into a commercial company by means of Decree-Law 374/2007 and was granted the concession for the operation of the national road system for a period of 75 years. The new model entails smaller sub-concessions structured in PPP projects whereby the private partner is responsible for financing, constructing, operating and maintaining the awarded roads or highways against availability payments. One of the biggest challenges for EP for the next three years will be to monitor the performance of the sub-concessionaires, as availability payments require strict supervision from the public partner. The change in EP’s legal status means that it is now in principle capable of becoming insolvent and this fact, together with uncertainties over its sources of revenue, has led a number of financial institutions to abstain from lending to new road PPPs.

### **PROJECTS**

Many of the projects that were in the pipeline in 2006/2007 were finally launched in late 2008 and early 2009, but activity subsided significantly during the months of summer and on account of the approaching elections.

### **RAIL**

Two notable PPP projects are for the construction and maintenance of the rail infrastructure integrated into the High Speed Train connection to Madrid (PPP Poceirão-Caia and PPP Lisboa-Poceirão, the latter including building of a third bridge over the Tagus river).

### **ROAD**

Seven sub-concessions structured as PPP Projects (Algarve Litoral, Litoral Oeste, Baixo Alentejo, Baixo Tejo, AE Transmontana, Douro Interior, Tunnel do Marão) were

awarded in 2008. The private partner is responsible for financing, constructing, operating and maintaining the awarded roads or highways against availability payments. Two of these projects (Baixo Alentejo and Tunnel de Marão) employed the Loan Guarantee for TEN Transport, an EIB/European Commission guarantee instrument, in their financial structures. The government announced a new wave of roads projects at the beginning of September 2009. Four new roads tenders, worth about €1.3 billion are to be launched in 2010.

### **AIRPORTS**

The Government announced in February 2008 that the new Lisbon Airport (OTA or Alcochete) will be located in Alcochete (on the south bank of the Tagus river, 25km from Lisbon). The project involves a tender procedure for the partial privatization of ANA-Aeroportos de Portugal S.A. (the Portuguese airport operator) and construction of the New Lisbon Airport in compliance with the technical and quality requirements laid down as part of the tender documents. Currently the preparatory works for the tender are being carried out and these are expected to be concluded during 2009.

### **HEALTH**

The first PPP hospital projects were implemented as DBFO projects where the functions were split between two different private entities: one is in charge of the construction and management of the infrastructure (hard facilities management and soft facilities management) and the other is in charge of the management of the hospital and clinical services. There is a single PPP contract with different terms and conditions and different risks and responsibilities for each entity. However, there has been some debate over this model which transfers most risks to the private partner resulting in a higher risk premium to be paid by the public partner. There are doubts as to whether this model should be followed in the future. It is likely that new hospital projects will exclude clinical services.

Whilst the Hospital de Cascais project was awarded in February 2008 and the Hospital de Braga in February 2009, generally Portuguese hospital projects have been beset with delays. Many of the Wave 1 hospitals which were launched in 2005 and 2006 have yet to be closed, although it is likely that the Hospital de Loures and Hospital de Vila Franca de Xira will be awarded during August 2009. The Hospital de Todos-os-Santos and the

Hospital Central do Algarve are likely to be retendered because bidders are having difficulties in meeting the specified NPV.

### EDUCATION AND PRISONS

Following a number of years of discussion regarding the potential role of PPP in Education and Prisons, in 2008 the Government clearly opted not to implement PPP projects in these sectors. Prison infrastructure will be modernised through traditional works contracts. Much of the existing prison estate, and notably that located in the most valuable locations, will be sold to provide resources for investments for prisons reforms and construction of new buildings. Similarly, new schools and school modernisations will be developed through traditional works contracts. Many of the prison and education projects that were under consideration in 2007 have either been abandoned or left on hold for the foreseeable future.

### THE FUTURE

With the announcement of the new wave of road concessions to be launched in 2010, the outlook for PPP in the road sector is positive, although the performance of EP will be of concern.

The Government has already launched two major tender procedures for rail and there is a political commitment between Portugal and Spain to conclude the Iberian connection which is strongly supported by the European Commission and the EIB as it is a relevant part of the Trans-European Rail Network.

As regards the new Lisbon Airport, despite some political disagreement amongst the opposition parties, the current Government seems to be determined to move forward with the project. Several investors have already expressed interest and consortia are being formed.

The results of the 2009 elections suggest that major infrastructure projects, including the High Speed Rail and the New Lisbon Airport are likely to be continued.



# REPUBLIC OF IRELAND

## UPDATE

- There are three operational PPPs in the education sector with a further schools bundle project in construction.
- Three PPP roads projects are operational while construction is scheduled to be completed on a further six in 2010.
- Two major PPP projects are scheduled for completion in late 2009 - the Criminal Courts Complex and the National Convention Centre.
- Despite the impact of the financial crisis, the PPP programme has continued to roll out during 2009 with a number of important projects in procurement.

## RESPONSE TO THE CREDIT CRISIS

Ireland, like many other states, is experiencing challenging budgetary and economic circumstances. Nonetheless, the Government is continuing to invest substantial Exchequer resources in capital infrastructure, with €7.3 billion allocated for capital projects in 2009 and some €31 billion allocated for the period to the end of 2013.

PPPs are part of the Government's overall strategy to deliver on investment priorities. The Government is committed to continuing with the PPP process as a viable procurement option for appropriate projects. The Government is exploring the potential of private financing and the PPP programme to support construction activity, retain construction jobs and deliver essential infrastructure projects. Obviously, the key issues for the State are to ensure that the terms are right and in the taxpayer's favour, that value for money is secured and that the private sector shares the appropriate level of risk to minimise the State's exposure to additional borrowing.

## GOVERNMENT AND LEGISLATION

The necessary legislative framework is in place to support PPPs as a method of procuring public infrastructure since the introduction of the State Authorities (Public Private Partnerships Arrangements) Act 2002.

The main procurement agencies for PPP projects are the National Roads Authority, the Railway Procurement Agency, the National Development Finance Agency (on behalf of Departments/Agencies in Central Government area) and the local authorities. A suite of Guidance has been issued by the Department of Finance on PPPs. In

addition the NDFA is the statutory financial adviser on all PPP's regardless of who is the procuring authority.

## PROJECTS

### CENTRAL GOVERNMENT

The NDFA, which handles procurements on behalf of Departments and Agencies in central government, has a number of projects in pre-procurement or procurement. The capital value of these projects is approximately €2 billion.

The Office of Public Works (OPW) has a decentralisation programme which involves a number of ongoing PPP projects for government accommodation.

### ROADS

As well as overseeing the scheduled completion in 2010 of construction on six current projects, the National Roads Authority (NRA) has identified four additional projects that could be procured in 2010-2011 with a total capital value of approximately €2 billion. In addition, the NRA is procuring a number of motorway service areas, with construction expected to begin in 2010.

### RAIL SECTOR

The Railway Procurement Agency is progressing the Metro North project while Iarnród Éireann is moving forward with the Dart Underground project. The total capital value of these two projects is in the region of €6 billion. Two further projects are under review.

### EDUCATION

There are three operational PPPs in the education sector. The contract for a further schools bundle project was signed in March 2009 and is now in construction. There are two further schools bundles and three Third Level buildings projects which are due to go to the market in late 2009 and mid 2010.

### HEALTH

The National Network for Radiation Oncology is currently being scoped ahead of the prequalification process late 2009 or early 2010 with service delivery expected in 2014. There are four large radiotherapy centres to be located in Dublin (St. James, Beaumont), Cork and Galway, with two satellite centres in Waterford and Limerick.

## **JUSTICE**

A bundle of county town courthouses is due to go to the market in 2010.

## **WASTE**

Eleven PPP projects with a value of more than €20 million each are now operational in the environmental sector, primarily in the water/wastewater area. It is noted that these projects are simply Design Build Operate (“DBOs”) as opposed to Design Build Operate and Finance (“DBOFs”) i.e. the long term financing risks in these projects is not transferred to the private sector and they are consequently on balance sheet.

## **OTHER PROJECTS**

The redevelopment of the National Concert Hall project is well advanced, with final tenders to be submitted by the end of the third quarter in 2009.

## **THE FUTURE**

With government policy supporting PPP and a strong ongoing pipeline of projects, the future for PPP in Ireland seems positive.



# ROMANIA

## UPDATE

- Romania faces many structural problems and is concentrating on its economic situation and convergence with EU standards.
- The main sources of funding are the EU and multilateral and development banks. Some of this funding must be matched with funds from other sources and the EIB and EBRD are playing a major role by providing loans which Romanian project sponsors can use to match EU funds.
- Implementation of PPPs is a priority of the government's 2009 anti-crisis programme.

## RESPONSE TO THE CREDIT CRISIS

Whilst Romania had forecast economic growth of 1-2% in 2009, current estimates show that the economy is shrinking by up to 8%. Government policy is focused on a radical lowering of costs to meet budgetary constraints and deal with the volatile balance of trade, whilst at the same time implementing convergence measures for monetary stability and promoting social aims. In total over 25% of the Romanian budget for 2009 will derive from EU funds. The IMF and the EU have provided support for the Romanian balance of payments and the World Bank, the EBRD, the EIB, the IFC and MIGA are providing financial support under the Joint IFI Action Plan. The parent companies of banks with foreign ownership have expressed support for their Romanian subsidiaries.

Whilst the government has instituted a programme of support for SMEs to counteract higher interest rates, this is not as yet been shown to work in practice.

## GOVERNMENT AND LEGISLATION

The government's preferred route for funding infrastructure projects is from EU Structural and Cohesion funds. As part of this strategy the government is currently planning a pilot IT project for blending PPPs with EU funds. It regards PPPs as part of its anti-crisis programme and as a means of encouraging the private sector to invest in Romania.

There is no specific legislation only for PPPs and the government does not intend to enact any, as there is already a law on concessions and Romania has fully implemented the EU procurement regulations. Within the Ministry of Finance, there is a PPP Central Unit which acts as a knowledge centre for public authorities and which promotes PPPs across local and central authorities. The government has prepared a guide to implementation of PPPs, including works and services concessions and covers issues such as best practices in awarding PPP contracts, structuring considerations, risk analysis, project finance issues, issues related to grant rates, timing, procedure, state aid, asset ownership, combining private finance (PPP) with EU Funds etc. It has instituted a national training programme and is developing a PPP database. In co-operation with EPEC and JASPERS, it is developing a national PPP strategy.

Legislation for the expropriation of land necessary for the construction of roads has been amended to facilitate the expropriation process.



## VIEW FROM ROMANIA

PPPs are currently seen in Romania as an efficient method of infrastructure provision. The major benefit Romania sees in PPPs is value for money by enabling a private partner to provide additional infrastructure at a reasonable price, paying for services when and if they are provided and avoiding large up-front investments and on-balance sheet financing.

With the legislation and institutional structure in place, with a central unit in the Ministry of Public Finance, attention is paid to increasing public sector capacity to prepare and develop PPP initiatives and to launch a PPP strategy, including the structuring of a consolidated national programme. The launch of the national strategy also signals that greater attention is being paid to adequate risk transfer, specification of public service standards, maintenance of the value of public assets, innovation and competition.

At the heart of this national programme, lies the Ministry of Public Finance / PPP Central Unit and the line ministries for the sectors where PPPs are initially focussed: namely, transport, health and justice. Following the call for proposals, a list of up to ten priority projects will be selected for these three sectors, using a number of selection criteria such as project size, feasibility, bankability, replicability and relative importance to the Government. Depending on the status of the selected projects, tenders for selection of consultants or bidders are to be launched. A clear timetable will be pencilled in at the time of selection.

A ring-fenced budget of an estimated €5 million will be discussed by Government to ensure quality preparation and awarding of contracts for the priority projects. Legal, financial and technical consultants will be engaged up to the financial close.

The PPP Central Unit will monitor the compliance with national legislation and will quantify the budgetary impact of the financing these projects. As a fundamental principle for the selection of projects, only compliant projects, based on value for money analysis and correct decision-making procedures will be allocated capital and resources by the Ministry of Public Finance. A quality control mechanism will be part of the PPP National Strategy, providing a gateway procedure at essential points in the preparation and award process: such as upon presentation of the risk matrix, payment mechanism, draft contract, estimated costs, market interest and so on.

The Strategy objectives are to prepare and award viable PPP projects and to reach contract signature, within a period of 3 to 5 years, for almost all of the selected projects. The projects on the priority list will require special attention from Government, which has singled out support for major infrastructure projects through the launch of a PPP national programme.

### Ciprian Gorita, PhD

Head of Unit  
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## PROJECTS

### ROADS

The Ministries of Transport and of Public Finance are co-operating with the Romanian Roads Agency in preparing major roads projects under public works concessions. Projects in the pipeline include the Bucharest Ring Road, the Sibiu-Pitesti motorway and the Ploiesti-Buzau-Focsani motorway. There is a pilot project for the operation and maintenance of national roads based on performance criteria in Dolj county.

In July 2009, the Ministry of Transport announced that in August it will sign a DBFMO contract for the 58km A3 motorway between Cormarnic and Brasov. The Ministry of Transport had deemed the bid of one bidder inadmissible and the project suffered delays as the decision was challenged through the courts. With a Bucharest court of appeal judgement in its favour, the project can now proceed to contract signature. Estimated construction costs are €1.2 billion. The project may attract the support of the EIB, the EBRD and the IFC, who could potentially provide up to €800million. Commercial banks are understood to want a reduction in the transfer of risk from the public

sector before being willing to lend. Discussions with the preferred bidder for the financial close are soon to begin. The Ministry of Transport will make availability payments with a minor role for a toll mechanism over the 30-year concession period.

## AIRPORTS

A 35-year concession contract was awarded in January 2009 by the Bacau County Council to a Bucharest-based provider of passenger airline services for the improvement and operation of the International Airport “George Enescu” Bacau. At a cost of approximately €45 million, the concessionaire will upgrade and modernise the runways, extend the passenger terminal, create a new baggage handling system and generally upgrade the airport to international standards. This innovative project aims to increase tourism to the Moldavia region.

In May 2009, plans for a PPP at the international airport located in Saulesti, Deva were unveiled. Phased over 20 years, the capacity of the airport will increase from an initial 100,000 passengers per year to over 1 million. Works include the construction of a 2000 meters runway capable of taking Airbus 737s, an aircraft hangar and a passenger terminal. The Hunedoara County Council will provide the land.

Other airports where modernisation and extension of terminals have been announced include Iasi, Suceava, Arad, Otopeni (Henri Coanda) and Baneasa (Aurel Vlaicu).

## RAIL

The public rail infrastructure is state-owned and administered by the state owned Romanian National Railroad Company, on the basis of a concession agreement concluded with the Romanian State. Whilst a number of projects for modernising and upgrading the network have been announced, it is unclear whether any will be made by way of PPPs. Such projects include:

- construction of a high-speed railroad Budapest-Bucharest-Constanta;
- construction of the CF Bucharest North – International airport “Henri Coanda” Bucharest railroad;
- modernisation and development of the Curtici – Simeria railroad, with an estimated cost of €828 million, out of which €300 million is to be provided by the EIB and the remainder by the State and/or structural funds;
- modernisation and development of the Predeal – Brasov railroad, with an estimated value exceeding €500 million;
- modernisation and development of the Brasov - Sighisoara railroad.

## HEALTHCARE

The PPP model in Romania has centred on the outsourcing of the provision of medical services such as dialysis, in-patient radiology and out-patient laboratory services. Two attempts at full PPPs in Timisoara and Braila have failed because of lack of funds.

In its ten year master plan for hospitals, the Ministry of Public Health recommended decentralisation of hospital management and highlighted the use of PPPs as a means of making rapid progress in the upgrading of hospitals. In June 2009, the Ministry of Public Health transferred 18 hospitals to Bucharest City. This is a pilot project in the decentralisation of hospital management, although emergency hospitals will remain under central administration. The city authority has stated that it has allocated €30 million for the upgrading and modernisation of the 18 hospitals, but is looking for private sector investment through concession agreements. It has also been in discussion with US health insurers.

Potentially, the Ministry of Health has thus the largest PPP programme of any economic sector in Romania, with an investment value of many billions of euros. This programme is to address the problem of over-capacity in terms of hospital beds, coinciding with poor quality of health services. However, the ministry has sensibly decided to limit its immediate plans to four pilot projects for new hospitals in Craiova, Braila, Cluj, and Bucharest, for a total investment value of some €200 million each.

## WATER/WASTE

The majority of the important projects in the waste/water sector (such as the development of ecological deposits, development or refurbishment of water network) are financed from EU funds. However, PPP projects are often used for the management of the ecological deposits or water network. These PPP management projects are implemented through concessions contracts.

In November 2008, the EBRD asked for expressions of interest for technical advisers for a solid waste management system for Bacau.

## THE FUTURE

The matching of EU funds with funds from other sources will continue to dominate Romanian projects. PPP models for procurement may become more widespread if they can be successfully integrated with EU funding.

The Romanian authorities will most likely focus on the main highway projects envisaged to be developed in the next few years, namely the IV Pan-European corridor which includes Bucharest-Brasov and Transylvania highways.

PPPs have also been recognised as a potential means of rapid upgrading of hospitals by the Ministry of Public Health.

The Ministry of Justice also expressed interest in developing prisons by the means of works concession contracts. A PPP initiative is soon to crystallise.



# RUSSIA

## UPDATE

- The Russian federal government plans huge investment in infrastructure over the next ten years.
- Federal and regional government policy in Russia favours PPP.
- Larger PPPs are progressing slowly due to their size and the capacity of the financial market.
- Some projects planned as PPPs have been delayed because of adverse financial conditions or are progressing as traditional procurements.

## RESPONSE TO THE CREDIT CRISIS

With its huge reserves of gas and oil and many other natural resources, Russia has in past years built up the world's third largest foreign exchange reserves. Even so, after the national bank was unable to prevent a devaluation of the rouble at the end of 2008, currency exchange risk became a cause of anxiety and action was required to support Russian banks. Although Russia is in a far better position than it was in the 1998 crisis to manage the financial crisis, due to tighter regulation, stronger capitalisation and sizeable reserves, investment in Russia is still affected by concerns over sovereign risk and revenue security, and by the perception that its commercial banks carry political risk.

The size of Russian PPP projects has meant that a number of them have been delayed due to the difficulties of funding in current market conditions. Nevertheless, it should be noted that implementation of the most important PPP projects has not been cancelled or suspended. The government has taken measures to make bigger public sector investments in such projects, to alter the risk profile or has merely postponed them.

## GOVERNMENT AND LEGISLATION

### Policy

The Russian government has announced that its strategic priority is to develop infrastructure and that it plans to spend about US\$1 trillion over the next 10 years on improving infrastructure. The infrastructure programme is one of the largest programmes outside China. Further, the projects themselves are massive, with the new Moscow ring road being estimated at US\$10 billion and the toll road around St Petersburg estimated at US\$6 – 8 billion. To assist in meeting the huge investments, a significant

part of this investment will be in the form of PPPs, to harness the private sector and bring in additional funding.

In addition to the federal programme, the Russian Ministry of Regional Development is seeking to develop regional projects and other ministries have PPP as a priority in their regional development programmes. For example, the Transport Strategy of the Russian Federation up to 2020 explicitly refers to the use of PPPs for transport infrastructure and there are plans to develop PPP programmes in residential housing. The World Bank is supporting regional development including targeting: (i) technical assistance for public administration and municipal reform, introduction of performance management; (ii) financing of regional infrastructure and particularly roads programs, and (iii) rationalisation and upgrade of education and health services. Of particular interest is its advisory work on the development of PPPs on which it is already assisting the City of St Petersburg in establishing a regional PPP Unit and on the management of its existing PPP projects. It is also advising on the development of a mid-term PPP-based management strategy for Kazan airport and is providing advisory services to the government of the Volgograd Oblast on establishing a PPP Unit.

The World Bank has identified the need for the Russian government to establish a long term debt market and to develop and support Russian financial institutions in developing financial instruments, both in terms of finance and foreign exchange needs and the Russian government is working on these issues.

The prime minister, Vladimir Putin, and the transport minister have been considering alternate financing methods for the funding of the Moscow-Minsk and Moscow-St. Petersburg road PPPs. The proposals include allocation of monies from the Pension Fund, issuing bonds and loans from international banks. The issue of bonds would require legislation and probably state guarantees, whilst international debt would need guarantees or insurance cover for currency risks.

### Procurement

The Russian procurement system differs from international standards and although certain aspects such as the exclusion of foreign bidders no longer apply, there is still concern about the transparency of the tendering procedures. The system still involves traditional reverse auctions rather than open competitive tendering. Electronic

tendering is available but not universally. The Russian government is working with the World Bank and with the EU on aligning its procurement procedures to best international practice.

### **PPP Legislation**

#### **Federal Concession Law**

Most Russian PPPs to date have been implemented under the Federal Russian Law on Concession Agreements (the Federal Concession Law), adopted in July 2005. A number of Governmental decrees on typical concession agreements for specific sectors such as roads, railways, seaports, airports and municipal utilities were adopted in 2007. Whilst the Federal Concession Law provides a relatively flexible framework for the granting of concessions, there are some features of it which do not meet usual international standards. For example, there is a standard form contract from which neither party can deviate which originally meant that there was no possibility of entering into negotiations. Further, all the assets remain in the ownership of the state, which means that the project company can only provide very limited security to lenders and it also expressly prohibits step in rights until construction is completed. Whilst amendments in 2008 improved tender procedures by facilitating negotiation of key terms and more flexibility on the time schedule to close the deal, the basic features which provide difficulties have not yet been amended.

#### **The St Petersburg PPP Law**

The government of the City of St Petersburg is the first regional government to have enacted a PPP law. Its PPP law of 2006 provides a much broader framework for PPPs, including forms which involve private ownership of assets and property such as BOT or BOOT schemes. It also permits the granting of security over assets to lenders. Whilst the PPP law remedies many of the problems under the Federal Concession Law, there are difficulties arising from the interaction of federal and regional law which have not been fully clarified and tested. For example, legal difficulties over foreign arbitration clauses remain.

### **Funds**

#### **The State Investment Fund**

In November 2005, the government established the State Investment Fund (SIF). In 2007 its capital was increased to US\$ 7 billion from initial US\$ 2.5 billion. In 2008 US\$ 3.7 billion was allocated to it from the federal

budget specifically for investment in PPPs. The SIF is administered by a range of bodies including ministries, other federal bodies (such as the Federal Agency for Special Economic Zones), two investment commissions and the PPP councils of experts from various ministries. The SIF is able to fund up to 75 per cent of project capital costs as equity investment or it may finance the acquisition of certain assets in exchange for title to the assets. It can also provide a guarantee of up to 60 per cent of the borrowings of the project but only for up to five years. To be eligible for support, a project must have a value in excess of US\$200 million, comply with public sector priorities and generate social benefits. Financially, a project must have a negative stand-alone net present value (NPV) but generate a positive NPV if the support is included.

#### **Russian Bank of Development – VEB**

In May 2007, the Federal Law on the Russian Bank of Development, created Vneshekonombank (VEB). VEB is tasked with the promotion of Russian infrastructure and in particular, with supporting and developing PPP projects. VEB's strategy assumes that by 2012, PPP projects will account for one third of its credit portfolio. This equates to approximately US\$ 2.5 billion per year. VEB is looking to invest in all the major PPP projects which are current.

VEB signed a memorandum of understanding with the EBRD on co-financing of projects in February 2008.

#### **Regional Infrastructure Fund**

In August 2009, VEB signed a formal agreement with a private infrastructure fund to become the fund's joint manager and cornerstone investor with a commitment of US\$ 200 million. Other investors in the fund include the IFC (US\$100 million), the EBRD (US\$100 million), and the Kazakh development institution Kazyna Capital Management (US\$30 million) as well as private sector investors. The fund expects to invest in PPP projects such as Pulkovo airport and the Moscow-Minsk and Moscow-St. Petersburg toll roads.

#### **PPP Centre**

Whilst many federal bodies such as ministries have councils of experts on PPP, there is no one central body which co-ordinates PPP policy and practice. However, in 2008, the PPP Centre was created as an independent unit within VEB with a mission to ensure support and accelerate development of federal, regional or municipal

infrastructure projects and enhance quality of public services through the application of a range of PPP instruments. Its aim is to study, standardise and promote PPP practices in Russia with a view to creating a PPP market in Russia. It has identified the need for support for the public sector in the selection of PPPs as the means to achieve objectives, practical support in preparing tenders, evaluating them once bids are received together with support on publicising the tenders and attracting bidders.

## PROJECTS

### ROADS

In July 2009, commercial close was reached on the concession agreement for the first section of the toll motorway linking Moscow and St Petersburg. Capital costs for the 43 km section are estimated at cost up to €1bn. Federal government sources including the SIF have already allocated about €525m for the project. Advisers are looking at putting together a club deal for the debt financing to close in 2010.

A concession agreement for the financing, construction and tolled use of a new access road to the Moscow ring road from the federal M-1 “Belarus” road (Moscow–Minsk)” was signed in July 2009. The concession is for 28 years and the cost is estimated at RUR11 billion. Whilst approximately half the capital costs will be funded from federal sources, including from the SIF, the remainder of the funding is still to be found. Construction of the new road will take two years.

The Western High Speed Diameter motorway (WHSD) project is for a 8 lane expressway linking up to the ring road to form a complete ring around St Petersburg, diverting traffic from the historic city centre and linking to major motorways to Moscow, other Russian regions and to Baltic and Scandinavian countries. Although a preferred bidder for the 30 year concession was appointed in June 2008, difficulties in raising finance and agreeing satisfactory commercial terms has meant that the federal government, through the SIF, and St Petersburg region is now paying for the last section through a traditional construction contract rather than as a PPP project. The investors are being given more time to develop their financial model to take into account the changed financial conditions and the downturn in traffic forecasts. Foreign exchange costs constitute a major risk.

A tender for the concession to develop a toll transport tunnel under the Neva river linking the left-bank and right-bank areas of Saint-Petersburg is in process. The Orlovski Tunnel will be 1 kilometre in length. The tunnel must provide for two-way traffic of up to 60,000 vehicles per day. Bids were submitted in February 2009 and the tender was to be completed by April 2010, but has now been put on hold until 2011. The cost of the project amounts to an estimated RUR26.4 billion. Although the concessionaire is responsible for raising finance for the project design, construction and operation, it will receive public support for part of the design and construction costs from the SIF and St. Petersburg. The amount of public support will be determined through the bid. Operating costs will be paid for through tolls levied by the concession company.

### AIRPORTS

The Pulkovo Airport project is being procured under the St Petersburg PPP law. This procurement route was enabled by the decision of the Russian cabinet in early 2008 for the Federal Property Agency and the Air Transport Agency to transfer to St Petersburg the federal property on which Pulkovo Airport is based. The estimated costs of upgrading the runways to take larger aircraft, to build a new terminal and upgrade supporting infrastructure are approximately €1.4 billion. The project was awarded in June 2009 and the agreement is due to be signed in November 2009 which will constitute a major success for PPPs in Russia. Funding may be sourced through a funding competition although the EBRD and VEB have already expressed interest.

### RAIL/LIGHT RAIL

The Nadzemny Express (Nadex) is another example of a large project being procured under the St Petersburg PPP law. The line will link five city districts in the south and will be extended to Pulkovo Airport and to other suburban areas of St Petersburg. A tender was issued in December 2007 for a 30 year concession to develop and operate Nadex to be paid for through availability payments. In April 2008 it was announced that five bidders had pre-qualified. In the current financial climate, at the request of the bidders and based on recommendations from IFIs, the City authorities postponed the bid submission date until November 2009. The cost of the project is estimated at RUR33 billion. The concessionaire must finance the cost of design, construction, and operation of the project

whilst the City of St Petersburg will cover a proportion of the capital cost of the construction and its equipping and commissioning as determined through the bid procedure.

## HEALTH

There are reportedly several PPP hospital projects that are currently in the preparation stage.

## WASTE

The City of St. Petersburg is considering launching a tender for the development and operation of a 350-450,000 ton per year waste processing plant at Yanino under a PPP. The private sector partner will derive its income from charges for waste processing and from selling recycled materials and energy. Title to the facility would revert to St Petersburg after 25 years. Costs are estimated to be in excess of EUR 200 million. A tender is scheduled to be published in autumn 2009.

## WATER/WASTE WATER/DISTRICT HEATING

Whilst steps have been taken to use PPPs in the provision of water supply, sanitation and heating services, investment risks are perceived as being high due to the legal and institutional framework for the provision of such services, so little investment has yet been made in these sectors.

## REGIONAL PROJECTS

The biggest project in Tatarstan is the approximately \$5 billion development of the NNPZ refining facility in Nizhnekamsk, in the east of Tatarstan. It will refine oil from Tatneft, owned by the regional administration, which will have a 40% stake in the project. The SIF has selected NNPZ to be supported as a PPP project.

The federal government is also supporting a PPP project to construct an estimated US\$3 billion hydro-electric dam and aluminium smelter in the central Siberian region of Krasnoyarsk.

## THE 2014 WINTER OLYMPICS IN SOCHI

The 2014 Winter Olympics to be held in 2014 in the city of Sochi means that many new infrastructure projects are planned for the area. For example, as well as new stadia and transport schemes, there is a proposal for a new cruise ship terminal in Sochi's port to be completed in

time for the games. The Federal Target Programme for the Development of Sochi is being co-ordinated by the federal government and the Krasnodar regional government plans to spend some US\$11.7 billion on projects of which some are expected to be PPPs.

## THE FUTURE

Despite problems arising from the legal and political environment, expectations for the long term development of Russian PPPs remain optimistic. Not only is there great market potential given the need for development of infrastructure in Russia, but the government has adopted pro-PPP policies. These factors are demonstrated not only at federal level but also in the regions. It will help if VEB's PPP Centre can develop its role as a focus for PPP expertise.

Investment in projects by the Russian state banks and IFIs should encourage private sector banks to invest. The development of infrastructure funds both in the public and private sectors will assist in attracting international investment in Russian projects.

The current pipeline of projects focuses on transport projects, but it is expected that this focus will widen in future. The success of some of the first projects will provide a big boost to PPPs generally, although the difficulties of doing PPPs in Russia are not to be underestimated.

# SERBIA

## UPDATE

- The current outlook for infrastructure projects in Serbia is poor with the failure of the only two concessions that have been tendered to date.

## RESPONSE TO THE CREDIT CRISIS

The current economic crisis means the already weak Serbian economy is facing additional constraints. Government rescue packages put in place to counteract the credit crunch do not specifically focus on PPPs. The EBRD and EIB have agreed to invest in certain infrastructure projects, but it is not known whether these projects will be structured as PPPs.

## GOVERNMENT AND LEGISLATION

Serbia has no legislation specifically supporting and regulating PPP projects. The negotiating process is regarded as difficult, due to lack of expertise and transparency.

### Procurement

Procurement in Serbia is regulated by the Law on Public Procurement, and those rules regulated the tender procedure used in the only two attempts of concessions in Serbia so far. The EU procurement rules do not yet apply in Serbia, as it is not an EU member state.

### Policy

Serbia's government is strongly oriented towards EU accession, and this should positively affect the prospects for PPPs when the harmonisation process eventually begins. A Stabilisation and Association Agreement has been signed with the EU, but its implementation has not yet started due to Serbia's lack of cooperation with the UN International Criminal Tribunal for the Former Yugoslavia in the Hague.

Due to unsuccessful projects in the past, PPPs are not looked upon positively by the Serbian public, which makes them politically unpopular. In 2006, the Belgrade Airport Cargo Terminal fell through when the successful bidder pulled out and in 2008 the successful bidder was unable to secure financing for the Horgos-Pozega Highway as the project structure was deemed inadequate.

Serbians regard the sale of a 51% stake in the Serbian National Oil Company to Russian Gazprom in January 2009 as the first successful PPP transaction in Serbia, but

this transaction was more in the nature of a privatisation and was concluded by way of direct negotiations rather than through public tender. The Serbian Government has announced opportunities in the energy sector, which again appear to be in the nature of privatisations. In January 2009 it invited expressions of interest for two electric power plants in Kolubara (one powered by gas, one by coal), which are estimated to have an investment value of €1.5 billion. A joint-venture project for the construction of a gas power plant in Novi Sad is expected to be announced in Autumn 2009.

## PROJECTS

### ROADS

The Serbian Motorway (Horgos-Belgrade-Pozega) Concession Project fell through in December 2008 after the concessionaire selected in a tender procedure in March 2007 withdrew from the concession agreement with the Serbian Government. The 25 year concession agreement envisaged construction of a 106 kilometre highway from Horgos to Novi Sad, operation and maintenance of the 68km highway from Novi Sad to Belgrade, and construction of a 148 kilometre highway from Belgrade to Pozega. Upon the consortium's withdrawal from the concession agreement, the Serbian Government attempted to activate a bank guarantee for €10 million, but the claim was not upheld by the competent Viennese court. The consortium initiated arbitration proceedings against Serbia in May 2009, requesting €71 million in damages. The case is still pending before the ICC Arbitration in Paris.

### WATER/WASTE

The Master Waste Management Plan and Master Waste Water Plan was announced on the City of Belgrade's website for the end of 2006. The EBRD provided technical support to the Belgrade authorities on how to structure the tenders and the most appropriate public – private ratio for the project. However, the tender documentation was never published, and the projects have been on standby since then. The main problem seems to be the high construction costs for the waste water plant – estimated at €500 million. There is no official information as to how this project may progress despite the urgent need for upgrading waste and waste water infrastructure in Belgrade.



The Ministry for the National Investment Plan has proposed a new programme to the EIB for the development and construction of regional landfills to meet higher international standards.

## THE FUTURE

The future for PPPs is uncertain and may depend on the resumption of negotiations on EU membership.

Currently, the only sector which seems to have potential in Serbia is the solid waste sector, although there is the possibility of privatisations in the energy sector.

### VIEW FROM SERBIA

As an instrument for improvement of infrastructure and other projects in Serbia, PPP is still not developed in a way that covers all possible combinations of public-private funds and joint public-private arrangements. There is no specific law on PPPs, but there is relevant legislation regulating concessions, delegation of activities and joint-ventures, etc. Based on such legislation, the merging of public and private efforts have been successfully achieved in some of the first attempts at and examples of PPPs in Serbia.

These first examples can serve as models for the future and form a good base for Government policy in the coming period for at least two reasons: first, during the economic crisis both central and local (municipal) budgets are limited, so that all legally possible combinations of private and public funds are welcome; secondly, some infrastructure sectors need specific know-how, e.g. in the field of solid waste management. The involvement of the private sector can assist not only in providing assets, but also in providing good management practices and techniques.

In practice, it is expected that initiatives will come from international agencies and IFIs. The latest proposals for projects and programmes, where negotiations with international organizations are in the final stage, will open the door to PPP. For example, there is a proposal with the EIB for a new programme in the environment sector focused on the development of solid waste management through the construction of regional landfills. It is also expected that the FLAG Serbia programme under preparation with the EBRD will also support private initiatives.

Currently, feasible PPP projects could be developed for energy, district heating, solid waste and car parking. The energy sector (gasification, mini-hydro power plants), as well as district heating and solid waste are particularly promising.

Based on relevant Serbian legislation, it is possible in these infrastructure fields to establish a concession for the period of 30 years maximum, while delegation of activities is up to 25 years. While these models are limited in time, joint-ventures can merge public and private capital without limitation of time. Such joint ventures may not benefit from guarantees at the municipal level if the private partner is both contractor and investor in the same time because pursuant to the Public Debt Law only the State is allowed to issue sovereign guarantees.

All PPPs are subject to public procurement regulations. The Public Procurement Act provides for transparent procedures. Also, the experience of local staff in public procurements is enhanced by the requirements of international agencies and IFIs such as the EU, the EIB and the EBRD, whose rules must be applied when implementing international development programmes and investment projects.

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# SLOVAKIA

## UPDATE

- Both central and local governments have been active in developing roads, health care, sports and leisure projects.
- The first PPP road project reached financial close and a second reached commercial close. These successes are likely to provide a spur to progress on further projects.
- The world financial crisis means that financing of projects remains the biggest problem.
- The sometimes vague rules in Slovakia's current legislative framework constrain the development of PPP.

## RESPONSE TO THE CREDIT CRISIS

The Slovakian government sees the adoption of the euro in January 2009 as a protection against currency fluctuations which have affected other countries in the region. Slovakia's ability to join the euro stemmed from its rapid growth over the years since it joined the EU in 2004. Some estimates put the growth rate at an annual average of 10%, although, for example, the IMF puts the figure for 2008 at 6.4% and for 2009 at 4.7%. With unemployment over 12%, the government has sought to stimulate the economy but the measures appear to have been patchy. One successful measure involved car scrapping incentives which increased sales of locally produced cars.

Some projects have been cancelled due to lack of funding. The Ministry of Culture has indefinitely postponed the Slovak television and radio headquarters project (€150 million): the reason given being the credit crunch. All 3 of the large motorway PPP projects (D1-phase 1, D1-phase 2 and R1 project) have been delayed due to lack of available funding although financial close of the R1 project was reached in August 2009 and construction has already started. Commencement of construction on the D1-phase 1 project is expected in early spring, with financial close planned for February 2010. As of September 2009, a preferred bidder has been selected for the D1-phase 2 project, but the concession agreement has not been signed.

The banking sector has withstood the crisis relatively well, although conditions of lending have tightened as they have everywhere else in Europe.

## GOVERNMENT AND LEGISLATION

To encourage inward investment and revitalise the Slovak economy, the Slovakian government strongly supports the PPP concept, but the country's unsystematic legislative framework for PPP continues to be one of the major barriers to its development, and has caused significant delays to projects currently in procurement.

Ad hoc legislative changes have been initiated for current projects. For example, on the D1 and R1 road projects, the government passed legislation which enables motorway development on greenfield sites and therefore improves the chances that construction deadlines are met.

The Ministry of Finance procured an analysis of the legal regulation of PPP which was approved by the government in August 2009. The results form the basis for obligatory amendments to PPP legislation.

The analysis was prepared under a special technical assistance scheme for the period 2007 – 2013, managed by the Ministry of Finance and financed by EU funds. The scheme represents "the kernel" of a PPP taskforce in Slovakia, whose primary purpose is the provision of support to public sector entities preparing PPP projects.

Within the scheme the Ministry of Finance provides:

1. **Methodology:** as of September 2009 it has published 5 guidance documents on implementing best practice. In the future, the Ministry of Finance is also planning to develop model concession contract wording to help standardise contracting procedures.
2. **Direct financial support to the public sector for feasibility studies:** The Ministry selects for support a number of PPP projects submitted by public authorities. Selection as the most appropriate to be implemented through a PPP model is made against government approved selection criteria (e.g. the minimum investment value of a project).
3. **Organising of PPP seminars, workshops and conferences for public sector.**

The Ministry issued a notice inviting authorities to apply for financial support for potential PPP projects with a minimum value of approximately €16,597,000. As a result, only two contracting authorities responded to the notice.

Elections at national and regional level are to be held in 2010 which is when construction of the D1 and R1 road projects should be under way. Consequently, this could raise extremely positive support for these projects by the Slovakian government.

Government support for PPP is matched by private sector support. In 2007, the PPP Association (Asociácia PPP) was established, as a private sector initiative. Its main objective is the support and development of PPP projects within the Slovak Republic. It cooperates with the public sector and provides a forum for the private sector to share its experiences.

## PROJECTS

### ROADS

The first section of the D1 project for a motorway between Martin and Presov reached commercial close in April 2009. The second road PPP, the R1 project, achieved financial close in August 2009. On both packages, the banks had to reconsider the basis on which they would provide funding and reduced their overall lending commitment. As a consequence, the project sponsors had to approach a larger number of banks to finance the projects. Ultimately the private sector could not raise sufficient funding and the Slovak Minister of Transport started negotiations for additional support from the EIB and EBRD whilst the sponsors negotiated more favourable terms to ensure financing. On the R1 project, the consortium negotiated an increase in availability payments. The EIB is providing around €1 billion of funding for the D1 project out of the €3 billion (possibly more) required for the total project. The Slovakian government is ready to provide a state guarantee to the EIB and a deed of guarantee and indemnity is under negotiation. Financial close of the D1 project is expected in February 2010, although securing funding of such a large value will still remain a big challenge.

Other roads projects, including the second package of the D1, are expected in the coming years, as this sector is strongly supported by the Slovak government. Plans for the D4 project, which was to be procured traditionally, have been changed to a PPP procurement because of increased public sector debt. The project, which consists of a ring road around Bratislava, may involve the introduction of a toll system rather than availability payments. Wider development of this sector through PPP at local governmental level is expected.

### WASTE/WATER

In this sector, one project has been announced by the City of Liptovský Mikuláš in the Žilina region. The tender is for public services (e.g. waste management, public lighting, maintenance of public roads and cemetery administration) via PPP by means of a joint venture with a private investor. The city's participation includes the provision of certain assets, with the sponsors providing all financing of the project. The duration of the agreement would be 20 years.

### AIRPORTS

In September 2009, Bratislava airport plans to invite tenders for its redevelopment and construction of a further terminal, with a total capital value of €162.5 million. This project is not however standard PPP. Within the immediate surrounding area, there are also plans for parking facilities, railway connection services and construction of hotels, totaling more than €332 million.

The successful bidder is expected to be announced mid December 2009.

### HEALTHCARE

Three pilot projects have proved to be positive experiences, raising expectations that healthcare PPP projects have a potential for future development in the Slovak republic. There is a military hospital PPP in pre-tender phase which is supported under the technical assistance programme of the Ministry of Finance. The PPPs take the form either of private management contracts or of a private sector investor taking an equity stake in a hospital alongside the local municipality.

### THE FUTURE

The success of the D1 and R1 projects should stimulate further interest in PPPs. The increasing public sector deficit means that PPPs may continue to be favoured as a policy tool. Generally tougher financing conditions are expected which means that more expensive projects will need the support of the Slovakian Government and international financial institutions. More rigorous scrutiny of projects by lenders is likely to facilitate speedier development of the Slovakian legislative environment.

## VIEW FROM SLOVAKIA

Markets prospects for the future will be driven by the following factors:

- Continuing political/governmental support for the PPP industry;
- The success of and positive lessons learned from the D1 and R1 which will remain benchmark projects for a long time;
- Stabilization and future developments of the financial markets as long term debt financing is essential for raising funds for the project;
- Improvements in the legislative environment for PPPs which requires removal of various barriers;
- Trust by the public sector that PPPs can deliver value for money;
- Development of fiscal policy and public finances to match the role of PPPs as accelerators and stimulators of public services provision;
- Continuing education and guidance of the public sector on what PPPs can deliver.

### PPP Regulation

The analysis of the legal regulation of PPP, approved by the government in August 2009, has shown that the legal framework in Slovakia generally allows for the implementation of PPP projects. Nevertheless some drawbacks have been identified:

- only a concession type of PPP is regulated, projects based on availability are not legally defined;
- huge PPP projects at the central government level are only approved by the government just before signing a contract. The analysis suggests that the government should consider PPP projects prior to the launch of the procurement process;
- public procurement regulation of PPP projects, is unsystematic;
- other more specific issues related to tax and accounting rules, state owned assets rules, construction permit rules, etc. remain as obstacles.

By government decree, the conclusions of the analysis must be implemented into law within a defined period.

As of September 2009 the Ministry of Finance has issued guidance as follows:

- Contents and requirements for feasibility studies and public sector comparators;

- Guidance on the process of preparation and realisation of PPP projects and their control;
- Guidance on the approach to risk management in PPP projects;
- Codex for management of the preparation of PPP projects;
- Contents of outlines for PPP projects and criteria for their assessment (for the purpose of provision of consultative and financial support under the Ministry of Finance's technical assistance programme).

These guidance documents have been approved by the government and are binding for contracting authorities whether at central government level or directly supported by the Ministry of Finance.

### The choice of a toll system for the D4 project

The choice of a toll system rather than availability payments for the D4 project is mainly derived from funding perspectives. The D4 project is the only project in Slovakia that has the potential to be self-financing, given that the traffic forecasts and indications of end user purchasing power demonstrate an adequate base case. However the D4 project should not be isolated from the rest of the road network which provides alternative routes, free of charge, through Bratislava. When calculating the total level and methods of funding needed, too heavy a reliance on the tolls paid by the end users may result in tolls which are too high to sustain demand and could create political pressure to reconsider the underlying concept of payment for services provided. Potential lenders will certainly be interested in stress testing these considerations before they show themselves willing to finance a toll system project. Possibly the final payment mechanism may be a combination tolls paid by the users and availability payments paid by the state. All these questions relating to the funding of the D4 project will need to be thoroughly analysed in the feasibility study.

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# SLOVENIA

## UPDATE

- A new PPP act came into force in 2007 setting out detailed regulations on PPPs.
- PPP activity is very limited and unlikely to resume until the economic situation improves.

## RESPONSE TO THE CREDIT CRISIS

Slovenia has weathered the global financial crisis reasonably well according to the IMF report in March 2009. It is taking action to ensure that capital reserves and liquidity of Slovenian banks are maintained despite the slowdown in foreign investment. In January 2009, the Slovenian state issued €1 billion of bonds, the proceeds of which it deposited with Slovenian banks. It has also made provision to guarantee up to €12 billion of debt of financial institutions and to give limited guarantees to non-financial companies. Slovenian exporters can turn to the Slovene Export and Development Bank for financial help on export contracts. Despite the support, bank profits have fallen sharply by reason of decreased borrowings from banks' customer base. Tax concessions have been implemented to encourage more activity in the private sector.

## GOVERNMENT AND LEGISLATION

Whilst government policy officially is to encourage PPPs, in practice, the transfer of long term risks from the public to the private sector is not regarded particularly favourably in Slovenia which, in the circumstances of the credit crunch, has led to a drying up of all PPP projects with, as at August 2009, no open tenders for PPPs.

The new Slovene PPP Act entered into force in March 2007 and is based on the EU Green Paper on PPP. This Act sets out how a PPP can be used for the purpose of private investment into public projects, or public co-financing of private projects – or a combination of both – which are in the public interest. To stimulate PPPs, all public authorities must examine the feasibility of public-private partnership for all projects over €5,278,000 and test private sector interest in such projects.

The PPP Act establishes a special unit within the Ministry of Finance to monitor and keep records of PPP projects. It also establishes a council for PPPs that carries out studies and advises on PPPs.

## Procurement

The PPP Act is generally applicable on a subsidiary basis, meaning that it only applies when certain PPP issues are not otherwise regulated in a specific act (for example in the Public Utilities Act). The Ministry of Finance issued a subordinated act which regulates in detail the procedure for carrying out such studies and tests. As well as seeking better use of public funds, the PPP Act includes provisions to improve transparency in public procurement procedures and implements the EU procurement regulations.

## PROJECTS

Currently, there are few PPP projects in Slovenia and several of them are on hold.

The largest PPP projects are in Ljubljana. The most impressive envisages the conversion of the main passenger railway and bus station into a shopping, working and living area (the Emonika project). The project is worth €250 million and is being implemented by a Hungarian-Canadian company. Recently the project appears to be on hold due to financing difficulties.

Another big public-private partnership project in Ljubljana is a sports stadium with 16,000 seats, together with a sports hall with 12,000 seats. A PPP contract was awarded to a Serbian retail chain, which was supposed to build a large shopping centre (80,000 m<sup>2</sup>) next to the sports centre, but it appears that financing difficulties as well as certain political issues caused the project to be put on hold.

## RAIL

There have been reports of several projects related to the Slovene railways that would be carried out in the form of PPP. However, due to the reorganisation of *Slovenske železnice*, the railway operator, which has had its role extended, these are currently on hold.

## HEALTHCARE

In the health care sector there are several hospital PPP projects under consideration. There were several projects in the areas of e-services, e-card and medical databases, but these have already been awarded or even actually completed.

## **WATER/WASTE**

The Maribor Wastewater Treatment Plant was originally awarded as a PPP in 2003 and funded by the EBRD. In May 2008, it was successfully refinanced by the private sector. There have not been any other PPP projects in this sector.

## **THE FUTURE**

Although a new PPP Act has provided a more robust framework under which PPPs can be procured and the official policy is to encourage PPPs, in practice it is unlikely that any PPP activity will resume until the economic situation improves.



# SPAIN

## UPDATE

- The credit crunch has resulted in economic packages designed to stimulate the economy through increased spending on infrastructure investment, but few projects have been awarded.
- Lack of funding and tighter terms from banks are holding back the PPP market and fewer companies are participating in bids. The government is considering measures, such as state guarantees, which could ease the financing constraints.
- A new PPP Contract has been introduced but has not been extensively used due to the lack of public funds.
- Madrid court rulings on the prices for expropriation of land have increased land values and thus the cost of PPPs relying on expropriated land (eg roads).
- Spanish companies remain highly active in international PPP markets and six out of the ten most active companies operating internationally are of Spanish origin.

## RESPONSE TO THE CREDIT CRISIS

The Governor of the Bank of Spain has called for measures bring down the public deficit and help create employment. According to the Governor, Spain's public accounts have risen from a surplus of 2.2 percent of gross domestic product in 2007 to an expected deficit of around 10 percent in 2009. The government has said it aims to cut the deficit to 3 percent of GDP by 2012 to comply with EU budgetary requirements.

The so called "Plan E" (the Spanish Economy and Employment Stimulation Plan) announced by the Spanish government in order to stimulate the Spanish economy and reduce the unemployment rates, entails support for investment which, when taken together jointly with the investment figures allocated in the State Budget, amounts to €33 billion in 2009. PPP is still considered a good alternative for developing infrastructure projects.

In July 2009, the Spanish government started discussing a draft law which would make state guarantees available to PPPs to ease financing constraints. The draft law would impose certain restrictions on the debt/equity structure, but it seems that this would make little practical difference as banks are already demanding higher equity participation.

The Spanish government announced in April 2009 that it will modify the Strategic Infrastructure and Transport Plan ("SITP") (which in 2005 set out plans for annual spending on infrastructure of some €15.5 billion per annum between 2005 and 2020) in order to adjust it to the current economic credit crunch. The Ministry of Transport announced in August 2009 that it intends to tender over €6 billion in infrastructure projects before the end of 2009, a 22% increase in tendering over the first part of 2009. The funds are to be allocated as follows:

- €4.4 billion for rail projects, including high-speed rail;
- €1.1 bn for highway projects, including €510m for first generation roads;
- €368m for airport projects; and
- €188m for state ports.

It is likely that only the roads part of the programme will be tendered as concessions or PPPs.

A recent credit rating report on the *Comunidades Autónomas* of Madrid (ACM) from Standard and Poor's warns that inflexible long term commitments can damage a public authority's own credit rating – or lead to reduced level of spending on other public services. ACM retains a high rating of AA+ reflecting the healthy financial position of the area but is given a 'negative outlook', partly on the grounds that the recession may affect tax revenues, but also because of what Standard and Poor's calls the region's "inflexible expenditure base". The inflexible expenditure base consists partly of increased social spending due to the recession and partly of on going commitments to make payments under PPPs. According to Standard and Poor, PPP investments count as tax-supported debt. Standard and Poor's further comments that as a result, generally public authorities are building up maintenance backlogs or are turning back to classic construction contracts for new projects.

The extent of the suffering of Spanish financial institutions is reflected in the downgrading of the ratings for a total of 25 Spanish banks, many of them regional savings banks but also including some large Spanish banks traditionally involved in project financing. As a result, they are not only less able to offer finance but are changing their terms for funding PPPs. As in other countries, there is evidence of banks increasing interest rates, fees and commission whilst at the same time reducing the contractual term

of their loans. In addition, the percentage of debt that these financial entities are now willing to finance is lower than previously.

It is common in Spain for PPP companies to raise only short-term debt finance to cover the construction phase, relying on refinancing at lower interest rates once the operational phase has commenced. With the banks demanding higher interest rates and fees, existing PPPs may be affected by an inability to refinance their original debt. On certain types of PPP such as toll roads, these pressures on companies are coupled with lower revenues because of falling demand. Low returns (many projects have an equity IRR below 6%) have been a continuing feature of Spanish PPPs, and with the pressures of increased cost, companies are increasingly inhibited from participating in future bids.

## GOVERNMENT AND LEGISLATION

### Policy

Spain has a long and successful history of implementing PPPs which began with roads in the 1990s, spreading to other sectors such as health and waste during the period from 2000 – 2005. Central government has only promoted PPPs in the roads sector but after the decentralization of government into 17 *Comunidades Autónomas* during the 1990s, during 2005 and 2006, Spain had generated one of the biggest PPP pipelines in Europe. In 2007, the total value of tenders according to the construction association Seopan was €9.7 billion. In 2008, it decreased by 48% to €5 billion of which the *Comunidades Autónomas* were responsible for €3.8 billion. In 2009, the market has continued to be slow, due to the difficulties caused by the credit crisis but with the appointment of a new infrastructure minister who has made a number of statements about support for infrastructure projects including PPPs, prospects are looking brighter. The government is also said to be working on a new law for economic sustainability which should open up new sectors for PPPs such as access roads to cities and ports and high-speed rail.

### Procurement

Spanish authorities have generally favored public works concessions but these are only suitable for cases where third party users pay a fee for use of a public facility. Other cases have relied on an amalgamation of different types of contracts, such as for prisons (an agreement for the construction of the prison, then a lease back of the

prison and a maintenance agreement). To remedy the shortcomings of the legislation and to provide a framework which would assist Spain to meet budgetary constraints resulting from EU imposed budget deficit limitations, Spain introduced a new Act 30/2007 (the “Act”).

The Act provides a definition of PPP and introduces a standard form PPP contract, based on the proposals set out in the EU’s PPP Green Paper. The PPP contract envisages service output specifications (typically taken from examples from UK PPP) which is another significant change from previous practice where a technical specification was prepared by the public authority.

Spain has also introduced legislation to comply with EU procurement regulations but continues to use the restricted procedure rather than competitive dialogue.

### Increased costs of expropriations

There are various rulings issued by the Madrid Supreme Court (and other regional supreme courts) by which the value of expropriated land has been significantly increased. Some of these rulings have been appealed to and confirmed by the Supreme Court. In those cases in which the final court has ruled in favour of the landowners, the relevant provincial expropriation jury (“*jurado provincial de expropiación*”) (this is the administrative body to which dealt with the expropriation proceedings and which decided the initial valuation of the land) enforces the decision against the public authority which initially expropriated the land (“*Demarcación de Carreteras*”) The public authority in its turn, may claim against the concession company for the increased amount to be paid to the landowner and this opens up a new legal issue: who is obliged to pay the existing difference between (i) the maximum amount for expropriation of land that the concessionaire offered when bidding for the concession, and (ii) any significantly increased price established by court rulings?

Concession companies have adopted a variety of responses to this situation. Some concessionaires have rejected such claims, which may lead to further court cases, some have paid up (generally on the basis of whether or not a case may be brought before the Supreme Court), whilst others have deposited the contractual amount until the dispute is resolved by the courts. This issue is serious for concession companies because in some cases the additional payment for expropriation is as high as the value of the entire project. Government is being pressed to enact a proposed new regulation on valuing land.



Although other types of PPPs may have problems relating to the valuation of the land, this has been a typical problem with roads. The most significant examples are land or properties on the edges of Madrid which have been valued at higher central Madrid land values based on the fact that urban development will be carried out adjacent to a new road.

## PROJECTS

### AIRPORTS

Currently the airport sector is suffering from the consequences of the worldwide financial crisis. Both tourism and business flights are experiencing considerable downturns, as a result of cost-cutting policies. The SITP guidelines for extending the operation of Spanish airports and air traffic will be difficult to comply with given that airports must adapt to reduced passenger numbers.

As part of Plan E, the Secretary of State for Public Works, José Blanco, intends to form a state-owned company (Empresa de Gestión de Aeropuertos del Estado), controlled by AENA (the public entity which currently holds the responsibility of managing and financing Spanish airports) which will manage all Spanish airports. The idea is to include private investors as shareholders in the capital of the company, once the responsibilities are wholly assumed by the newly-created company.

The airports of Murcia, Castellon and Alicante are still under construction. In the short-term, there are no plans for the construction of any new airports, although there are plans, as yet in their early stages, for the extension or improvement of some existing airports, for example, La Coruña Airport.

### RAIL

The rail sector is the main recipient of investments under the SITP (48%). It is hoped that government plans to extend the scope of PPPs will mean that the planned high speed rail links and other rail projects will be opened up to concessions or PPPs.

Spain is looking to ease traffic congestion with the construction of underground and commuter rail networks not only in big cities but also in middle-size and small cities. For example, in June 2009 a consortium was

appointed the preferred bidder for Zaragoza's €400 million tram line PPP and Murcia's €264 million tram DBFMO reached commercial close in May 2009.

In the last meeting between the Prime Ministers of France and Spain held in Madrid, they agreed to promote and improve the rail communications through the Pyrenees.

### ROADS

Many of Spain's PPPs are in the road sector where a concession contract with income from tolls is the norm. In January 2009, the Navarre region, in the north of Spain launched a tender for a 30 year concession for the construction, operation and maintenance of two parts of the AP-21 highway, also known as the Pyrenees highway. In June 2009 the regional authorities of Castille-La Mancha, published a tender for a new €845 million highway concession. The project involves a 30 year contract for the construction, operation and maintenance of a 28 kilometre greenfield stretch of road of the Autovía del IV Centenario, connecting Granátula de Calatrava to Valdepeñas, in addition to the operation and maintenance of a first stretch of the Autovía del IV Centenario. In May 2009, the Spanish government announced that two new projects for the modernisation of 137 kilometre of highway would be tendered in the summer. They will involve capital investment of some €510 million and are expected to be based on shadow tolls over a 25 year period. The first concession to be tendered is likely to be part of the A3 connecting Madrid to Cueva, followed by a second concession for four stretches that form part of the A4, in the direction of Seville.

In April 2009, central government approved the plans of the Madrid regional government to implement the M-61 project valued at €2.3 billion. The Madrid ring road includes construction of a 10 kilometre tunnel under the Monte de El Pardo park between Majadahonda and Alcobendas and 33 kilometres of road.

Despite many new projects, existing concessionaires are suffering from the downturn in traffic with consequent loss of profits and financial concerns but it is not clear whether all these ambitious plans can be realised. The introduction of availability payments may unblock the six road tenders which are currently on hold.

## HEALTH

In July 2009, contracts for advisers on two health PPPs in Spain's Canary Islands were awarded. The two projects consist of a new annex to the Hospital Universitario de Canarias and a new unit for positron emission tomography in the Canaries.

In July 2009, a preferred bidder was appointed on the Madrid €139 million Torejon de Ardoz hospital project which will have 250 beds, 10 operating theatres, maternity and dialysis facilities. Though the tender received a lot of interest at an early stage, only one bidder finally submitted a bid. This is the first of four hospitals in Madrid: the other projects being Mostoles, Callada Villoba and Carabanchel which are due to be awarded over the next two years.

In April 2008, financial close was reached on the €331 million Son Dureta PPP hospital project at Palma, Majorca.

## WASTE/WATER

PPP is likely to play an increasing role in the waste/water area. The Spanish Government faces challenges over the next three years due to the fact that many Spanish public water supply and waste water networks require upgrading to meet national and EU standards, they have little or no spare capacity and they suffer significant losses through leakage. Water projects in Spain are implemented under the A.G.U.A. (*Actuaciones para la Gestión y Utilización del Agua*) Programme which was supposed to have been implemented between 2004 and 2008 but has fallen behind schedule. This programme was intended to meet European Union regulations such as Directive 2000/60 and also aims to reform the Hydrographical Confederations by giving more authority and power to the different Spanish regions (*Comunidades Autónomas*) in decision making processes and in public control of water use and quality.

Spanish water concessions/PPP projects are mainly in respect of: (a) water treatment plants and distribution networks; (b) wastewater collection and treatment plants; and (c) wastewater recycling facilities. Of particular interest is the development of new desalination techniques under the A.G.U.A. Programme.

The first project to use competitive dialogue has resulted in the award of a €120 million PPP contract to provide integrated water cycle services to the city of Andratx,

on the island of Majorca, Spain. A 20 year concession for a waste-to-energy facility in Valencia, Spain was granted in September 2009. The facility will serve 97 municipalities in Valencia with a total of 370,000 inhabitants.

## THE FUTURE

The Spanish government has issued many tenders and is generally encouraging PPP projects. However, it is now also government policy to proceed cautiously with projects because of the difficulties of reaching close in the current financial market. There are signs that the gap will be met by government financing which may generally reduce PPP opportunities. On the other hand, the government is considering the introduction of state guarantees and other measures to support PPPs.

The airport sector is unlikely to pick up until the world economic situation improves and demand for air travel increases once again. Whilst the road sector has many new projects in tender, concession companies may similarly be reluctant to bid until traffic and profit levels pick up once more.

The water and waste sectors are likely to provide significant opportunities for PPP companies as reforms and regulatory requirements start to bite.

Banks and companies will continue to find the financing of projects difficult until the credit crunch passes and returns begin to rise.

# SWEDEN

## UPDATE

- No projects are under tender at a national level but there are two projects under tender for Stockholm County: a new university hospital and a city tram project.
- Government policy does not generally favour PPP and there is no immediate prospect of change in this policy stance. However, a report on the implementation of high speed trains in Sweden is due in September 2009; which could lead to more positive conclusions with regard to PPPs.

## RESPONSE TO THE CREDIT CRISIS

According to the IMF in its visit to Sweden in June 2009, Sweden's state finances have undergone one of the largest swings in the entire European Union in the last year, dropping from a 2.5 percent surplus in 2008 to a 4 percent deficit so far in 2009 and a forecast of a 6 percent deficit. The IMF praised Sweden's handling of the credit crisis. Sweden's response to the crisis prioritises welfare and job creation and PPP is not on the agenda as a tool for crisis management. However, the crisis is likely to impact the financing of the New Karolinska Solna university hospital since, at an estimated cost of €1.5 billion, it is likely that a club deal will be needed.

## GOVERNMENT AND LEGISLATION

After the election in 2006, the new centre-right government indicated that it was open to new ways of procuring infrastructure, and appointed a joint working group comprising representatives from the Swedish Road Administration, the Swedish Rail Administration and the Nordic Road and Transport Research Institute to analyse the legal, financial and technical prerequisites for PPP in the road and rail sectors in Sweden. The terms of reference for the joint working group also included presenting a proposal for a Swedish PPP model. The report

was published in June 2007 and the infrastructure sector in Sweden believed that it was time to try out the PPP concept. But in January 2008 the government declared that infrastructure projects planned in accordance with the long-term governmental bill on infrastructure would not be financed with loans from private partners. This policy stance currently appears unlikely to change.

## PROJECTS

There are no PPP projects in tender on a national level as at May 2009 and only two at local level. These are the university hospital New Karolinska Solna and the Stockholm City Tram. In the New Karolinska Solna project, the public partner is the Stockholm County Council (Stockholms läns landsting), and in the Stockholm City Tram project, the public partner is Stockholm Public Transport (AB Storstockholms Lokaltrafik) which is a part of Stockholm County Council. Bids for the university hospital are due in September 2009 and a timetable leading to financial close by April 2010 has been established by the County authorities. This will be a major and complex project which could well influence future attitudes to PPP within Sweden.

## THE FUTURE

Because of the lack of PPP projects on the Swedish market no trends can be ascertained. However, the government has appointed a committee to analyse the prerequisites for high speed railways in Sweden. The committee is investigating where the railways should be built, the cost and how the project should be financed. The result was to be reported to the government no later than 15 September 2009.

Successful procurement and delivery of the Karolinska Hospital PPP could also influence future government policy.

## VIEW FROM SWEDEN

The rationale for Stockholm County Council (SCC) to procure the New Karolinska Solna hospital as a PPP is primarily threefold:

- Predictability of cost: to be achieved through an effective risk allocation and stringent contractual structure;
- Predictability of delivery: to be achieved by structuring a strong incentive for the private sector to deliver on time as well as to leverage in full from its competence and experience; and
- Added value in terms of design: to be achieved by e.g., taking life cycle cost into consideration.

SCC is using the negotiated procedure and has already published a PIN about the project. The ITN was issued at the end of March 2009 and tenders are due at the end of September 2009. Financial close is planned for March/April 2010. The credit crisis is unlikely to

endanger the funding as such but the cost of funding is likely to be impacted. Positive signals have been received from the market. SCC has primarily approached the IFIs, which have indicated interest in the project. The project in itself has the potential of being a “global landmark project” since it is, as far as we are aware, the largest single site hospital PPP in the world. Other factors which potentially could have a positive impact on the interest in the project from private sector banks include the attractiveness of the Karolinska brand and the high aspirations of the parties. Given these aspects and since the NKS PPP is the first hospital PPP in Sweden, it is probably a pre-requisite that it is seen to be successful if the PPP market is to take off in Sweden and Scandinavia.

**Erik Gjötterberg**  
Administrative Director  
New Karolinska Solna

# TURKEY

## UPDATE

- State interference in the economy has been reduced in recent years as important markets such as electricity, telecommunications, sugar and petroleum have been liberalised.
- Although the micro, small and medium-sized enterprise (MSME) sector is large, Turkish entrepreneurs still lack access to debt and equity finance.
- Tighter bank lending standards make the emergence of new PPP deals complex.
- Nonetheless, Turkey is taking action to put together a legal framework for PPP that would improve its international attraction to the construction, financing and advisory communities.
- A handful of deals, closed under BOT, BO and TOR models, are paving the way for PPP-type structures.

## RESPONSE TO THE CREDIT CRISIS

Turkey's domestic financial system has shown a fair degree of resilience to the financial crisis so far. Tough regulation, fewer toxic assets and limited mortgage exposure have helped Turkish banks face the current crisis better than most others. However, the real economy has been hit, adding to the country's structural economic problems. Declining consumer confidence and tighter bank lending standards have weakened domestic demands.

In 2008, the government made incremental improvements regarding small and medium enterprises and industrial production costs. Ultimately, the government declared a comprehensive stimulus package including tax cuts in the housing and automotive sectors, financial support to small and medium enterprises, and export credits to stimulate the sluggish export rates in Turkey. The approximate value of the package is declared to be TL2.7 billion (Turkish liras).

Turkey has also benefited from financial support from the EIB and the World Bank, as well as the EBRD.

## GOVERNMENT AND LEGISLATION

### Policy

Although successive governments have made many announcements regarding the launch of more traditional PPP-type projects in various sectors, and despite the

success of some BOT projects in operation, progress has been limited in PPP. Some common criticisms include:

- weaknesses in the legal and institutional framework of the PPP model; and
- the absence of any sponsoring and supervising institution in the government to guide public entities through a complex public service procurement method.

Nonetheless, Turkey is taking action to put together a legal framework for PPP that would improve its international attraction to the construction, financing and advisory communities.

### Existing legal framework

Until the 1980s, the technique for long-term delegation of public infrastructure services to the private sector in Turkey was the rarely-used concession method which is still regulated mainly by the Concessions Law of 1910. The concession method is still in use particularly for the transfer of rights to operate existing publicly-owned infrastructure facilities, such as ports. Currently, Turkey structures its PPPs on a 1994 law known as the Build-Operate-Transfer ("BOT") Law covering almost every infrastructure sector including energy, transportation, communication and municipal services. This BOT model, as amended by a myriad of sector-specific laws is used for many greenfield infrastructure projects in different sectors. For example, the Ministry of Health uses a law of 2005 which inserts an additional article on basic health services dealing with framework issues, thereby opening the door for PPPs. This law allows for projects for the construction of new healthcare facilities or the renovation of existing ones to be realised by the private sector by entering into a contract with the Ministry of Health.

### Law on Public-Private Co-operation Models

A new draft law is prepared under the coordination of the State Planning Office. The key provisions of the draft include:

- revoking all the existing separate laws and regulations mentioned above and standardising the provisions applicable to all sub-models;
- expanding sectors that may be subject to the PPP model to cover all sectors, in addition to the classic investment sectors listed in the BOT Law, such as transportation or energy.

The draft law is expected to be approved by the end of the 2009 legislative year.

In addition, an International PPP Platform has been launched in 2008 and has received backing from the British Consulate's trade and investment branch in the country. In an effort to promote PPPs in Turkey, the platform is expected to provide a neutral place for private sector firms that want to take on government bids for public infrastructure.

## PROJECTS

### Health

The Turkish Ministry of Health is currently working on a large number of potential PPP of which four hospital projects are the most advanced and have a total value of about €1 billion.

The Turkish Ministry of Health is developing the first PPP project in the Turkish healthcare sector – the €250 million Kayseri Integrated Health Campus.

### Highways

This sector is probably the most advanced in BOT terms with the €1.5 billion Trans-Bosporus Tunnel projected being awarded last year, although it is yet to achieve financial close.

Several other ambitious and substantial BOT projects are being planned, among them Izmit –Gebze- Orhangazi Project which includes a bridge crossing Marmara Sea and

is already awarded as well as North Marmara Highway which includes the third bridge crossing Bosporus.

### Other transportation

There have been a lot of experiences in this area, namely ports and airports using BOT and TOR schemes which have generally been successful.

### Energy

This sector has been the main area where the BO, BOT and TOR models are used. However, after the enactment of Electricity Market Law no 4628 in 2001, the electricity market was liberalised. The investments in this sector will be private sector investment whereas the public sector will be responsible for regulating the market.

### Education

There are some plans to look at Vocational and Technical Educational Campuses but these are at an early stage.

## THE FUTURE

If Turkey can continue to attract foreign investment funds and keep down its budget deficit, then the prospects for PPP look bright. The country has an infrastructure backlog and ambitious programmes to meet international standards. When the new PPP law comes into force, it will provide a significant boost to the possibilities of innovation in projects which previously had to be conducted under the more restrictive BOT and concession legislation.

## VIEW FROM TURKEY

### PUBLIC PRIVATE PARTNERSHIP IN TURKEY

Turkey, as one of the leading emerging markets, has a large infrastructure portfolio consisting of both uncompleted projects of many years and prospective projects as part of its EU Accession and development process. However, fiscal discipline policies constrain investment expenditure. The Annual Investment Programme sets limits for the investment expenditure to be realised by foreign financing and domestic resources. Public Private Partnership (PPP) is a welcome opportunity to carry out specified public services in a more efficient and economic way by creating fiscal room for investment expenditure as well as bringing out private sector expertise. The use of PPP models allows the Government to limit its annual expenditure by spreading the investment in infrastructure over a long period of time. The lighter fiscal burden on public sector accounts will have a positive impact on the Debt to GDP ratio, one of the Maastricht Criteria. Moreover, a well designed PPP structure will attract foreign investments which will mobilise global private sector expertise in providing high quality public service in a cost effective way.

PPP is not just an alternative way of infrastructure financing but an alternative way of procurement. Although, mostly the positive impact of PPP on the budget is emphasised as the most important advantage of PPP, the value adding feature of PPP to make best use of private sector capacity for designing, construction and service delivery should not be overlooked.

Actually, Turkey is well ahead of many EU countries with its experience in PPP projects. Turkey has proved its potential and strength in implementing projects through public and private partnerships. BOT, BO and TOR models have been utilised in energy sector, water supply projects as well as airport terminals. Our past experience shows that PPP is not problem free, but it is not without solutions either.

The performance and experience so far show that the legislative framework in the area of PPP needs to be remedied not only for launching large-scale projects but

also for harmonising its procurement legislation with the EU *acquis communautaire*. A new PPP law is being drafted. The driving motivations behind the new law are as follows:

- **Fragmented Nature of Current PPP legislation:** The current legislation is based either on sector specific laws or regulation of different types of PPP model. Gathering all the specific sectors and defining all PPP models in one law will provide a comprehensive definition of the PPP concept with a wider scope of use.
- **Financial arrangements, risk allocation and government guarantees:** Following the best practices and country experiences, in order to shape a suitable environment for bankable projects, provisions on effective risk allocation, various financial arrangements and government guarantees are regulated under the draft law.
- **Alignment with procurement legislation:** Public procurement has been regulated under the Public Procurement Law since 2002. Since the current legislation for PPP has been in effect for more than two decades, there is a need for current PPP implementation to be adapted to reflect the new procurement legislation.

In a world where public sources for investment projects are becoming scarcer day by day, utilising PPP models is becoming very popular. However, taking into account our own experience as well as other country experiences, we would like to take prudent steps towards a PPP model. Our efforts on this front are aimed at a public private partnership where private sector concerns are taken into account to the extent possible.

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# UKRAINE

## UPDATE

- Support for the Ukrainian economy is the overriding government concern. Suffering as it is from a lack of capital and institutional investors, many PPP projects have been suspended.
- The holding of the UEFA football championships in Ukraine in 2012 (EURO 2012) offers an opportunity to which all political parties have given top priority. Despite delays and threats of UEFA withdrawal, EURO 2012 is still on-going and progress is beginning to be made.
- A new PPP law was enacted in June 2009 although it is yet to come into force. Improvements to the motorway concessions regulations have also been enacted. Lack of transparency is a common problem.
- At the end of 2009, Ukraine will hold presidential elections. This is likely to shift the focus of Ukrainian politics from long term infrastructure projects to short term issues of social protection. However, this may also provide an opportunity for the development of PPP projects aimed at social welfare such as hospitals and education.

## RESPONSE TO THE CREDIT CRISIS

With the World Bank forecasting a drop in GDP of 15% for 2009 and other forecasters estimating even greater contraction, the credit crunch has had a particularly devastating effect on the Ukrainian economy. This has resulted in support from the IMF and other international agencies such as the EBRD and the World Bank. The ongoing disputes with Russia on payments for gas transit have further undermined market confidence.

To cope with the consequences of the financial crisis and to comply with IMF requirements, October 2008 saw the adoption of a decree to create a stabilisation fund to finance the most indigent sectors of Ukraine's economy.

The Ukrainian budget for 2009 provides state guarantees for (i) the obligations of the State Motorway Service of Ukraine (with regard to borrowings and obligations under concession agreements), (ii) construction of metropolitan rail lines, and (iii) implementation of investment projects and other measures necessary for EURO 2012 projects. The aggregate amount of these guarantees is UAH37 billion.

Some banks have become insolvent and others have only survived with support from the government. Branches of international banks are still receiving support from their parent companies but generally investors are staying away because of the high country risk.

Due to the severe financial constraints, only key projects relating to the EURO 2012 football championships are still in progress (motorways, airports, and construction and modernisation of stadia). Many long term PPP infrastructure projects are on hold.

## GOVERNMENT AND LEGISLATION

Spurred by the EURO-2012 deadline, governmental authorities have been working on improving the legal framework for PPP projects and a number of new laws have been adopted.

In January 2009, the motorway concessions law was considerably improved. Under the amendments:

- concessions may be used for the reconstruction of existing motorways (not only for construction of new ones as previously);
- the concessionaire is now entitled to obtain various payments from the state including for completion of works and proceeds from operating road services;
- the state may now partially finance road construction under a concession project;
- the state will not change the purpose of use of land used for concession projects;
- the state undertakes to facilitate the obtaining of the required licenses and approvals by the concessionaire;
- concession agreements will come into force upon the concessionaire obtaining the right to use relevant land;
- concessionaires are no longer obliged to employ at least 90% domestic labour force or use at least 70% domestically produced construction materials;
- concessionaires now may obtain ownership over property which is created as a result of a project but located outside the land allotted for motorway construction.



In June 2009, the Ukrainian Parliament adopted a new PPP law although as at August 2009, it has not come into force. The new law sets out who can be a party to a PPP and defines a PPP as co-operation on the basis of an agreement. It sets out a list of areas for which PPP structures may be used, including construction and/or operation of motorways, railroads, runways, tunnels and subways, river and sea ports and their infrastructure. It also describes the main activities and functions which can be included within PPPs including design, financing, construction, refurbishment and modernisation, maintenance, exploration and servicing. PPPs may be implemented in the following forms: concessions, joint ventures and distribution of products.

Only the specified forms of PPP attract the possibility of a state guarantee, although in this context, a state guarantee is not necessarily the monetary support that the term might imply elsewhere. The state guarantees are rather rights from which a private sector partner may benefit under a PPP and consist of:

- national regime for PPP investment and business activities;
- state protection of the rights and interests of the private sector partner;
- non-interference of state bodies in the private sector partner's PPP activities;
- indemnification of losses caused by state regulation of tariffs, which prevent the private sector partner from setting profitable tariffs; and
- full indemnification of losses caused by decisions of state bodies which breach the rights of private sector partners.

In addition, the public sector is required to make available the land necessary for the PPP together with relevant easements. It must also facilitate planning consents. Monitoring of PPPs is to be carried out by an authorised government body but no body has as yet been appointed.

Whilst many of the provisions of the PPP law may seem basic by comparison with other jurisdictions, they represent a big step forward for PPPs in Ukraine. There are still obstacles to be overcome and the often large gap between theory and practice in Ukraine may mean that the law will prove less effective than it appears.

## Procurement

The main procurement law was repealed in March 2008 on grounds of lack of transparency and general corruption of procedures. In October 2008 a temporary regulation was enacted providing for more transparent tender rules and procedures. Even so, existing legislation does not provide for a transparent and efficient interaction between the public and private sectors or even between different state authorities. This is particularly relevant to the tender procedures and auctions for the lease of land and buildings and for concessions.

## PROJECTS

The very wide definition of a PPP in the new PPP law reflects the way that PPP is seen in Ukraine: basically any contract between a governmental authority and the private sector can qualify as a PPP. This makes it difficult to distinguish which projects are PPPs in the sense of transferring long term risk to the private sector or making the private sector responsible for obtaining financing. Whilst the concept of a concession is well established, it is not always easy to obtain information as to whether a particular project is to be structured as a concession or not. Therefore, in reading the information about projects set out below, whilst they may conform to Ukrainian notions of PPP, they may take the form of more traditional construction contracts.

## AIRPORTS

High demand for construction and reconstruction of airports in Ukraine taking into account the economic need and the long distances between some Ukrainian cities means there is a great opportunity for PPP projects in this sector. EURO-2012 is already resulting in airport modernisations, such as the major extensions to Boryspil airport in Kyiv.

The government has issued a number of orders/regulations related to airport reconstruction. However, such regulations represent to a great extent government's intentions, rather than an adequate legal framework and further work is required.

Although not all of them will be realised due to lack of funds and other obstacles, there are plans to improve airports at the following locations: Kyiv, Boryspil, Donetsk, Kharkiv, Lviv, Dnipropetrovsk, Odessa,

Gostomel, Ivano-Frankivsk, Mykolaiv, Zaporizhzhya, Mariupil and Lugansk. If they materialise, some of these may be on a PPP basis, but at least two of them have already been cancelled due to lack of interest from bidders.

## ROADS

The outlook for this sector can be described as moderately positive. A major problem is the lack of international investors willing to take on Ukrainian political risk. Lack of available long term capital has caused suspension of many PPP projects which were expected to be announced, the on-going projects being required for EURO 2012. At the moment most of the motorway construction projects are funded by the state, the World Bank or the EBRD or the EIB. The main ongoing motorway projects are the Grand Kyiv Ring Road and the construction and operation of a motorway between the border with the Russian Federation (check point “Shcherbakivka”) and the Kyiv-Kharkiv-Dovzhanskyi motorway. The following projects are listed as being pre-tender:

- The Southern Trans-European Highway Construction, a motorway from the western border of Ukraine to the city of Kyiv, total length circa 735km (international transport corridor Nos. 5 and 3);
- Motorway service area on the Kyiv – Odessa motorway at Grebinky in the Kyiv Region (international transport corridor No 9);
- Motorway service area in Olevska, Zhytomyr Region on the Kyiv – Kovel motorway;
- Motorway from the border with the Russian Federation, ending at the Kyiv – Kharkiv – Dovzhansk motorway in the Kharkiv District, total length circa 48.7km;
- Lviv – Brody motorway in the Lviv Region, length circa 80.2km; and
- Brody – Rivne motorway in the Rivne Region, length circa 94.8km.

## RAIL AND LIGHT RAIL

Projects currently under way in the heavy rail sector include the acquisition of electric trains with compulsory body tilt (Pendolino type) and the development of a high speed railway (200km/h) for passenger trains between Kyiv and Poltava.

There are several light rail projects under construction including:

- Kharkiv metropolitan lines:
  - Construction of a third line between 23 Serpnyia and Prospekt Peremogy stations;
  - Construction of a third line between Metrobudivnykiv im. G.I. Vashchenka and Odeska stations;
  - Construction of a third line between Odeska and Airport stations; and
  - Construction of a depot at Oleksiivske with a communicating branch to the third line of Kharkiv metropolitan.
- Acquisition of rolling stock for the State Enterprise “Kharkivskyi metropoliten”.
- Dnipropetrovsk metropolitan line
  - Construction of first tier; and
  - Extension of first tier between Komunaryivska and Parus 2 stations.
- Donetsk metropolitan line
  - Construction of the first tier of between Proletarska and Bilyi lebid stations; and
  - Acquisition of tunnelling equipment.

## STADIA

The main impetus for stadia projects is EURO 2012. The largest project is the National Sport Complex “Olimpiyskyi” in Kyiv together with improved access, which is currently under construction. The Odessa stadium project is also under construction. The Lviv stadium project suffered a set back when its first tender failed on financial grounds.

## THE FUTURE

Ukrainian infrastructure is greatly underdeveloped in comparison with European standards. All sectors could be attractive, including railroads and rolling stock, healthcare, telecommunications (where Ukrtelecom – the largest national provider of fixed telephony services owned by

the state may be privatised in the near future), water supply and waste water management and port facilities. In addition, local authorities may be willing to undertake smaller PPP projects which to date have not been feasible.

These opportunities are however dependent upon improvements in the Ukrainian economic and political environment so that foreign investors become more willing to invest in Ukraine.



# UNITED KINGDOM

## UPDATE

- The impact of the recent financial turmoil on the infrastructure market has been significant – inability to finance or refinance PPPs has made for challenging times and diminishing returns for some investors.
- UK government has responded with measures targeted specifically at PPPs including the creation of the Treasury Infrastructure Finance Unit (TIFU) which has powers to lend to PPP projects. It is actively seeking means of channelling long term funding from pension funds into the infrastructure market to support PPP financing.
- Many new regulatory changes have been introduced.
- Whilst government policy supports PPPs, certain sectors such as health, have been drastically reduced and other sectors such as rail are likely to be scaled back.

## RESPONSE TO THE CREDIT CRISIS

With the run on Northern Rock (a UK building society which provides banking and mortgage service) in August 2007, Britain was one of the first countries to be affected by the credit crunch. The effects on the economy were far-reaching with an estimated annualised fall in GDP of some 6% over the past year according to the National Statistics Office. The government put in place crisis measures which led to the nationalisation of a number of UK banks and also guarantees for liabilities of other banks. It is government policy to increase spending on infrastructure as a means of supporting the economy and in particular to support the PPP programme.

On 3 March 2009, the Chief Secretary to the Treasury announced Government action to ensure vital PPP infrastructure projects would go forward as planned despite the current financial market conditions. The Treasury is building a professional lending capability, the Treasury Infrastructure Finance Unit (“TIFU”), to lend to PPP projects that cannot raise sufficient debt finance on acceptable terms, lending alongside commercial lenders and the European Investment Bank. Treasury lending is intended to be a temporary and reversible intervention. See article by Ian Pearson MP on page 17.

The UK Government hopes that co-funding from TIFU will provide extra confidence and leverage to deals that

would otherwise struggle to find long term finance. The government seeks to involve the EIB as much as possible in projects, as it did in Manchester Waste, to reduce the volume needed from other banks.

The government has been encouraging pension funds to invest in PPP projects.

## GOVERNMENT AND LEGISLATION

### Policy

The April 2009 budget reconfirmed the Government’s commitment to PPP. The Government stated it has decided to move away from the Wave based model in relation to the Building Schools for the Future (BSF) programme. It has also stated its plans to commit more than £2 billion of PFI credits in the waste sector.

### Equivalent project relief

UK PPP projects commonly include a mechanism whereby the project company is not required to incur obligations to sub contractors before it has received appropriate funding for the same liability from the letting Authority under the main project agreement. The Local Democracy Economic Development and Construction Bill 2008 proposes the outlawing of pay when certified clauses in PPP sub contracts, known as equivalent project relief provisions, which have developed over the past decade. Secondary legislation is being negotiated by Partnerships UK which may bring a last minute reprieve from the effects of the legislation.

### Procurement: Competitive Dialogue

Contracting authorities now use the EU competitive dialogue procurement procedure for PPP projects. In August 2008 HM Treasury and the Office of Government Commerce in conjunction with PricewaterhouseCoopers issued joint guidance on using competitive dialogue which collated best practice in running dialogue sessions. In March 2009, the Office of Government Commerce issued a new guide, “A formula for success: procurement effectiveness in major project delivery”, which stresses the importance of properly defining major projects to ensure value for money and introduces a new raft of measures for improving procurement efficiency.

### **Procurement: Remedies Directive**

The UK Office of Government Commerce (OGC) has recently published its second consultation document on the implementation of the EU Directive 2007/66/EC (the Remedies Directive). The legislation is due to be enacted in December 2009.

### **Planning**

The Planning Act 2008 introduces significant reforms to the system of consenting to major infrastructure projects in England and Wales, by setting up the Infrastructure Planning Commission to make decisions on “nationally significant” infrastructure projects. The hope of both Government and industry alike is that this separate planning system will speed up the delivery of such projects, and avoid the current backlog, by implementing a streamlined, unified consent regime.

### **Duty to consult**

The Local Government and Public Involvement in Health Act 2007 introduces the concepts of local improvement targets and local area agreements and includes a new duty to consult with those members of the public who are likely to be affected by provision of the services. Changes to the wording will depend on how local authorities choose to implement the local improvement targets and it seems likely that customer satisfaction surveys will take on a new significance.

### **Guidance**

The government is issuing more guidance to maintain good practice momentum, once a contract has become operational. Ipsos MORI’s recent report (commissioned by HM Treasury), “Investigating the performance of operational PFI contracts 2009”, and the Public Accounts Committee’s report, “Making changes in operational PFI projects”, highlight the successes of PFI as well as further improvements which can be achieved.

The new change protocol wording issued by 4Ps (the body which advised UK local authorities on PPPs) in December 2008, recognised that change mechanisms needed to be more prescriptive if high levels of SPV management charges and funder due diligence costs (which had become commonplace on even small value changes to the works or services) were to be controlled.

The most controversial change in guidance was HM Treasury’s publication of revised refinancing standard wording in October 2008. The addendum to SoPC4 introduced new sharing ratios entitling the public sector to a larger share of refinancing gains, and a right for the public sector to require an SPV to carry out a refinancing. In April 2009, the SoPC4 termination provisions were further amended, to exclude from the grounds for termination of the Project Agreement, an SPV’s failure to carry out a refinancing requested by the public sector partner. Industry eventually reluctantly agreed contract wording requiring them to act in good faith in relation to any proposed or potential refinancing.

### **Policy and Delivery Organisations**

#### **PFI Policy Team**

The PFI policy team sits within HM Treasury’s Corporate and Private Finance team. The team is responsible for PFI policy and publishes key policy guidance and statistics on PFI projects. It also provides policy advice to those undertaking or wishing to undertake projects.

#### **Partnerships UK**

Partnerships UK is a delivery organisation that provides customised support to projects and programmes on complex procurements including all forms of PPPs. Recent projects include the widening of the M25 motorway, Personal Accounts at the Department for Work and Pensions, and Manchester Waste. Partnerships UK has a public sector mandate but is itself a PPP with 49% of the company being owned by government and 51% owned by the private sector.

#### **Local Partnerships**

In August 2009, a new body called Local Partnerships commenced operations. It is a joint venture between the Local Government Association and Partnerships UK, incorporating 4Ps, whose aim is to provide a single source of active support for local public bodies in the delivery of improved services and infrastructure.

#### **Waste infrastructure delivery programme (WIDP)**

The Waste Infrastructure Delivery Programme is a joint venture between the Department of Environment, Partnerships UK and Local Partnerships to support local

authorities to accelerate investment in the large-scale infrastructure required to treat residual waste, without compromising efforts to minimise waste and increase recycling levels.

### **Operational Task Force (OTF)**

The Operational Task Force is based in Partnerships UK and acts on behalf of HM Treasury. The Task Force has a helpdesk to assist public sector partners with any operational issue on PFI projects. It also carries out regular reviews of the performance of operational projects.

### **The Homes and Communities Agency**

The Homes and Communities Agency (HCA) was formed on 1 December 2008. The HCA is the national housing and regeneration agency for England, with an annual investment budget of more than £5 billion. The HCA was formed in December 2008 together with a regulatory body for Registered Social Landlords. Part of its function is to oversee that PFIs/PPPs in the social housing sector comply with government policy.

### **Scotland**

Responsibility for the majority of public infrastructure is devolved to the Scottish Parliament therefore most UK Government initiatives do not apply in Scotland. The change in administration in the Scottish Government following elections in 2007 brought a commitment to look at developing alternatives to the traditional PFI/PPP system. The Scottish Government has now established the Scottish Futures Trust (SFT) to deliver value for money by improving infrastructure investment planning and delivery in Scotland. The SFT has been set savings and benefits targets of a minimum of 3% in aggregate across the investment projects with which it is involved. The SFT intends those savings and benefits to be derived from five main areas of activity; project delivery, aggregation and collaboration, funding and financing, validation and centre of expertise.

In funding and financing the SFT is expected to innovate and improve funding structures including developing the non-profit distribution model (NPD). This model entails a capped return to investors, and increased stakeholder involvement in the governance of project companies. The

Argyll & Bute Schools PPP project in 2005 was the first project to use the NPD model. Since then it has been used on further Scottish schools PPP projects such as Falkirk and Aberdeen, both of which reached financial close in 2007. It is being used in two projects under procurement, the Moray schools project and the Tayside Mental Health Development.

In 2009, the SFT was tasked with delivery of two major programmes. The SFT will manage the Scottish Government's £1.25 billion new schools building programme and will drive forward the hub community partnership infrastructure programme. It is estimated that the hub programme will deliver approximately £1 billion of community infrastructure projects for partnerships involving health boards, local authorities and others over the next ten years. The SFT took the first of the five hub territories into procurement in July 2009 and the second territory will go to market before the end of 2009.

The SFT is also validating major transportation projects including the new Forth Replacement Crossing which is to be funded through Government capital. The SFT will work with Transport Scotland to carry out key stage reviews to assess project progress.

### **Northern Ireland**

Whilst it constitutes a small area of the United Kingdom, Northern Ireland has been active on its PPP projects and the Strategic Investment Board (SIB) is charged with ensuring that all projects represent best value for money. In June 2009, financial close was reached on two PPP contracts, together worth £80 million, involving four schools. More schools projects are in the pipeline. In May 2009, the first hospital PPP at Enniskillen in Northern Ireland reached financial close. The new hospital will provide approximately 300 inpatient beds and will deliver a wide range of outpatient services. Arc21, the Northern Ireland local authorities' waste management group, in January 2009, shortlisted six consortia to build up to two mechanical biological treatment facilities and an Energy from Waste (EfW) plant.

Due to an inability to secure finance and the potential merger of the two bidders, the Northern Ireland Executive's Department of Finance and Personnel terminated the tender for its £1.5 billion Workplace 2010 PFI scheme.

## Wales

Although there has been little activity, there are indications that some PFI is being considered, particularly in the waste sector.

## PROJECTS

### ROADS

In 2009, three large road PPP projects reached financial close in the UK. These were (i) the M80 Stepps to Haggs DBFO contract in Scotland (financed as to £360 million including a £150 million loan from the EIB), (ii) the £2 billion M25 PPP road widening scheme and (iii) the £176 million Carlisle Northern Development Route (CNDR).

Deals like the M80, M25 and CNDR were in the pipeline for years but as priority schemes had sufficient support to drive them towards financial close despite the recent constrained lending conditions. Large transactions such as the M25 had to access the entire spectrum of available debt providers and to enlist the active support of the EIB and the TIFU. On the M25 project, it was also accepted that most of the refinancing gain should go towards the public sector, since it was guaranteeing more of the risk in the deal which constitutes a change to the standard documentation as set out in SoPC4.

### DEFENCE

The MOD's largest ever PFI deal, with a capital value of £2.6 billion and total contract value of £13 billion was the Future Strategic Tanker Aircraft project, involving the provision of a fleet of new Air Transport and Refuelling Airbus A330-200s which completed in March 2008. Another reasonably large project, valued at £690 million, the Corsham office and accommodation project, closed in August 2008. This involves a major new defence centre in North Wiltshire, which will accommodate 2,200 Defence Equipment and Support (DE&S) personnel and their industry partners.

More recently, a joint venture was awarded a £31 million Early Training Transformation (ETT) contract as part of the £11 billion Defence Training Review (DTR) Package 1 PFI Project, which aims to transform the way the MOD delivers specialist engineering, communications and

information systems training on a defence-wide basis. Financial close on the overall DTR programme is expected during 2010.

The multi-billion pound Search and Rescue Helicopter project, a joint procurement run by the MOD and the Maritime Coastguard Agency to replace the venerable Sea King fleet of helicopters, is expected to announce its preferred bidder in 2009 with signing in 2010 and roll-out of the new harmonised service in 2012. This procurement has followed the competitive dialogue process.

Projects that are expected in the near future include a £2 billion contract to renovate and run the military's decaying air traffic control infrastructure. Details of the bidding process for the Joint Military Air Traffic Systems (JMATS) contract are expected to be announced by the end of 2009.

### HIGHWAYS MAINTENANCE AND STREET LIGHTING

The highways maintenance sector continues to blossom with the award of the next wave of government funding being confirmed. The Department for Transport (DfT) has made available a combined funding package of £1.19 billion in PFI credits to Isle of Wight (£325 million), London Borough of Hounslow (£198 million) and Sheffield (£663.8 million). (PFI credits are allowances for which local authorities can bid to central government which provide them with a secure budget for implementing a PFI/PPP.) The Sheffield scheme is now in procurement, the DfT having confirmed its award in April 2009. The project will cover the full highways maintenance service including the rehabilitation of 2,000 kilometres of the road network, 69,000 street lights, and over 400 structures during the 25 year concession.

Meanwhile, Birmingham City Council scheme is building momentum towards a potential conclusion of the £2.2 billion pathfinder project by the end of 2009/early 2010 after the announcement of the appointment of a preferred bidder was made in August 2009.

An announcement in respect of the next wave of funding was made in July 2009 with £440 million in PFI credits being allocated to local authorities wishing to modernise their street lighting. This leaves the DfT with approximately £1.3 billion of funding allocation remaining

and it is likely that this will be divided between highways maintenance and potentially a further round of street lighting projects.

## HEALTHCARE

In summer 2008 the government announced the establishment of the Express LIFT framework. This is intended to bring the benefits of the LIFT programme to Primary Care Trusts (PCTs) that have not conducted their own procurements. It allows these PCTs to choose from a list of pre-approved suppliers, and the expectation is that this will reduce procurement times to just a few months. The list of suppliers on the framework was announced in March 2009.

The Department of Health confirmed in February 2009 that it was axing more than £2.5 billion of major hospital PPP schemes, just the latest step in the ongoing contraction in the healthcare PPP market in England. Though the news was not generally a surprise, the scope of the cull was wider than anticipated, leaving just five schemes likely to come to market in the coming 18 months. In the absence of major hospital schemes, the focus of attention has been on Express LIFT and Independent Sector Treatment Centres (ITSCs). Amongst the gloom, the news that the Bristol project had reached preferred bidder stage provided a rare highlight.

A limited number of projects are, however, still going ahead in Scotland and Northern Ireland.

## EDUCATION

The education sector remains dominated by the *Building Schools for the Future* (BSF) programme, the aspiration of which is to rebuild or refurbish/remodel every secondary school in England. Given that this totals around 3,500 schools and the committed funding from the UK government totals £9.3 billion for the period 2008 - 2011, with the total cost of the programme estimated to be £52 - 55 billion, the BSF programme represents arguably the most ambitious coordinated PPP programme in the world. The strapline for the programme is 'transforming education', to be achieved by infrastructure development and the provision of information and communication technology (ICT) facilities on a per-pupil basis. In terms of overall progress on the BSF programme, 35 BSF schemes have closed to date, and over 60 schemes (up to and

including Wave 6a) are in varying stages of procurement and pre-procurement. A number of projects post Wave 6a are at the pre-procurement stage.

Partnerships for Schools, (PfS – the body responsible for delivery of the BSF programme with relevant local authorities) closed nine schemes during 2009. These schemes include a structure called a Local Education Partnership (Local Education Partnership) and are complex compared with previous PFI type schemes. Both the Barnsley and Bradford Phase 2 BSF schemes and perhaps the largest scheme to close to date, Birmingham, were co-funded by the EIB. In June 2009, PfS was predicting that 22 schemes will close during 2009, although this may be regarded as optimistic.

PfS is establishing with the EIB an 'umbrella facility' of £300 million from which individual schemes can draw down. It has also encouraged alternative sources of funding and attracted entry into the market of a pension fund. Building Schools for the Future Investments LLP ("BSFi" – co-owned by PUK and the Department for Children, Schools and Families (DCSF)) continues to invest in LEPs and PFI schemes. As the year has developed, PfS has continually revised upwards its view of the number of active lenders.

Sponsors remain publicly committed to the BSF sector, and PfS believes that bidder appetite remains strong. However, one recently advertised scheme (Portsmouth) has been withdrawn and is to be re-procured due to a lack of appetite amongst ICT providers.

PfS has in recent years undertaken an annual assessment exercise of the BSF programme. Published by the DCSF in December 2008, the *2nd Annual Report on the BSF Programme* was generally positive. A review undertaken by the UK's National Audit Office ("NAO") published in February 2009 was more critical, and identified that the assumptions for the roll out of the programme were overly optimistic and that the total capital cost of the programme had increased significantly.

PfS's remit expanded during 2009 to take on responsibility for the delivery of the infrastructure required for the Government's *Academies* programme for further education institutions, which seems a logical development given its experience in secondary school infrastructure delivery.



The higher education sector does not benefit from a body with a role equivalent to PfS, and the status of infrastructure development and related funding is more fragmented. The boom in student accommodation and sports facilities was fuelled by rising property prices and so now has dropped away.

## WASTE

Over the past two years the waste sector has become a key recipient of PPP funding in the UK to meet EU standards. Only two projects have reached financial close over the past 12 months - the mammoth Greater Manchester Waste Project and the Cumbria Waste Project. Nevertheless, with 18 projects in procurement and one, Wakefield, at preferred bidder (and likely to sign during 2009), it is hoped that the deal flow will start to increase significantly over the next two years. The influence of the Waste Infrastructure Development Programme (established in 2006) should ensure that best practice is disseminated between projects, bring about greater standardisation of contract forms and speed up deal closures.

## SOCIAL HOUSING

The new Homes and Communities Agency has confirmed that PPP will form a major part of its funding plans for social housing going forward. The announcement of successful projects in round 6 of the PFI programme should provide a reasonable deal-flow for the next two years.

Although PPP schemes are exempt from compulsory rent reductions, reductions resulting from the link to the retail price index (which is expected to be below minus 2% in September 2009) may adversely affect the incomes of housing associations and could reduce their willingness to invest in new projects. But affordable housing remains a priority for all major political parties and continued population growth makes the need for additional affordable housing stock more pressing. On balance, the outlook in this sector is positive.

## RAIL

There is currently a high level of activity in the heavy rail PPP market in England. Projects include the Intercity Express Programme (£7.5 billion) and the rolling stock for the Thameslink programme. The £35 billion Network Rail funding settlement for the period 2009-2014 announced by the Office of Rail Regulation includes significant enhancement projects including the initial infrastructure phases of the £5.5 billion Thameslink programme, parts of which are PPP, and the redevelopment of Birmingham New Street and Reading stations. The Secretary of State for Transport is leading a programme for procuring an additional 1,300 vehicles by 2014.

In respect of rail passenger franchises, some franchises let in recent years have aggressive revenue growth projections which are proving difficult to meet in the current recession and one franchisee is in financial difficulties which could result in insolvency.

## THE FUTURE

The hope is that TIFU and increased support from the EIB will give funders the confidence to keep on lending to PPP projects. Current government policy is clearly directed at encouraging new sources of funding to counteract the financial constraints following from the credit crunch. If risk can be packaged in such a way that pension funds are more prepared to take PPP projects into their investment portfolios, this could help encourage other lenders, although it may lead to changes in project structures.

Sectors which look likely to prosper over the next two or more years are waste, education and social housing, although financing constraints may continue to blight other sectors such as hospitals. Cuts in planned programmes can also be anticipated, but particularly those which require multi-billion pound funding.

After the gloom of the last two years, there is cautious optimism that efforts to involve institutional investors in funding infrastructure, the demand for infrastructure to stimulate the UK economy and government's willingness to involve the private sector to fund infrastructure is likely to keep the PFI/PPP market busy for the foreseeable future.

# PROJECT LISTS

Project lists are set out by country. DLA Piper is very grateful to *Infra-News* for the information on which the project lists are based.



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# AUSTRIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	110	Linz Music Theatre	The project involves the construction of a new music hall in Linz. The cost of the project is estimated at €150m. It has yet to be decided whether these will be procured as one project or several smaller projects.
Bridges and Tunnels	Pre-Approval	6,000	Brenner Base Rail Tunnel	The Brenner base tunnel will link Austria to Italy and will be approximately 64km long. The project value ranges between €5bn - €10bn. The tunnel is to be operational by 2015 and it is likely that a toll will be charged. Project financing: - Funds from the states of Austria and Italy - Cross-financing revenues from tolls - EU co-financing amounting up to 20% of the project costs - Co-financing by private investors through PPP.
Education	In Tender	-	St. Pölten Vocational School	The project involves the construction, operation and maintenance of a vocational college in St. Pölten.
Healthcare	In Tender	-	Oberndorf bei Salzburg Hospital	The hospital in Oberndorf has operated since 2008 under a PPP scheme between the municipality of Oberndorf and a private partner, holding 49%.
Healthcare	In Tender	-	Health Centre (Vienna) PPP	Concession awardee: Austrian Social Insurance Authority for Business (SVA)
Healthcare	In Tender	-	Nursing Home Hirschenstein	The Contracting authority intends to re-develop the nursing home together with a private partner. It should allow for 50 beds for nursing as well as further services in the healthcare sector. As at September 2009, the competitive dialogue is in process.
Healthcare	Completed	-	Nursing Home Neudörfl	The operation of the Nursing Home Neudörfl has been transferred to a joint venture between a public partner and a minority private partner.
Healthcare	Completed	-	Hospital Oberndorf	
Healthcare	Completed	-	Psychosomatic Center Bad Aussee	

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Completed	-	Psychosomatic Center Eggenburg	
Healthcare	Completed	-	Hospital Voecklabruck	
Healthcare	Completed	-	Hospital Steyr	
Healthcare	Completed	-	Accident and Emergency Hospital Linz	
Healthcare	Closed	22	Krems Radiotherapy Hospital	The project involves the design, build, maintenance and financing of a new radiotherapy Hospital in Krems in the State of Niederösterreich. The hospital will treat around 1,200 patients per year.
Other	Pre-Approval	-	Nordbahnhof Regeneration Project, Vienna	The redevelopment of the train station will be at the heart of a 75 hectare urban regeneration project, which will include schools, roads, housing and commercial property. The project sponsor will design, build, finance, maintain and partially operate developments for between 20 and 30 years.
Rail	On Hold	840	Summerau-Spielfeld Railway	The project involves the improvement of the route from Summerau, on the Czech border, to Spielfeld on the Slovenian border and could potentially include work on the links further into these neighbouring countries. Initial estimates put the capital cost of the upgrade at €520m. However, the project has been put on hold and will not be implemented as a PPP.
Rail	Pre-Approval	-	Vienna-Bratislava Airport Link	The project involves a rail link between Schwechat (Vienna International Airport) and Bratislava Airport. The project involves the extension of the City Airport Train (CAT) and is expected to be procured as a PPP.
Rail	Pre-Approval	80	Vienna-Marchegg-Bratislava Link	May 2005: The Austrian State Secretary of Transport Helmut Kukacka has said that a PPP approach would be considered for the development of a Vienna-Marchegg-Bratislava rail link.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	Ostregion PPP: SI Vienna Ring-Road - Lobau-Crossing	The Ostregion scheme will see 133km of new road built and includes the operation and maintenance of other existing stretches of highway, enhancing the Gdansk - Brno / Bratislava - Vienna corridor forming part of the Trans-European Network (TEN). Total construction costs for the whole will be around €3bn.
Roads	Pre-Approval	145	Ostregion PPP: A5 North A	Part of the Ostregion scheme, the A5 North A development will see the construction of 25km of motorway from Schrick to Poysbrunn. The estimated capital value of this stretch is €145m.
Roads	Pre-Approval	40	Ostregion PPP: A5 North B	Part of the Ostregion scheme, the A5 North B development will see the construction of 9km of motorway from Poysbrunn to the Czech border. The estimated capital value of this stretch is €40m.
Roads	Pre-Approval	-	Ostregion PPP: SI Vienna Ring-Road - Danube-Crossing	Part of the Ostregion scheme, the Donauquerung (Danube-Crossing) development will see the construction of a new 3km crossing of the River Danube joining up with the SI South.
Roads	Pre-Approval	-	Ostregion PPP: A22	Part of the Ostregion scheme, the A22 development involves a 7km extension of the A22 along the northern bank of the Danube from Kaisermuhlen to the new Danube-Crossing on the SI.
Roads	In Tender	35	B4 Maissau Bypass PPP	Concession awardee: Lower Austria State authorities. The Government of the Region of Lower Austria has recently launched a tender for a by-pass around the village of Maissau.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	195	Europass LKW GmbH	The project involves the construction and operation of a HGV electronic motorway tolling system (ETC) for specified Austrian motorways and other roads by lorries with a weight exceeding 3.5 tonnes. The debt facilities consist of two amortizing facilities (final repayment in September 2013), a term loan facility of up to €175m and a stand-by revolving facility of up to €20m, with a base margin of 115 bps over Euribor.
Roads	Closed	933	Ostregion PPP: Package I	The Ostregion PPP scheme is divided into four packages. Package I “Ypsilon”; includes the DBFOM of 51km of roads. The estimated capital value of this stretch is €185m.
Waste Management	In Tender	-	Voitsberg Waste Management	The Voitsberg district municipality in south-eastern Austria has issued a tender for a PPP waste management services project. The project will cover refuse collection and disposal, sewage, sanitation and environmental services for around 30,000 inhabitants.
Waste Management	In Tender	-	Villach Waste Management PPP	The city of Villach (Carinthia) procured the services of waste collection and operation of a waste collection centre.
Waste Management	Completed	-	Mödling Waste Management, Austria	The Mödling waste disposal services was partly privatised.  The work, to be procured under a PPP, will include the collection of domestic, biological and hazardous materials.
Waste Management	Completed	-	West Styria Waste Management	Five municipalities co-operated together in waste treatment.

# BELGIUM

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	N/A	Brepols Turnhout	The general principles of the project have been outlined.
Accommodation	In Tender	25	Flemish Social Housing Project	Pilot project involves the DBFMO of up to 430 houses in 7 municipalities in Flanders. The social housing project is divided into three tranches. The Flemish government has a budget of €25m for this project. The concession period is 27 years.
Accommodation	In Finance	100	Ghent University Student Accommodation PPP	The University of Ghent is looking for a private sector partner to design, build, finance and maintain a new student accommodation via a PPP. The contract will last for 33-years and the university will guarantee student demand for the new site.
Accommodation	In Finance	7	Houthalen Het Dorp	Project to build a new living complex in the centre of Helchteren.
Accommodation		N/A	De Woongaard	This project involves the development of a housing project in De Pinte.
Accommodation	In Tender	18.5	Flemish Social Housing	Social housing construction initiative. Parcel 2 of this project is in tender (DBFM). The concession period is for 27 years.
Accommodation	Completed	20	Zorgflats	The local authority of Schoten intends to build a new complex of social housing using a PPS formula.
Airports	In Finance	N/A	Antwerp Deurne Airport	The project involves the construction of a tunnel under the Krijgsbaan to extend the runway. The project will also see the development and exploitation of the airport. A private partner is sought to form a PPP company. The private partners must carry 50% of the cost of the tunnel (estimated at €28.6m) which leaves the private consortium to contribute €8.05m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	1,700	Flemish Education Project	This PPP pilot project involves the renovation and maintenance of 211 schools in Belgium and the possible construction of schools in Flanders.
Education	In Tender	N/A	German-Speaking PPP Schools	The school projects and some other community schemes will all be based in eastern Belgium near the border with Germany.
Education	In Tender	1,000	Flemish School construction	This is a DBFM project to renovate a school in Flanders.
IT	In Finance	3,400	Galileo Satellite Project	The European satellite radio navigation system, Galileo, is based on a constellation of 30 satellites placed in a medium earth orbit (at an altitude of approximately 24 000km) continuously covering the entire surface of the Earth. At the technical level the system will be managed by ground stations. Galileo will be used in all modes of transportation for navigation traffic and fleet management tracking surveillance and emergency systems. The programme consists the following phases: development and validation scheduled to run from 2002 – 2005, deployment phase scheduled to run from 2006 to 2007 and the operational phase from 2008 onwards.
Leisure	In Tender	N/A	Rozebroeken Sports Complex (Ghent) PPP	The City of Ghent's Department for Town Promotion and Sport is seeking a private-sector partner to design, build, finance and maintain (DBFM) its Rozebroeken Sports Complex in Ghent with a concession period of 32-years.
Leisure	In Tender	N/A	Antwerp Stadium PPP	To build and operate Antwerp's football stadium.
Leisure	In Tender	225	Flemish Sports Infrastructure Plan	DBFM – the local authorities have to draw up a plan relating to their sports policy in order to receive subsidies.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Leisure	In Tender	10	Sportcomplex	DBFO contract for a sports centre in Herent.
Leisure	Completed	14.3	Sportoase Elshout	DBFO project to build a swimming pool on the border of Brasschaat and Shots.
Leisure	Completed	150	Kortrijk Shopping City	Regional development project
Leisure	Completed	N/A	Sportoase Philipssite	To build a sport complex in Leuven.
Leisure	Completed	20	Zwembad Veldstraat	To renovate a swimming pool complex in Antwerp.
Leisure	Completed	10	Sport-en evenementencomplex	A project to build a sports and event centre in Tongeren, complete with football fields and swimming pool.
Leisure	Completed	7.5	Dommelslag	DBFO project to build a swimming pool in the Pelt community area.
Leisure	Completed	15.2	Topsporthal	DBFO project to build a new sports complex in Maaseik.
Leisure	Completed	2	Sporthal Synergie	The construction of a Fitness and Wellness Centre in Wommelgem.
Leisure	Completed	12	Topsporthallen	DBFO project to build and maintain two sports complexes in Antwerp.
Leisure	Completed	15	Gemeentelijk voetbalstadion Beveren	Building a new football stadium in Beveren. A collaboration agreement has been signed.
Light Rail	Closed	180	Brabo I Tram PPP Antwerp	BAM is looking for a private sector partner to design build finance and maintain three to four new tramlines via a PPP. The city authorities in the Greater Antwerp area will operate the tramlines. The contract will require the private partner to design build finance and maintain the lines.
Light Rail	Pre-Approval	700	Liege Tram PPP (Herstal - Seraing)	To build a tram line in Liege, connecting Herstal to Seraing in the east of Belgium. The €700m tram project is expected to be operational in five to six years time and will run over 15km in the Meuse valley. The concession contract for the project is set to last for 30 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Ports	Cancelled	200	Scheldt River Pilotage Programme	The 23-year concession contract will serve the Belgian Scheldt river ports of Gent and Antwerp and will see the development of a number of high-speed vessels serving a main mother ship. The new high-speed vessels are technically known as small waterplane area twin hulls (SWATHs).
Ports	In Tender	N/A	Brussels Port Administrative Building	The private partner will be required to design, build, finance and operate a new administrative centre covering an area of about 7,500m <sup>2</sup> , which is expected to include various offices, catering and conference facilities. In addition the future SPV will be required to build a parking lot.
Prisons	In Tender	N/A	Belgium PPP Prisons	The DBFM prison projects will involve the construction of a 400-cell prison in addition to three other prisons with a capacity for 300 inmates each. The locations of the prisons are Antwerp Charleroi and Dendermonde. Capex for each prison estimated at between €40m and €70m.
Rail	Completed	N/A	Centrale werkplaats	Reallocation of a railway site - currently at the building phase.
Rail	Closed	684	Liefkenshoek Rail Tunnel	A feasibility study is currently being completed for this project. It is understood the deal will be jointly procured with the redevelopment of Zeebrugge station. Construction is to commence in 2007 with completion of the works slated for 2011.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Closed	540	Diabolo Rail Project	The Diabolo project is a scheme to improve the rail link to and from Brussels national airport and incorporates a PPP project that aims to improve rail infrastructure to Brussels airport from the north and east of the country. The deal is being procured in two parts; there is a funding competition to provide the project funds and a separate procurement competition for a contractor who will be awarded a turnkey contract.
Rail	Cancelled	72	Station Zeebrugge	The project involves the upgrading and expansion of the station in Zeebrugge, on the Belgian coast. It is understood the project will be procured together with the Liefkenshoek rail tunnel.
Rail	Cancelled	366	Rail Link Brussels-Luxemburg	The PPP project involves the modernisation of the 226km rail link between Brussels and Luxemburg.
Rail	Cancelled	N/A	Brussels Terminal	The PPP project involves the modernisation of the terminal in Brussels.
Rail	In Tender	90	Spartacus light rail	Build tracks to link Brussels and Maastricht by light rail.
Regional Development	In Construction	17.2	's Hertogenmolens in Amer Aarschot	This project involves the restoration of the 's Hertogen mills and investment in the environment.
Regional Development	In Construction	50	Plinius	The project involves the building of a children's theme park and the second phase will involve accommodation being built.
Regional Development	Completed	8.24	Administratief centrum Bethanienhuis	The town administration/council will be centralised in the Bethanienhuis and is expected to improve services to customers.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Finance	1850	Antwerp Masterplan: Oosterweel Link	The Oosterweel Road Link, currently the only Antwerp Masterplan project to be procured under the PPP route, will have its project costs capped at €1.85bn. The road link will be split into two sections. The PPP ring-road project will generate toll revenues for the procuring authority in order to support the financing for the entire plan.
Roads	Pre-Approval	1342	Antwerp Masterplan	This is the Flemish government's Antwerp Mobility Masterplan. The 'mult-modal' programme involves improvements to roads, tramlines, tunnels, viaducts, canals and locks in Antwerp, and comprises approximately eleven projects. Of these projects the Oosterweel link is the largest. There are four aspects to this project; the roads, infrastructure upgrade of the Albert Canal, renovation of the harbour and lock renovation.
Roads	In Finance	100	Kempense noord-zuid highway	Extension of the N19g between Kasterlee (intersection with the N123) and Geel (R14). Reconstruction of the 23 Geel-West complex including a new bridge over the Albert canal.
Urban Regeneration	Pre-Approval	N/A	Herontwikkeling voormalige mijnsite Heusden-Zolder	The project will involve the regeneration of the buildings on the mine site. Publication to start the negotiation procedures.
Urban Regeneration	In Finance	52	De Kloef	Creation of a new neighbourhood in Ronse.
Urban Regeneration		110	Mijn Wereld Beringen	Development of the mining site of Beringen with housing, offices and tourism facilities. The Flemish Government approved the protocol contract on 29 May 2009.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Urban Regeneration	In Tender	N/A	Brownfield Gasmeterlaan - Gent	This project involves cleaning up and development of old industrial grounds in the city of Gent. In March 2009 4 out of 7 candidates were selected.
Urban Regeneration	Completed	11.8	De Klokke	A project to build a complex in Bilzen offering living, shopping and parking facilities.
Urban Regeneration	Completed	30.7	Stedsplein Genk	Project to rebuild the city square, with a youth centre, library and apartments.
Urban Regeneration	Completed	35	Lamot - Mechelen	Re-allocation of the old brewery site.
Urban Regeneration	Completed	8.85	De Nieuwe Molens	Renovation of the Nieuwe Molens (mills) and building a new annex.
Urban Regeneration	Completed	5	Masterplan Spoorweglaan	Regeneration of the neighbourhoods in two projects: Projects Nieuwstraat started at the end of 2007, and Project Wijngaardstraat has been completed.
Urban Regeneration	Completed	N/A	Transfo - Zwevegem	Using the site of an old electrical power station for new cultural and artistic purposes.
Urban Regeneration	Completed	25	Picanol	This project involves the reconversion of the old Picanol site into flats, shops and public cultural facilities.
Urban Regeneration	Completed	N/A	Blairon Kazerne Blok B	This project involves the rebuilding of the former sleeping quarters of the Blairon barracks into multi-functional offices. The project has been completed for the city office and is in development for the federal police.
Urban Regeneration	Completed	55	ARENA	Development of a living, shopping and recreational area on the site of the former barracks.
Urban Regeneration	Completed	15	Bekaert Inbreidingsproject	Demolition of Bekaert textiles and the creation of a new town centre.
Urban Regeneration	Completed	142.8	Watersite Vilvoorde	Reconversion project: the first stage is currently being performed (canal park).

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Urban Regeneration	Cancelled	40	Willebroek Noord: Brownfield Project	<p>A pilot project in the government's Brownfield Development plan, which involves the redevelopment and clean-up of disused industrial sites. The government want to redevelop the Brownfield sites and has chosen a dozen potential projects of which Willebroek Noord is the pilot project. The redevelopment and financing would be funded through payments from industrial companies that will be located on the site.</p>

# BULGARIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports	In Finance	75	Varna and Burgas Airports	The project entails the refurbishment and management of the airports in Bulgaria's coastal cities of Varna and Burgas. The 35-year contract has an option for a 15-year extension.
Ports	In Tender	N/A	West Varna Port Terminal	The 'green field' concession entails the refurbishment and the management of the chemical terminal in the port of Varna, on the Black Sea coast.
Roads	Pre-Approval	1,500	Hemus Motorway	To build the Hemus motorway which will link Sofia to Varna. The motorway, linking the east of the country to the west, will run for 395km with around 160km already built. It is understood that the road will be tolled.
Roads	Pre-Approval	N/A	Struma Motorway	This is a project for a motorway that will lead from the Daskalovo junction, 5km away from Sofia, to the Bulgarian boarder with Greece. Around 20km of the expressway have already been built, with two more sections being prepared.
Roads	In Tender	720	Plovdiv-Turkish Border Toll Road	The project involves the development of a new toll highway from Plovdiv in central Bulgaria to the border with Turkey.
Roads	Cancelled	720	Trakia (Sofia-Burgas) Toll Motorway	The project is part of the government's €2 billion 'fast-track' infrastructure plan and involves the development of a new 450km toll road linking Sofia with Burgas on Bulgaria's Black Sea coast. When complete, it will form part of the EU N8 corridor.

# CROATIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Completed	N/A	Concert and Congress Hall in Opatija	This is a concession model contract which has been concluded with the bidding consortium.
Healthcare	Completed	109.7	Stubieke Toplice Hospital and Tourism Development	The counties of Krapina and Zagorje and the municipality of Stubieke Toplice, developed a 22 hectare site which includes the Stubieke Toplice Special Hospital for Medicinal Rehabilitation. The site has natural hot springs and many cultural attractions.
Healthcare	On Hold	27	Srebrnjak Children's Hospital	The City of Zagreb announced this project for the building of an extension on Srebrnjak children's hospital.
Leisure	In Tender	N/A	Maksimir and Kajzerica Stadiums Zagreb	The project involves financing, building, managing and maintaining of stadiums under a 25 year concession while the City will pay a lease for use. The stadium needs to be brought up to UEFA/FIFA standards and the capacity increased to 50,000.
Roads	In Tender	85	A11 Zagreb-Sisak Motorway	The new 45km motorway will link the southern outskirts of Zagreb with Sisak. The preliminary design contract was awarded on 12 May 2004.
Roads	Closed	372	Zagreb - Macelj Toll Road	The project involves the construction and rehabilitation of the Croatian toll motorway that runs from Zagreb to Macelj. The project includes rehabilitation and widening of an existing stretch of road, and the construction of 20km of new road.
Roads	Closed	410	Istrian Motorway (Phases I & II)	The project involves the development of an 'Y' motorway link in the Istrian region, in the north of Croatia. Construction has been split into two phases.
Roads	Closed	163	Split-Dubrovnik Section	This new motorway will be the southern part of the 375km corridor from Zagreb to Split, linking the inland northwest of Croatia to north Dalmatia.
Roads	Closed	99	Zupanja-Lipovac Motorway	This project involves the development and completion of a 30km section of the existing A3 motorway. The total project amount includes a €45m EBRD contribution.



# CYPRUS

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Ports	In Tender	N/A	Limassol Marina	This is a contract for the construction and operation on Limassol marina.
Ports	In Tender	N/A	Port of Larnaca	This is a 35 year concession contract for the redevelopment of the port of Larnaca.
Roads	In Tender	300	Paphos-Polis Chrysochous highway – Cyprus	This greenfield motorway will link the towns of Pafos and Polis in western Cyprus. The works will consist of 31 km of a 4 lane highway and will contain link roads, tunnels and viaducts. Total construction cost is estimated at CYP£150m (€263m).

# CZECH REPUBLIC

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Suspended	40	Czech Government Building PPP	Building new headquarters for the Czech Ministry of Industry and Trade. The new headquarters will accommodate all the staff and will be worth close to €40m.
Accommodation	Pre-Approval	N/A	Charles University Project (Prague)	Under consideration as a possible Pilot PPP Project.
Accommodation	In Tender	50	Lodging House for UVN staff with parking facilities (Prague)	Construction, maintenance and operation of a hotel-type lodging house and parking lot at the Central Military Hospital, Prague. The OBC was approved by the Czech Government in September 2007. The Concession dialogue is in process.
District Heating	In Tender	104	Central Heating Supply System in the city of Kopřivnice	Modernization, development and subsequent operation of a new Central Heating system, construction of new heat sources and combined production of power and heat. The Outline Business Case has been approved by the city council.
Environmental	Pre-Approval	3926	The removal of certain environmental burdens incurred prior to privatisation	
Healthcare	Pre-Approval	21	Prague Hospital PPP	The pilot project will see the DBFO of a new building providing an extension of health service operation capacity and a new car parking facility in NNH, Prague. It involves construction and maintenance (hard facility services only) of a new-built seven-floor building and a new-built car parking facility with 300 slots. The estimated capital value of the project is €21m. The Project Board for this PPP consists of NNH, the Ministry of Health, the Ministry of Finance and the PPP Centrum.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Suspended	92	Pardubice Hospital	The project aims to modernise the Pardubice Regional Hospital (PRH). It will include the design and construction of new buildings and the reconstruction of existing infrastructure. The project also involves funding, maintenance, partial operation of the PRH complex and delivery of selected support services.
Healthcare	In Tender	15	Prague Military Hospital	<p>The Sponsor's and the Ministry of Defence's strategic goal is to transform the Central Military Hospital in Prague into a top military healthcare facility comparable to similar facilities in other NATO members.</p> <p>The Central Military Hospital will be a training and educational facility that will educate military and civil physicians, cooperate with international institutions within NATO and EU and be ready to provide medical services to foreigners coming from NATO armies. The estimated capital value of the project is EUR 15m.</p>
Leisure	Pre-Approval	54	Ostrava Stadium	Building a new 30,000 seat football stadium in the Czech city of Ostrava. The €54m stadium is expected to be finished by 2013, with construction works to start in 2011.
Leisure	Pre-Approval	67	Brno City Council Sports Hub PPP	The project involves the construction of a modern sports, cultural and leisure centre for top class sports and uses by the general public and may involve the demolition of current buildings. It is expected that the project will be undertaken on a DBFO basis with the payment mechanism through availability payments and fees collected from users.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Leisure	Pre-Approval	5.8-15.5	Reconstruction and Operation of the Sport and Recreational Complex “Pod Červeným kamenem”, Kopřivnice	Redevelopment and reconstruction of this sport/recreational complex. The project will involve constructing the complex and operating it all year round. A feasibility study has been completed and, at present, the Authority is considering alternative, lower-cost solutions.
Light Rail	Suspended	100	Prague Airport Link (AirCon)	The project involves the complete upgrade of the current railway Prague-Kladno (30km) with a new connection line to Prague’s airport, operating as a BOT/DBFO (including a long-term concession contract for the construction, operation and maintenance of tracks and a concession contract to operate services with 10% state participation).
Light Rail	Pre-Approval	N/A	Prague Metro – Line D	New Line D for Prague Metro. Runs South of Prague – from Nové Dvory to Pankrác. Construction of Line D is scheduled for the next 6 years.
Prisons	Suspended	102	Czech Prison PPP Project	A project to provide for the infrastructure and related services of a guarded prison with an accommodation capacity of 500 inmates. External and internal security signalling systems will have to be designed to meet with the internal procedures of the Prison Service of the Czech Republic. This project was approved by the Czech government in 2008.
Roads	Suspended	320	D47 Highway Ostrava –A1	The Moravian-Slezian Region is proposing a project involving the development of a 6km stretch of the D47 highway in the Czech Republic. The stretch of road will link the eastern city Ostrava, with the A1 in Poland. The D47 also passes through Brno where it will link up with the D1, which runs to Prague. The highway will also include twenty-one bridges.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Suspended	370	D3 Highway	This project involves the construction, maintenance and operation of the 30km Tábor - Bosilec section of the D3 motorway. This project also comprises the construction of two new sections (D307 and D308) of a four-lane motorway of the D26 5/120. The D3 motorway is incorporated in the supplementary TINA network of key European traffic routes.
Roads	Pre-Approval	700	Prague Inner Ring Road (NE Section)	The City of Prague is considering completing the missing sections of the internal ring road (Spejchar to Pelc Tyrolka, in the north-west section) using a PPP. The external ring road is procured by traditional procurement and funded by the Czech Government. The system of charging will involve both real tolls and alternative sources of income (fuel tax, local road fee etc.).
Roads	Suspended	15	R35 (Olomouc-Mohelnice Section)	The project involves the redevelopment of existing carriageways of the R35 Olomouc-Mohelnice section and may be announced as a pilot PPP project.
Roads	Pre-Approval	480	R4 (Prague-Skalka Section)	The project involves the redevelopment of the existing carriageway R4 from Prague to Skalka, in the south-west. The section is about 39km long.
Roads	Pre-Approval	16	R10 (Prague - Stara Boleslav Section)	The project involves the redevelopment of existing carriageways of the R10 Prague to Stara Boleslav section and may be announced as a pilot PPP project.
Roads	Pre-Approval	N/A	Expressway to Prague Ruzyně Airport	An expressway to Prague Ruzyně Airport is being considered as a PPP project, in addition to the priority rail link between the centre of the city and the Ruzyně airport.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	267	Brno Ring Road	The project involves the construction, maintenance and operation of a section of the large urban ring in Brno. Two parallel two-lane tunnels, corresponding to European standards, each 1.25km long, constitute the main part of the project. The project also includes three grade separations, of which two are associated with the tunnel clearway. The project also incorporates multiple bridges and a footbridge.
Roads	Suspended	1,600	D3 Motorway	The future SPV will be responsible for constructing, maintaining and operating around 71km of greenfield road, in addition to operating and maintaining a total of 42km of the existing D3. The road will connect to the Austrian border via the R3 expressway. Construction works for the highway should be completed by 2014.
Roads	Closed	765	HGV Electronic Fee Collection Project	The project involves the introduction of an electronic system charging vehicles above 12 tonnes for using a network of approximately 3,000kms of motorways, expressways and national roads – about 6% of the entire network. At the moment a 'vignette' charging system for all vehicles is in use.
Transport	Pre-Approval	101	Bus station Třebíč	Construction of a new, modern bus terminal with a shopping gallery above, and a parking lot. The Outline Business Case was approved by the city council in September 2008.

# DENMARK

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Closed	75	National Archives Building	The project will consolidate the National Archives of Denmark, currently housed in three or four tenancies in one location, and provide space for the Archives for the next thirty years. The New Building is to be located near <b>Hovedbanegården</b> , The Grand Central Station in Copenhagen.
Accommodation		N/A	Land Registration Court in Hobro, Jutland	This new construction is expected to house 140 employees and is designed to hold approximately 400m <sup>2</sup> .
Accommodation		N/A	Tax authorities building in Hadersley	The Palaces and Properties Agency entered into a contract in June 2008. The contract, regarding the tax centre building, is non-terminable for 10 years after the commissioning of the building. The building is expected to be completed by February 2010.
Bridges and Tunnels	Pre-Approval	5,600	Fehmarnbelt Crossing	The project is expected to stretch from Puttgarden in Germany to Rodby in Denmark. The project is a Quick Start TENS project. Project work should start before 2010. A detailed analysis is required into environmental safety and navigation issues, before the technical solution is chosen.
Bridges and Tunnels	Pre-Approval	N/A	Roskilde Fjord Fixed Link	The Ideas Competition has given rise to a number of proposals for both bridge and tunnel options with the result that different route lengths dependent on locations are being considered. Two options so far being considered are: a short bridge valued at approximately 400m DK; a tunnel valued at approximately 1.6 - 2bn DK.
Education	In Finance	27	School Project Langeland	The municipality of Langeland has initiated a PPP project with a consortium. The construction began in October 2008 and is expected to be completed by 2010.
Education	In Finance	16	Trehøje School PPP	The Trehøje Municipality is using a PPP to develop the Trehøje School. The project to design, build, finance and maintain the new Vildbjerg School is Denmark's largest PPP to date and the first to involve a school. The new building will accommodate some 700 students.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Leisure	Pre-Approval	33.5	Sports arena in <b>Hørsholm</b>	The municipality of <b>Hørsholm</b> is currently considering a sports arena as a PPP project.
Leisure	Pre-Approval	16.7 - 80.5	Health and Sports centres in <b>Hillerød, Stevns and Fanø</b> .	The municipalities of <b>Hillerød, Stevns and Fanø</b> are considering PPP for health and sports centres, the capital expenditure of which will vary from approximately €16.7m (Stevns) to €600 (Hillerød).
Leisure	Pre-Approval	80	Music and Theatre Centre/ Academy of Music in Odense	The project has been subject to the competitive dialogue procedure. The project was scheduled to begin in June 2009 with an expected completion by September 2013.
Leisure	On Hold	12	Ice arena in Hadersley	In January 2009, the municipality of Hadersley initiated a competitive dialogue procedure for the project. Five prequalification procedures were received, three of which were not compliant. The municipality therefore decided to postpone the process.
Leisure	On Hold	6.7-10.7	Library in Nyborg	The project has been postponed indefinitely due to lack of public funding and lack of interest from private parties.
Light Rail	Pre-Approval	600	Copenhagen City Ring Metro	The Copenhagen City Ring Metro, an extension (stage 4) of the existing system, could be financed on a PPP basis. Feasibility studies on cost, track routes and traffic forecasts have been undertaken. The project value is estimated at €600m with an opening date of 2011. The scheme is being procured by the Ministry of Transport and Copenhagen and Frederiksberg municipalities.
Light Rail	Pre-Approval	605	Lyngby to Glostrup Ring line	Light rail project to link Lyngby to Glostrup.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	E45 Road Project	The County Council of Sonderjylland is assessing the development of a new motorway which would run between Sonderborg and the E45. The project is expected to be procured on a PPP basis. Due to the abolition of Denmark's county system in 2007, the project will be transferred from the Council of Southern Jutland to the Ministry of Transport.
Roads	Pre-Approval	60	Bypass Road Around Naestved (ZEALAND)	A PPP evaluation is currently ongoing. Total project value is approx. DKK 450m. The road will be approximately 21 km long.
Roads	In Tender	268	Kiplev to Sønderborg PPP	The project entails the construction of a highway linking Kiplev and Sønderborg through a PPP. The project will cost between €134m and €268m. The private partner will be responsible for a design, build, finance, maintenance and operation contract, which is set to last for a period of 26 years. The future SPV will receive availability payments from the procuring authority to be agreed later in the tender process. Four consortia pre-qualified in November 2008, with whom the Road Directorate is currently hosting dialogue meetings. The anticipated deadline for submission of tenders is November 2009 and conclusion of the final contract is projected for the beginning of 2010.

# FINLAND

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	N/A	Karis Hospital Project	Pre-approval: no details provided.
Light Rail	Pre-Approval	N/A	Helsinki-Espoo Subway	The Finnish government is currently discussing the possibility of using a PPP for this project.
Roads	Closed	300	E18 (Muurla – Lohjanharju Section)	The E18 Muurla-Lojanharju PPP road project is part of European Road E18. The DBFO project involves the development of the 51km Muurla-Lohja section of the E18 between Helsinki and Turku, which is the final phase of the section. The contract period runs for 21 years, which commences as soon as the road becomes available for traffic.

# FRANCE

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	N/A	Toulouse University PPP Project	This project is one of 8 pilot projects on which the Ministère de l'Économie et des Finances requested legal and financial studies. The project involves the renovation of teaching facilities at Le Mirail University in Toulouse.
Accommodation	Pre-Approval	300	Le Bourget European Air Space Museum Project	This project is one of 8 pilot projects on which the Ministère de l'Économie et des Finances requested legal and financial studies.
Accommodation	Pre-Approval	N/A	Fire Station & Training Centre (Chartres)	The project involves the greenfield construction of a Fire Station (7,000m <sup>2</sup> ) and a training centre for Firemen (6,000m <sup>2</sup> ) in the city of Chartres.
Accommodation	Pre-Approval	500	Paris Palace of Justice	The use of a PPP scheme for the new Paris Palace of Justice is presently under review.
Accommodation	Pre-Approval	N/A	Bourgoin-Jallieu Court Centre	The project involves extension and construction works to the court centre in Bourgoin-Jallieu.
Accommodation	Pre-Approval	N/A	Palace of Justice Projects	The Ministry of Justice is considering a PPP approach for several small projects involving Palaces of Justice in France.
Accommodation	In Tender	N/A	Helicopter Training School Project	The project involves the provision of a fleet of helicopters for a military training school in Dax. The new fleet will replace the current fleet of 53 Gazelle helicopters which have reached the end of their lifespan. The private contractor will be responsible for the replacement of the Gazelles and the financing, maintenance and reparation of a new fleet of helicopters for an estimated period of 20 years.
Accommodation	In Tender	20	Four French Police Stations	The project involves the design, construction, finance and maintenance of police stations in four French cities: Montereau, Voiron, Meyzieu and Décines.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	N/A	Scionzier Gendarmerie	The private sector partner will design, build, finance and maintain the new alpine police station. The station will contain 43 accommodation units, over an area of 15,000m <sup>2</sup> .
Accommodation	In Tender	66	Nancy Congress Centre	The €66m PPP contract is to design, build, finance and maintain a new congress centre with car park. The DBFM contract will last between 15 and 25 years depending on the offers presented to the city council.
Accommodation	In Tender	N/A	Brignais Gendarmerie	A 35-year PPP contract for a new police station in the town of Brignais has been published by the town council. The private sector partner will design, build and finance the new buildings. Hard FM services will also be included over the life of the contract.
Accommodation	In Tender	21	Musée des civilisations de l'Europe et de la Méditerranée (Mucem) in Marseille	A project to build Marseille's Museum of European and Mediterranean Civilisations.
Accommodation	In Tender	N/A	Seissan Nursing Home PPP	To design, build, finance and maintain a contract for living quarters. The project is being procured under France's Contrat de Partenariat (Partnership Contract) law and the contract is for a maximum of 40 years.
Accommodation	Closed	72	National Institute for Sport and Physical Education (INSEP)	The INSEP project will see a private partner design, develop, finance and partially maintain and operate the facilities for a period of 28 years. Two years will be set aside for construction of a new building as well as refurbishment of the existing site.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports	Pre-Approval	N/A	Nantes Airport PPP	The project concerns a new airport called "Wide-West Airport" (Aéroport du Grand-Ouest) near Nantes: a tender notice was published in October 2008. The operation represents an amount of €581m to build a terminal, two runways and connections to the existing public transport networks. The concession agreement is expected to be entered into in 2010 and will consist of the construction and operation of the new platform for 55 years (in addition to operating the existing airports during construction of the new airport). The opening is expected at the end 2015.
Airports	Pre-Approval	N/A	Mayotte Airport	This concerns the Mayotte Airport (French overseas region) launching of feasibility studies in January 2008.
Airports	Pre-Approval		OPERA (Paris Air Control)	The Paris Air Control Accommodation project OPERA (Road and Approach Paris Organism) consists of the creation of a new air control centre for the Paris region under a PPP.
Airports	In Tender	100	Beauvais Airport	This project concerns a 15-year concession to operate Beauvais Airport to the north of Paris.
Airports	In Tender	581	Notre Dame des Landes (NDDL) Airport	This is a project to build and operate a new airport at Notre Dame des Landes (NDDL) in addition to operating the existing airports at Nantes-Atlantique (NA) and Saint Nazaire-Montoir (SN).
Airports	Closed	N/A	Lille-Lesquin	The concession for the Lille-Lesquin (north of France) airport was awarded in November 2008 to a consortium.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports		N/A		The concession for the Quimper-Cornouaille airport (Brittany) was awarded to a consortium in February 2009. This consortium already operates three local airports in France (Grenoble, Chambéry and Clermont-Ferrand).
Airports		N/A		The concession relating to a business centre at Nice airport has been awarded. The concessionaire will collect fees paid by car rental companies, which use the centre. A €33m senior debt package was provided for this project.
Bridges and Tunnels	Closed	300	Millau Viaduct	This project involves the highest bridge in the world; a 2.5km multispan viaduct with concrete piles and a steel deck. A balanced concession contract would be in place which allows the concession company to collect, for 75 years, a toll linked with CPI and which will increase regularly in real value during the first 20 years of the concession.
Defence	In Tender	N/A	French Pentagon (Balard)	The complex will cover an area of eight hectares and is to be built in Balard in the 15th arrondissement of Paris. It is expected to house approximately 10,000 military personnel. The private partner is likely to be required to design, build, finance, operate and maintain the complex over a 30 year period. The project will require total investments of €3bn over the concession period, with capex to be in the region of €600m.
Defence	On Hold	80	Fontainebleau Defence Sports Project PPP	The CNSD will require a private sector partner to design, build, finance, operate and maintain the new centre. The contract will include upgrade and maintenance of existing facilities, with catering, accommodation and hard and soft FM services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	Cancelled	N/A	Naval Frigates Project	The project involves the financing and construction of naval frigates for the French and Italian Navies. The Marine department of the French Navy launched a tender in February 2004 for banks to finance the programme. The project was suspended in March 2004 due to technical problems. In early 2005, it was decided that the project would be procured traditionally.
Education	Pre-Approval	424	Montpellier Campus PPP	The new Montpellier Campus will concentrate six existing university and research centres into a single campus served by specialised transportation infrastructure and occupying a territory of 840 hectares.
Education	Pre-Approval	N/A	Dauphine University Paris	The Dauphine University Paris is seeking to undertake construction work, the formation of a public private partnership and the potential establishment of university branches abroad.
Education	Pre-Approval	50	HEC Business School Redevelopment PPP	The €50m project will see the redevelopment of all residential and teaching facilities on the 100 hectares Jouy en Josas campus.
Education	In Tender	N/A	Château du Loir, Courbevoie School Project	The PPP contract was awarded to a consortium in October 2008, for the building, operating and maintaining of a new school in the Courbevoie commune.
Education	In Tender	N/A	Versailles St. Quentin University	Expressions of interest were due on 9 July 2008 for this accommodation project.
Education	In Tender	N/A	Versailles Medicine Campus PPP	The University of Versailles Saint Quentin-en-Yvelines is looking for a private partner to assist with the reconstruction and refurbishment of the Medical campus. The project will involve the design, build, finance, maintenance and operation of two facilities.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	55	Sorbonne University PPP	The project involves the redevelopment of the Clignancourt campus of The University of Paris Sorbonne (Paris IV). The upgrade programme will include the demolition of the existing site, reconstruction and extension of the new site. Competitive dialogue started in July 2008 with four consortia.
Education	In Tender	150	Reims University	Concentration of three remote campuses onto one single site.
Education	In Finance	100	Ecole Nationale Supérieure de Techniques Avancées (ENSTA)	The contract involves the construction of a teaching and research facility (L'Ecole Nationale Supérieure de Techniques Avancées – ENSTA). Construction works will commence in June 2010 and are expected to last for two years. The campus should open by September.
Education	In Finance	27	Yonne Schools PPP	The project involves the construction and upgrade of two schools: Miles de Noyers sur Serein and Maurice Clavel d'Avallon. The private partner will design, build, finance and maintain schools through a 21 year upgrade and construction programme.
Education	Closed	109	University of Paris Diderot	The project comprises the construction of four buildings for several of the faculties, covering an area of approximately 44 600m <sup>2</sup> . Competitive dialogue started in July 2008 with four consortia.
Healthcare	Pre-Approval	N/A	Roubaix Hospital Maternity and Infant Care Unit	Roubaix Hospital is procuring a new maternity and infant care unit with a 5-year PPP contract. The procuring authority is currently seeking a legal advisor for the project.
Healthcare	Pre-Approval	27	Belfort Hospital PPP	The contract requires advice on the design construction financing operation and maintenance of a logistics centre at the Median Hospital site.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	N/A	Nancy Neurological Centre PPP	The University Hospital of Nancy (CHU Nancy) is looking for a private sector partner to design build finance maintain and operate the new centre over a 35 year period.
Healthcare	In Tender	15	Centre Les Tilleroyes	The project involves the DBFMO of a new hospital building on the site of the Centre les Tilleroyes at Besancon in the east of France. The new building will have a capacity of 120 beds. The PPP project is part of the government's Hospital 2007 programme.
Healthcare	In Tender	75	Nancy Hospital	The Nancy Hospital PPP project involves the DBFMO of a 261-bed building, providing for a variety of specialist medical services.
Healthcare	In Tender	N/A	Beaumont-sur-Oise Psychiatric Hospital	The project involves the DBFM of a 60-bed psychiatric hospital in Beaumont-sur-Oise France. The project is part of the government's "Hopital 2007" plan and will be structured under the typical BEH approach.
Healthcare	In Tender	25	Paris Hospital PPP	The project involves the DBFMO of a hospital building to be added to the existing hospital of Piti Salpetriere in Paris. The new building will cover an area of 8000 sqm.
Healthcare	In Tender	N/A	Pavie Care Home for the Elderly (EHPAD)	A care home for the elderly (EHPAD) to be located in Pavie in the South West Gers region of France. The project will involve the construction of an 80 bed facility covering 4 448m <sup>2</sup> . The turn key contract will last for 45 years and construction is due to start in 2008.
Healthcare	In Tender	N/A	Lyon Proton Therapy Centre PPP	GCS Etoile is looking for a private sector partner that will be responsible for the design, build, finance, operation and maintenance of the 13,000m <sup>2</sup> facility. Preferred bidder to be announced end 2009.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	N/A	Metz-Thionville Regional Hospital	Power plant PPP tendered in January 2009.
Healthcare	In Tender	N/A	Marseilles Hospital	DBFM of a new hospital, advisory contracts due to be entered into shortly.
Healthcare	In Tender	N/A	Périgueux Hospital	Heat distribution PPP tendered in July 2008.
Healthcare	In Finance	230	Bourgoin-Jallieu Hospital	The DBFMO hospital project involves the construction of a new 400 - bed complex amalgamating services from the Centre Hospitalier Pierre Oudot Bourgoin Jallieu with a healthcare centre at Vion and the St. Vincent de Paul clinic.
Healthcare	Closed	60	CHU Rennes	The project involves the design, construction, finance and partial operation of a new hospital building at the site of Pontchaillou in the west of France. The new building will be around 15,000m <sup>2</sup> in size.
Healthcare	Closed	280	CH de Saint-Nazaire	The Centre Hospitalier de Saint-Nazaire is undertaking a PPP project under the typical BEH approach. The project involves the design, build, finance and partial operation and maintenance of a new 750 - bed structure that will combine a public and private healthcare institution onto one site in Saint Nazaire. The project value is estimated at €150-200m.
Healthcare	Closed	20	Douai Hospital	The project involves the reconstruction of the hospital in Douai on the same site. It is one of the smaller hospital PPPs to come out of the Hospital 2007 programme. Douai is located in the Nord Pas du Calais region in France.
Healthcare	Closed	180	Annemasse Hospital	The project involves the construction of a new hospital to be built between Annemasse and Bonneville in the Rhone Alpes region in France. The existing hospitals of Annemasse and Bonneville will be partially shut down and their activities transferred to the new 445 bed site.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	350	Centre Hospitalier Sud-Francilien	The project is to design, build, finance and operate the Centre Hospitalier Sud Francilien, in south Paris, which is the first major PPP healthcare project in France. The project will be developed in a new location from the existing hospital and will have a capacity of 950 beds.
Healthcare	Closed	91	Caen Hospital	This project is one of 8 pilot projects on which the Ministere de l'Economie et des Finances requested legal and financial studies, with the primary aim to optimise the impact of the Ordonnance upon enactment. The project involves the development of a new hospital department in Caen in Normandy. Opening expected on 31/12/08.
Healthcare	Closed	30	CHNO des Quinze-Vingts - Research Institute	The project involves the design, financing and creation of a clinical and biomedical research institute on the site of the Centre Hospitalier National d'Ophtalmologie (CHNO) des Quinze-Vingts (Central Eye Hospital) in Paris.
IT	In Tender	1,000	GSM rail telecommunications network	A consortium was named preferred bidder by the procuring entity RFF on 13 February 2009. A debt package of €800m is likely, with a high debt-to-equity ratio. Financial close is expected in September 2009.
IT	In Tender	2,000	Green road tax	The procuring entity is the Ministry for Transport. The project consists of building, financing and operating an electronic infrastructure designed to collect a green tax from heavyweight vehicles using certain roads. The project is in pre-qualification phase.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
IT	Closed	145	Meurthe-et-Moselle Broadband PPP	The project will see an SPV install and upgrade the broadband and telecommunications infrastructure for the north-eastern department of Meurthe-et-Moselle. The 26 year project will require €145m of investment over the life of the contract, however initial capex requires approximately €30m.
Leisure	In Tender	120	Marseille Stadium Upgrade PPP	To enlarge and modernize the Stade Velodrome in Marseille France. It would see the 60,000 seat stadium increase its capacity to 80,000.
Leisure	In Tender	N/A	Saint-Quentin Velodrome Project	The private sector partner will design, build, finance, operate and maintain the new 3,500 seat stadium. The stadium itself will be constructed in Place de la Paix Céleste, Montigny-le-Bretonneux.
Leisure	In Tender	100	Vincennes Zoo	
Leisure	In Finance	230	Lille Football Stadium	The Stadium, which will host inter alia the LOCS Football team, is expected to have a seating capacity of around 50,000. It will be situated in Borne de l'Espoir and will be a multi-functional stadium hosting football, other sporting events and music concerts.
Leisure	On- Hold	100	Nice Stadium PPP	The city council of Nice is looking for a private sector partner for a new football stadium to be procured under a 30-year concession contract. The private sector partner will manage all user and demand risk for the project. The stadium will seat 32,000 people and require around €100m of investment. A training complex will be included in the 24 hectare complex.
Leisure	Closed	100	Le Mans Stadium	The successful bidder will design, build, finance, maintain and operate the 25,000 seat MM Arena, including retail food and hotel facilities. Construction works are expected to take just over two years and the stadium should be ready in time for France's 2010 II football season.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Pre-Approval	20,000	Underground link around Paris	President Sarkozy has announced a €20bn PPP designed to modernize the Paris transportation system by 2025.
Light Rail	Pre-Approval	4,000	High Speed Train Line (Mantes-la-Jolie - Nanterre)	To build a High-Speed Rail line (HSR) linking Mantes-la-Jolie to Nanterre. In addition, the second part of the project contemplates several improvements along the Bernay-Evreux-Mantes section of the line, set to cost another €1bn. The new HSR is expected to be fully operational by 2020.
Light Rail	Pre-Approval	N/A	Dijon Tramway PPP	To design, build and operate two tramway lines linking the cities of Dijon, Chenove and Quetigny. The tramway will cover 12km of line over 35 stations. Over 90,000 users a day are expected.
Light Rail	In Tender	630	CDG Express	The dedicated rail link will connect Paris main airport with Gare de L'Est. The investment required will be around €630m (including rolling stock) and will be procured on a DBFOM basis. There will be no public funding and the concessionaire will receive traffic and third party revenue.
Light Rail	In Tender	100	Mulhouse Tramway PPP	This project concerns a new €100m tramway project in Mulhouse on the Franco German border. The light rail PPP project will involve the private concessionaire designing and building 6km of new transport infrastructure, while operating and maintaining a total of 20km for 35-years.
Light Rail	In Finance	300	Reims Tram	The PPP project involves the DBFO of a 10km tram line for the French city of Reims, in the region of Champagne Ardenne. The EIB has proposed to contribute up to 50% of the total cost of the project.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Closed	107	Lyon Leslys Airport Link	Rhône Express will design, build, finance and operate the project with a construction period of around three years and a concession period of 28 years. The 23km link will connect Part Dieu train station to the Saint Exupéry airport.
Other	Pre-Approval	N/A	Languedoc Roussillon Regional Broadband PPP	To install and upgrade the broadband and telecommunications infrastructure in the region. The contract will involve monitoring the operation of the scheme initiated by the Region as part of an ongoing PPP.
Ports	Pre-Approval	400	Fos 2XL Port of Marseilles Expansion	The Fos 2XL scheme aims to increase the container carrying capacity of the port of Marseilles from 600,000 to 2.1 million units. The total financing for the project is expected to reach €400m with the public and private sectors to provide half each.
Ports	In Tender	3,170	Seine-Nord Europe (SNE) Canal	This canal will link the Seine inland waterway network to the Scheldt network, thus connecting the ports of Le Havre, Dunkirk and Rotterdam. The SNE project has the backing of the European Union (EU) and is part of the EU's priority projects within the Trans European Transport Network (TEN-T). Public funding including European, State and regional contributions for the SNE should amount to around 60% of the project, depending on the preferred proposal.
Ports	In Tender	N/A	Port-Saint-Louis-du-Rhône Port PPP	To develop and operate a car terminal in Port-Saint-Louis-du-Rhône, a port city close to Marseilles. The private partner will develop the proposed terminal in three phases.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Prisons	On Hold	150	Paris Santé Prison	The Paris Santé prison project will involve extensive upgrades and refurbishment to the existing penitentiary. Hard and soft FM services will be transferred to the private partner but all security and clerical work will remain with the Ministry of Justice. The PPP contract will last between 25 and 40 years.
Prisons	Closed	1,000	French PPP Prisons Tranche I Meurthe et Moselle	This construction programme comprised 18 prisons. The procurement method used is AOT/LOA – authorisations for a concessionaire to temporarily take over the operational functions of the state (AOT) and option d'achat (LOA – Option to Purchase) with the state retaining property with option to buy. The government will lease back the facilities with ownership transferring at the end of the contracts. The project tenders are likely to be launched in 3 or 4 tranches and will not include any custodial transfer. The projects are being structured under a forfeiting style template.
Prisons	Closed	155	French PPP Prisons Tranche II (Sarthe, Seine Maritime Vienne)	This, the second tranche of prison redevelopment, will see the development of three prisons in Vienne (near Poitiers), Sarthe (near Mans) and Saint Aubin Routot (in the area of Le Havre). The contract is for 27 years and will involve the operation of non-custodial services and will not include any custodial transfer.
Prisons	Closed	N/A	French PPP Prisons – Tranche III	The three prisons to be built will have a capacity of 2,000 places and will be located in the regions of Loire Atlantique, Nord and Seine et Marne and will be procured under a DBFO contract lasting between 25–40 years depending on contract negotiations. A consortium signed the contract with the Ministry of Justice in February 2008.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Pre-Approval	3,000	Mantes-la-Jolie to Nanterre	The French government has announced a €3bn PPP for a 30–40km high speed rail link designed to cut journey times on the Paris-Normandy line.
Rail	Pre-Approval	6,000	Lyon-Turin High Speed Rail Link	The project entails the construction of a 254km high-speed rail link from Turin to Lyon. The project is a section of the TEN Corridor between Lyon and Budapest. The feasibility study proposed a double line track running for 46km in Italy, with a 64km tunnel from Saint de Maurienne and Bruzolo. Also under consideration is a 52km tunnel under the Alps, at a total cost of €6.7bn.
Rail	Pre-Approval	2,100	Dijon-Mulhouse-Nulheim Rail Link	Feasibility studies launched in November 2008.
Rail	Pre-Approval	N/A	HSL Rhine-Rhone	The project involves the delivery of a high speed rail link between Rhine and Rhône. The project was featured on a list of 35 PPPs published by the French government in October 2005.
Rail	Pre-Approval	3,000	HSL Bretagne-Pays de la Loire	A new tranche of high speed line is currently being assessed as a potential PPP; the Bretagne-Pays de la Loire project. The 180km line links Le Mans and Rennes in northwest France and will require approximately €3bn of investment. This was re tendered in April 2009 to take advantage of the state guarantee scheme created in February 2009.
Rail	In Tender	1,200	Nimes-Montpellier (CNM)	The Project will require 70km of new track, with five main links. Dialogue to start in October 2009.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	In Tender	5,000	HSL Tours-Bordeaux (SEA)	The €4.8bn, 303km high speed link (HSL) between Tours and Bourdeaux has been split up into two tranches but will be contracted together. Both of the concessions will most likely be DBFO type contracts but financial structures will be confirmed during contract negotiations. The EIB has confirmed that the project is eligible for European funding. The concession length will be no longer than 65 years.
Rail	In Finance	650	GSM-R	This project involves the modernisation of the current sol train radio system to the European standard GSM-R. The private partner will design, build, finance, operate and maintain the non critical elements. The private partner will be reimbursed by regular payments from RFF.
Rail	Closed	1,100	Perpignan - Figueras HSL	The project involves the development of a 44.5km high speed link from Perpignan (France) to Figueres (Spain). The concession was awarded at the beginning of 2004 and financial close was to be reached in the summer of 2005.
Roads	Pre-Approval	200	A4-A86 Road Junction	This project is one of 8 pilot projects on which the Ministere de l'Economie et des Finances requested legal and financial studies. The project is located in south east Paris. The project was put on a new list of 35 PPP projects in October 2005.
Roads	Pre-Approval	N/A	Semnoz Tunnel, Project Haute-Savoie	The proposed tunnel will run through the Semnoz mountain range from Sévrier to St Jorioz. The Department of Haute Savoie is looking to complete feasibility studies by the end of 2007. A range of options are being considered but a PPP or concession contract is likely at this stage.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	A24 Amiens-Lille	The French Ministry of Transport is considering the development of a new motorway between Amiens and Lille. The concession should be launched in 2005 or 2006.
Roads	Pre-Approval	N/A	Bordeaux Ring Road	Part of this Ring Road already exists around the city of Bordeaux. The Ministry of Transport is currently considering developing the remaining section of the project on a concession basis. The project is likely to be tendered in 2006.
Roads	Pre-Approval	N/A	Montpellier and Nimes By-pass	
Roads	Pre-Approval	730	L2 Bypass Marseille	The project will be constructed in two parts; the completion and upgrade of the eastern part of the bypass and the new build and design of the northern section. The two tranches will connect the A7 in the north to the A50 in the east of Marseille.
Roads	Pre-Approval	N/A	Avignon East West Connection	The project involves the delivery of an east west connection in Avignon between the motorways A9 and A7.
Roads	Pre-Approval	350	Route Centre-Europe Atlantique (RCEA) Road concession	Motorway concession to complete a section of the Route Centre-Europe Atlantique (RCEA), crossing the country from east to west. The project is estimated to be worth around €350m, with the private sector allowed to collect tolls along the stretch.
Roads	Pre-Approval	N/A	A585 Digne-Les Bains	The A585 Digne-Les Bains section was first tendered in 2002 but put on hold. The Ministry of Transport intends to retender the project (2006).
Roads	In Tender	N/A	A63 Tolling Project	Conversion of the existing A63 Bordeaux–Bayonne highway to a tolling system for which the operations would be tendered out to the private sector.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Tender	124	French Road Maintenance Centres	The project entails the design, building, maintenance and financing of 63 maintenance centres along part of France's state managed networks. The centres will house personnel and the necessary equipment required to maintain the roads.
Roads	In Tender	200	Epinal-Stain-Dié	The Vosges authorities have launched a tender for the €200m Epinal-Saint-Dié road PPP, one of the first roads in France to be structured with availability payments. The future SPV will be required to design, build, finance, operate and maintain a 40km stretch of road over a period of 30 years. In addition, the concessionaire will also receive availability payments from the procuring authority, though the amount of the payments has yet to be fixed.
Roads	In Tender	350	Montmarault to Mâcon	A motorway concession is contemplated between Montmarault and Mâcon to cover 180km of the Route Centre-Europe Atlantique. The private sector will be allowed to collect tolls along the stretch.
Roads	In Tender	1,900	Electronic Road User Charging System (France)	To implement an electronic tolling system designed to collect a "green tax" on heavy vehicles. The €1bn PPP project is part of France's plan to improve its environmental performance – dubbed the Grenelle de L'Environnement. The new tolling system to be up and running in 2011.
Roads	In Tender	325	A63 Highway (Salles to Saint-Geours-de-Maremne)	To build the A63 that will link Salles to Saint-Geours-de-Maremne (Landes). The DBFOM project will require the future SPV to enlarge the 102km road from two to three lanes and then operate it under a 40-year concession. The A63 is structured as a real toll concession, with the risk falling solely on the private sector in exchange for the ability to collect tolls.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Tender	200	Epinal-Saint-De Road PPP	To design, build, finance, operate and maintain a 40km stretch of road between Epinal and Saint-De, over a period of 30 years.
Roads	In Tender	N/A	RN 88 in Aveyron	The RN 88 DBFO dual carriageway project will link Severac-Le-Château and La Tête (south of Carmaux) in the Aveyron department. Project value is estimated to be between €350m and €500m.
Roads	In Tender	400	A355 Highway Strasbourg	The A355 will be a 24km by pass around in the Bas Rhin region.
Roads	In Tender	400	A831 Highway	The A831 will run in western France from Fontenay-le-Comte (La Rochelle) to Rochefort for 64km.
Roads	In Tender	550	Grenoble Ring Road	To design, construct, operate and maintain a road network with a length of 6.1km, crossing the towns of Grenoble Saint-Martin-le-Vinoux, La Tronche and Meylan (Grenoble area). The construction period is estimated at 4 years.
Roads	Closed	270	A88 Road Concession	The project involves the DBFMO of the entire length or part of the A88 motorway between Western Falaise and Sees in Normandy. A real toll will be charged. In order for the road to be operational by 2010, a concession contract is to be signed by mid 2007.
Roads	Closed	100	Garonne Bridge Bordeaux	This project is one of 8 pilot projects on which the Ministry de l'Economie et des Finances requested legal and financial studies. It has been decided that this project will be traditionally procured.
Roads	Closed	189	Marseille Tunnel Project	The Prado tunnel concession in Marseilles closed in October 2008 following the award of the contract.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	189	Marseille Prado Sud Tunnel	The concessionaire will design, build, finance and operate the 1,500km tunnel which will link the A 50 motorway and the Prado Caré to the north with Prado 2 avenue and Michelet boulevard to the south of the city. The concession will last for 46 years and the consortium will be remunerated via tolls collected on the new tunnel.
Roads	Closed	940	A41 Motorway	The project involved the development of a 19km toll road from Villy to Saint Julien (South East of Paris). The project, approved in 1992, will cost from €415m to €577m, depending on whether a tunnel will be built to pass through Mont Sion. The winning consortium is proposing a project financing package based on a 55-year concession period. Construction time will be 38 months.
Roads	Closed	1,200	A65 Motorway	The 150km road will link the towns of Langon, near Bordeaux, and Pau in south-west France and is planned for completion by the end of 2010. Operation and routine maintenance will be covered under a separate contractual agreement. The concession term is 55 years.
Roads	Closed	880	A28 Motorway Concession	The project involves the building of the 125km Rouen-Alençon section of the French A28 toll motorway. The concession contract provides for the design, construction, financing, operation and development of the motorway for a 62-year period.
Roads	Closed	600	A19 Motorway	The €600m project involves the development of a 100km toll road stretching from Artenay to Courtenay (North-West of Paris). The project was approved in April 2002. The project will be financed on balance sheet.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Street Lighting	In Tender	N/A	Trelon Street Lighting PPP	To design, build, upgrade, maintain and finance around 440 streetlights throughout the town of Trélon.
Street Lighting	In Tender	N/A	Vallauris-Golfe-Juan Street Lighting PPP	To design, finance and maintain the public lighting installations in the town of Vallauris-Golfe-Juan in the Alpes-Maritimes department. The town has about 2,800 street lighting columns which will need to be replaced and renewed.
Street Lighting	Closed	92	Boulogne Billancourt and Sevres Street Lighting	The €92m street lighting PPP is located in the Parisian suburbs of Boulogne Billancourt and Sèvres. The 20-year contract will see a private sector partner operate and maintain around 8,000 lighting columns and replace 70% of the existing infrastructure over the first three years of the contract.
Street Lighting	Closed	34	Sevran, Libourne and Contres Street Lighting PFI	This is a project to operate, maintain and reconstruct 5 000 lighting columns. The concession will last for 12 years and the investment amounts to around €16.2m. Libourne will require the private partner to install lighting in several buildings as well as managing and upgrading the public lighting system for a period of 15 years. A total investment of €15.5m is anticipated. In Contres: to maintain, manage and renew nearly 1,200 lighting columns, along with traffic lights for 15 years.
Street Lighting	Closed	100	Rouen Street Lighting	The €100m project involves the consolidation of street lighting, traffic lights and public space lighting through one contractor. The Rouen region in Normandy has offered the project over a 20-year concession.
Waste Management	Pre-Approval	N/A	Tours Waste Treatment Project	This project is one of 8 pilot projects on which the Ministère de l'Économie et des Finances requested legal and financial studies. The primary aim is to optimise the impact of the Ordonnance upon enactment.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	In Tender	N/A	Alès Waste Treatment Plant	This project concerns a mechanical biological treatment plant, with a capacity of 50,000 tonnes a year, for the town of Alès to serve 107,900 inhabitants in the North West of the Gard Department. The plant will handle both 'dry' recyclable waste and organic material.
Waste Management	In Tender	N/A	Villers-Saint-Sépulcre Waste PFI	To finance, design, build and operate a 130,000 tonnes/year waste processing plant at Villers-Saint-Sépulcre, Oise, in the north of France.
Waste Management	In Tender	N/A	Val-d'Oise Wastes DBFM	To design, build, finance and maintain three "Eco" landfills in the French department of Val-d'Oise. The Syndicat Emeraude, a municipal waste management association, covers the waste management needs for 17 municipalities in the Val-d'Oise department, with a sum population of 255,000 residents.

# GERMANY

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	N/A	Lower Saxony Ministry of Finance Building	The state of Lower Saxony announced in Easter 2003 that it would tender 3 PPP-type pilot projects, including a prison, a school and a new building for the state's Ministry of Finance (Hanover).
Accommodation	Pre-Approval	58	Hanover Army Barracks	Following the pilot PPP project involving the Fürst-Wrede barracks in Munich, a PPP project is being considered for the Emmich-Cambrai army barracks in Hanover in the German state of Lower Saxony. A feasibility study is currently being conducted (March 2005) after which a PSC will be carried out. A decision on whether the project will go ahead as a PPP is expected in the autumn of 2005.
Accommodation	Pre-Approval	19	Mainz Army Barracks	Following the pilot PPP project involving the Fürst-Wrede barracks in Munich, a PPP project is being considered for the Kurmainz army barracks in Mainz in the German state of Rhineland-Palatinate. A feasibility study is currently being conducted (March 2005) after which a PSC will be carried out. A decision on whether the project will go ahead as a PPP is expected in the autumn of 2005.
Accommodation	Pre-Approval	N/A	German Cultural Centre in Tokyo	The project involves the construction of a German House in Tokyo, Japan, accommodating several German organisations and/or institutions of cultural commercial and scientific nature. The building is to cover a surface of 7000m <sup>2</sup> . A PPP approach has been suggested.
Accommodation	Pre-Approval	15	Greiz City Hall	The project involves the construction of a new city hall in Greiz in the German state of Thuringia.
Accommodation	Pre-Approval	N/A	Brandenburg Accommodation PPP	The project involves the refurbishment/new build of a building complex to centralise the administration of the city of Brandenbrug an der Havel in the German state of Brandenburg. The PPP project involves the design, build, finance and maintenance of the listed building complex.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	60	Brandenburg Parliament	The project involves the PPP delivery of a new building in Potsdam to house the state Parliament of Brandenburg. The new building is to incorporate the original listed building on the same site.
Accommodation	On Hold	10	Mülheim an der Ruhr City Hall	The project involves the renovation of the Town Hall in Mülheim an der Ruhr in the German State of North Rhine-Westfalia. The scheme is currently at the feasibility study stage and is estimated to be valued at around €10m. Currently the project seems to be on hold with Mulheim's city council focussing on more urgent projects. If the Town Hall redevelopment does go ahead as a PPP, a tender won't come out until 2006.
Accommodation	In Tender	25	Esslingen Administration Building	The project involves the DBFO of an administration building in Esslingen in the German state of Baden-Württemberg. The new building will serve as an extension to the existing district administration office. The PPP project—which is not part of the state's pilot PPPs—requires an estimated investment of €20.25m.
Accommodation	In Tender	N/A	Hessen Land Office Buildings	The state of Hessen plans a PPP scheme involving the DBFO of four public administration buildings for the Lands Office. The projects are being procured individually but seem to follow the same timeline. The offices are to be located in Limburg, Korbach, Heppenheim and Büdingen.
Accommodation	In Tender	N/A	Söst Emergency Services Centre	The planned Emergency Services centre in Söst, North Rhine-Westfalia will co ordinate the region's emergency services with the exception of the police. Plans for the centre include a district co ordination office, a fire station (with training facilities) and a central ambulance base with provisions such as stores and training facilities. There will also be cages and facilities for animal control.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	N/A	Hamburg University	The PPP project will see the private sector partner design, build, finance, maintain and operate a new campus building at the University for a concession period of 25 years.
Accommodation	In Tender	N/A	Dietzenbach Town Hall	The project will be carried out through a PPP with the city authorities looking for a private partner to renovate the 10,000m <sup>2</sup> office building. The concessionaire is expected to design, build, finance and maintain the building.
Accommodation	In Tender	N/A	Ahrensburg Community Centre PPP	To design, build, finance (including the provision of bridging finance) and operate Ahrensburg's new community centre.
Accommodation	In Finance	50	Chemnitz Court Buildings	The project involves new build court buildings and prosecution facilities in Chemnitz in the German State of Saxony. The project is valued at €50m over the 20-year concession period.
Accommodation	Closed	20	Unna City Hall Refurbishment	The project entails the refurbishment of Unna City Hall together with some new build. Special attention will be paid to improving fire prevention. The project is in the State of North Rhine-Westfalia.
Accommodation	Closed	20	Gladbeck City Hall Refurbishment	The project entails the demolition of two office towers and new build of administrative buildings for Gladbeck City Hall in the State of North Rhine-Westfalia. The contract is worth around €44m, of which the investment costs for demolition work and new construction account for €16m. Construction should take 16 months ending in August 2006. Funding Details: the contract has a value of €44m with investment costs for demolition and construction work of €16m. No equity has been put forward and this project is 100% debt-funded.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Closed	N/A	Frankfurt Student Accommodation	The project involves the DBFO of a student hall of residence on the Riedberg (science) campus at the Goethe University Frankfurt-am-Main in the German State of Hessen. The student accommodation will comprise 95 single apartments, 3 2-bedroom flats and 2 rooms for disabled students.
Accommodation	Closed	6	Olpe Fire Station	The project involves the construction of a new fire station in Olpe in the German State of North Rhine-Westfalia. The winning consortium will be asked to design, build and finance the project.
Accommodation	Closed	80	Wiesbaden Court Centre	The project, which has a construction value of €80m, involves the DBFO of a court and administrative building complex in Wiesbaden in the German state of Hessen. The development will cover a surface area of 50,000m <sup>2</sup> . The work will also require the demolition of existing buildings, the construction of 2 new buildings and a new multi storey car park.
Accommodation	Closed	241	Hamburg Elbphilharmonie	The Elbphilharmonie has been designed by Herzog de Meuron and will be on the site of a former quayside warehouse by the Elbe river. There will be 3 concert halls with the “Musical Museum” and a music teaching area in addition to a 5 star hotel with almost 250 rooms restaurants and a multi storey parking facility for more than 500 vehicles. The development will also see 43 condominiums built.
Accommodation	Closed	30	Kassel Finance Building	The PPP project involves the DBFO of the finance building in Kassel Altmarkt in northern Hessen. The completed centre will serve as a financial office for the Kassel administrative region (Regierungsbezirk), one of three such regions in the state. The building will be for around 730 staff currently located at the Spohrstrasse and Hofgeismar offices.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Closed	23	Schwerin Accommodation PPP	An accommodation PPP project in Schwerin, the capital of the German state of Mecklenburg Vorpommern. The project involves the DBFMO of several structures, including sport and conference buildings.
Accommodation	Closed	N/A	Brandenburg Finance Ministry	PPP Procurement of a new Ministry of Finance in Potsdam. The winning consortium will design, build, finance and participate in the building management. Completion of the project is planned for mid-2009 with a 30-year concession.
Airports	Closed	2,400	Berlin Brandenburg Airport	Berlin's €2.4 billion Brandenburg International Airport PPP closed in June 2009. Funding of €1 billion was provided by an anchor lender with a consortium of 7 banks providing the remaining €1.4 billion. The loan is fully guaranteed by the German state and the Länder of Berlin and Brandenburg. The project involves the expansion of Schönefeld Airport and Berlin's 2 other airports – Tegel and Tempelhof – will be closed by 2011.
Bridges and Tunnels	Pre-Approval	475	Hamburg Harbour Crossing	The Hafenuerspanne would be a 10km link between the A7 and the A1 in the east of Hamburg. With an expected cost of €475m, it has been suggested that the private sector could provide 25% of the funding, alongside a 25% contribution from the public sector. The remaining funds are to be raised through tolls. The federal government has said that under a traditional procurement, the project could not be considered until 2015. However, if procured as a PPP, it is believed the bridge could be open by 2012.
Bridges and Tunnels	Pre-Approval	N/A	Würzburg Bridge Renovation PPP	The public works unit for the town of Würzburg, northern Bavaria, has released a prior information notice (PIN) for a PPP contract to renew the bridge over the Main river. The procuring authority confirmed that the renewal and preservation works would require private financing, but it is not clear at this stage what the size of the project will be.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	In Tender	6,650	Herkules IT project	The €6.65bn project will align all of the federal army's data and communication networks (whilst meeting NATO requirements) and see the formation of an IT company (SPV) that is owned by the MoD (49.9%) and the chosen consortium (50.1%). The project includes the upgrade of the military's phones and computers. A preferred bidder was nominated in 2003 but negotiations collapsed in the summer of 2004. It is understood that the MoD and the bidder failed to agree on services worth about €500m as the ministry demanded the supply of more modern equipment than was mentioned in the 2001 tender. Under the contract terms Germany will now take up talks with a competing bidder.
Defence	Closed	60	Fürst Wrede Kaserne	The Fürst-Wrede army barracks PPP in Munich has an estimated capital value of €60m. The 20 year contract includes the development of the Fürst-Wrede army barracks on a DBFM basis. The new site will cover approximately 31.5 hectares and will increase the barracks capacity from 550 people to approximately 1,600.
Education	Pre-Approval	52	Kiel Vocational Schools	The project involves the design, build, redevelopment, finance and operation of seven vocational schools on four sites in Kiel in the German state of Schleswig Holstein. Following a feasibility report, a tender for the project is not expected before summer 2006.
Education	Pre-Approval	N/A	Hamburg Schools	The project involves the refurbishment of 26 schools in and around Hamburg.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Pre-Approval	40	Kassel Schools	The proposed PPP project would involve the redevelopment of ten schools in the county of Kassel in the German state of Hessen. It is understood these schools could be the first wave of a number of projects. In early March the city council is to decide whether to investigate a PPP approach for the project. It is widely expected this will be approved. The scope of the project changed to involve 18 schools with an estimated cost of €40m.
Education	Pre-Approval	50	Pforzheim Vocational School	The Alfons-Kern vocational school in Pforzheim is expected to be a pilot PPP project for the German state of Baden-Württemberg. The school has 1,400 students and covers a surface of 10,000m <sup>2</sup> . Project value is estimated between €50m to €60m.
Education	Pre-Approval	80	Magdeburg Schools PPP	A potential PPP project involving the redevelopment of 20 schools in Magdeburg in the German state of Sachsen Anhalt. The number of schools and the exact choice of schools could still change but the pilot project is expected to cost around €80m.
Education	Pre-Approval	N/A	Bavaria School PPP	The project would see the DBFM of a secondary school for at least 725 pupils as well as a sports hall in Ebersberg, Bavaria.
Education	Pre-Approval	N/A	Unstrut-Hainich Schools Germany	The project will cover the design, financing, renovation and management of 20 schools in the region of Unstrut Hainich in Thuringia, central Germany.
Education	Pre-Approval	60	Freiburg Schools & Fire Station	The project involves the renovation, extension, modernisation and operation of up to 20 school buildings at six locations and one fire station in Freiburg in the German State of Baden Württemberg. The estimated investment level is €60 – 70m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	10	Rockwinkel School Complex	The PPP project involves the design, build and finance of new buildings in the Rockwinkel school complex in the German state of Bremen. The 20 year project would see the extension of the school complex with new build and the refurbishment or demolition of existing buildings. The school accommodates approximately 1,000 pupils.
Education	In Tender	15	Wetzlar Schools and Sports Centre PPP	The PPP project will see the new build of the Pestalozzi School to accommodate 200 pupils and the construction of a sports hall for the Freiherr Vom Stein School. The project would also include the redevelopment and operation of the Freiherr-Vom-Stein School.
Education	In Tender	14	Engelskirchen School PPP	The project involves a school PPP in Engelskirchen in the German state of North Rhine-Westfalia. The project will see the demolition of existing buildings and the construction of a new school centre Walbach in the city of Engelskirchen. The new buildings will accommodate 900 pupils.
Education	In Tender	N/A	Twistringen School PPP	The project involves the design, build, finance and maintenance of a secondary school in Twistringen in the German state of Lower Saxony.
Education	In Tender	50	Rodenkirchen School PPP	The project involves the DBFMO of a secondary school in Rodenkirchen, Cologne in the German state of North Rhine-Westfalia. The project will also see the demolition of the current school building. The new complex is scheduled to start operation from autumn 2009. Around €125m will be invested over the entire length of the contract. Hochtief FM will then assume responsibility for operating the school until 2034.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	N/A	Mannheim Vocational Academy PPP	The project involves extension works and new build for Mannheim's vocational academy in the German state of Baden-Württemberg. Works include the delivery of education and office buildings, a central building with a library as well as the necessary transport and outdoor facilities.
Education	In Tender	N/A	Düren Schools PPP	The project involves the design, new build/ renovation, financing and maintenance of three existing schools in Düren in the German state of North Rhine-Westfalia. Works are to be carried out at the vocational college of Jülich, the Stephanus school in Selgersdorf and the Erich Kastner in Düren. The 3 schools may be procured separately or as one project.
Education	In Tender	N/A	Hanover Schools PPP	Construction of a new primary school and extension and refurbishment work on a secondary school. The primary school will cater for around 375 pupils whilst the expansion of the secondary school will accommodate an extra 200 pupils.
Education	In Tender	N/A	Eppelheim Schools Project	The town of Eppelheim in Baden Württemberg, south west Germany has issued a tender for the DBFMO of 5 schools and 2 assembly halls. The concession period is 25 years and the total cost is estimated at €650m.
Education	In Tender	N/A	Magdeburg Schools	The city of Magdeburg has issued a tender for the development of five schools. The concession winner will design, build (refurbishment or partial new build), finance and maintain the schools for 30 years under a PPP model.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	N/A	Heidenheim Vocational Academy	Baden-Württemberg's Building and Real Estate management office has issued a tender for the design, build, finance and maintenance of a vocational academy in the town of Heidenheim over a 20-year concession period. The building will have an approximate area of 9000m <sup>2</sup> and the work will include grounds and parking areas.
Education	In Tender	37	HafenCity University (HCU) Hamburg	HafenCity University was founded in January 2006 as Europe's first university for the built environment. The new development will have space for 1,385 students and 180 personnel in departments including civil engineering, architecture and town planning. It will be located near the Magdeburg Port. Facilities planned include lecture theatres, seminar rooms, laboratories, a library, restaurant and other university amenities.
Education	In Tender	N/A	Baden-Baden Media & Events College and School	The DBFM contract calls for the expansion and refurbishment of the European Media and Event Management college and the construction of a primary school and gymnasium. Construction is expected to begin in the fourth quarter of 2007.
Education	In Tender	N/A	Gotha Boarding School Project	The new-build Salzmannschule boarding high school in Schnepfenthal will specialise in languages and cater to around 400 pupils. The development will also include accommodation for boarders. Project sponsors will plan, build and finance the school with a 20 year concession. The state of Thuringia will provide some financial support.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	N/A	Stade School PPP	Work at the technical school will be a mix of refurbishment and new build, including a three part sports hall. The project sponsor will design, build, finance and maintain over a concession period of 30 years. The new building will have an area of 6,900m <sup>2</sup> and refurbishments will be over an area of around 5,500m <sup>2</sup> . The developments will also include out door sports facilities and renewable energy provisions such as solar panels.
Education	In Tender	N/A	Nienburg Training School PPP	The professional school, which will specialise in apprenticeship training, will be procured via a DBFM structure. The building will cover 1200m <sup>2</sup> and the contract will last for a 20-year period.
Education	In Tender	N/A	Winsen Schools PPP	The district of Harburg in Lower Saxony has issued a tender notice for a new primary and secondary school PPP in Winsen. The building will be 3500m <sup>2</sup> and the concessionaire will be reimbursed via availability payments based on quality criteria as outlined in the DBFM contract.
Education	In Tender	N/A	Cuxhaven Schools PPP	The project will involve the demolition of the existing building, the engineering, architectural and planning services relating to a new school building of about 6,000m <sup>2</sup> , a swimming pool as well as financial and insurance services. Demolition of the existing building scheduled in the summer 2010. Construction of the new building should be completed by summer 2011.
Education	In Tender	N/A	Conrad-von-Ense School PPP	To extend Conrad-von-Ense school by constructing an additional building covering an area of about 2,500m <sup>2</sup> and comprising 10 classrooms and several adjoining rooms. In addition, the future SPV will also have to refurbish the existing school building.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Finance	22	Seligenstadt School Project	The project involves the redevelopment of a secondary school and the construction a new sports hall in the city of Seligenstadt in the German state of Hessen. The construction value of the project is estimated at €22m.
Education	In Finance	N/A	Halle/Saale Schools and Day Care Centres	The PPP project would see the redevelopment of schools and day care centres in Halle/ Saale in the German state of Sachsen Anhalt. The project value lies between €50m and €100m and involves the construction of eight schools (including Sports halls) for just under 5,000 students and 6 day care facilities.
Education	In Finance	50	Hof Schools PPP	To construct and operate four schools based in the German city of Hof.
Education	Education	N/A	Ritterhude School Complex	The PPP project will see the construction of new buildings at the Moormannskamp school complex and the redevelopment of existing buildings. The school centre is located in Ritterhude in the German state of Lower Saxony. Construction works are to be completed in April 2007. The project is understood to cost less than €20m.
Education	Closed	370	Offenbach Schools Scheme – West Tranche	The project entails a 15-year concession to manage, refurbish and maintain 88 schools in and around Offenbach. A tender for the facility management services contract was launched in early 2003. The project will be procured in two tranches; East (47 schools) and West (41 schools). The West Tranche is valued at €370m over the life of the concession.
Education	Closed	40	Monheim Schools Project	The project entails the modernisation/ refurbishment of 12 schools in Monheim in the Land of North Rhine-Westfalia and includes 7 sports halls. The procuring authority is Monheim City Council who is working together with the Nord Rhine-Westfalia PPP Unit. A preferred bidder was appointed on 16/12/03.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	370	Offenbach Schools Scheme – West Tranche	The project entails a 15-year concession to manage, refurbish and maintain 88 schools in and around Offenbach. A tender for the facility management services contract was launched in early 2003. The project will be procured in two tranches; East (47 schools) and West (41 schools). The West Tranche is valued at €370m over the life of the concession.
Education	Closed	11	Witten Schools Project	The project involves the extension and refurbishment of the Schiller Gymnasium (grammar school) and Adolf-Reichwein-Realschule in Witten, North Rhine-Westfalia.
Education	Closed	15	Erfthkreis School Project	Monheim, Erfthkreis, Witten and Meschede projects are pilot schools projects being carried out in the German state of North Rhine-Westfalia. The project in Frechen (Erfthkreis) involves the new building of the Paul-Kraemer School and sports hall for the mentally handicapped. The winning consortium will also be responsible for the maintenance of the buildings, caretaking, school secretariat and catering. Financial close is expected in March 2004.
Education	Closed			The Nuremberg School project was awarded in April 2009.
Education	Closed			The Oberspreewald Lansitz School project closed in July 2009.
Education	Closed	26	Leverkusen Schools Project	The project involves the renovation, reconstruction, modernisation and operation of a vocational school centre in Leverkusen, North Rhine-Westfalia. The centre is a listed building consisting of 2 schools split over three complexes. Investment level is estimated at between €25 – 30m.
Education	Closed	10	Northeim Vocational School	The project involves the extension of Northeim Vocational School in the German State of Lower Saxony.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	34	Cologne Schools Project	The project involves the renovation (including extension work), maintenance and operation of five school complexes in the Cologne area. This is part of a wider programme being undertaken by the City of Cologne to modernise up to 40 local schools. March 2005: a preferred bidder was appointed. Construction will begin in June 2005. Completion of the construction work was expected 21 months later. Funding Details: Total project value is estimated at €125m with an investment of €34m required over the next three years.
Education	Closed	N/A	Reinfeld School Project	The project is for the new build of a comprehensive school incorporating the existing secondary modern school for around 1000 students and could include a new sports hall. Reinfeld is in the German State of Schleswig Holstein.
Education	Closed	16	Bedburg Schools PPP	The project involves the new build of one school (Hauptschule Bedburg) as well as the renovation, maintenance and operation of one grammar school (Silverberg Gymnasium), one secondary modern (Realschule Bedburg) and connected sports facilities on one school complex site in Bedburg in the district of Erftkreis, North Rhine-Westfalia. The concession period is 25 years, with a possible 5-year extension. Funding details: Total project value of the Bedburg Schools is €56.3m, with construction and redevelopment costs estimated at €15m. The deal has a forfeiting structure with full recourse on the public sector.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	400	Offenbach Schools Scheme – East Tranche	The project entails a 15-year concession to manage, refurbish and maintain 90 schools in and around Offenbach. A tender for the facility management services contract was launched in early 2003. The project will be procured in two tranches; East (49 schools) and West (41 schools). The East Tranche contract is estimated to be worth over €400m.
Education	Closed	18	Lachendorf School Project	The construction of a secondary school and sports hall in the county of Celle in the state of Lower Saxony. The project involves the construction of a secondary school for 900 – 1000 pupils, a gymnasium and several outdoor facilities. The school building covers an area of 5,300m <sup>2</sup> , the gymnasium with three fields will be 1,300m <sup>2</sup> . Lachendorf has donated the grounds for the new premises to Celle county. The school is expected to open its doors in the school year of 2006/2007.
Education	Closed	106	Frankfurt Schools	The project will see the financing and redevelopment of 4 schools. The project comprises the refurbishment of two schools as well as the construction of a school and a centre for education and culture. The latter will also house the Volkshochschule Adult Education Institute and the district library. In total some 5,500 students will be taught at the 4 locations.
Education	Closed	19	Schwarzenbek School Building	The PPP project involves the DBFMO of a new secondary school in Schwarzenbek in the German state of Schleswig Holstein. The project will also require the build of a new sports hall and is to cost just under €20m.
Education	Closed	88	Bergneustadt	This project is for the renovation and perhaps operation of 7 schools, a gymnasium and a swimming pool for learners in Bergneustadt, dependant upon financial and technical advice. If necessary, a new school could be built whilst in any case there will be extension work.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	81	Nuremberg Schools PPP	To refurbish and expand an existing school, construct an additional two schools and add a gymnasium to an existing school in the city of Nuremberg.
Education	Closed	18	Schwarzheide School PPP	To plan, build and finance an educational centre in Schwarzheide, Brandenburg and operate the facility for a period of 30 years.
Education	Cancelled	22	Meschede Schools Project	The project involves the refurbishment of 15 schools and new build of one school in the State of North Rhine-Westfalia. The Feasibility Study was completed in 2003.
Healthcare	Pre-Approval	N/A	Uni Klinikum Muenster	The project involves the construction, redevelopment and modernization of the university hospital in Muenster in the German state of North Rhine-Westfalia. The investment volume is estimated at €150m – €800m.
Healthcare	Pre-Approval	N/A	Villingen-Schwenningen Hospital	The project involves the new build of 700-bed hospital in Villingen-Schwenningen in the German state of Baden-Württemberg. Costs are estimated at €170m and a PPP option is under consideration. The new building will cover a total surface of 40,000m <sup>2</sup> .
Healthcare	In Tender	36	Cologne University Clinic (KUK)	The plan calls for the construction of a new wing (U/B West) covering approx. 7400m <sup>2</sup> for treatment, teaching and research. The new building will include the following departments: – Urology; – Pediatrics; – Pediatric – Oncology; – Radiology. Following 2 years for construction the concession period will be 25 years, with the potential for an additional 5.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	N/A	Viersen Hospital Project	The 340 - bed General Hospital of Viersen is located in the German state of North Rhine-Westfalia. The project involves the delivery of a new building to be added to an existing hospital site. The intention is to move the hospital stations and functional areas of the secondary location into a new building that will be connected to the existing hospital. Soft and hard FM will be included in the management contract.
Healthcare	In Tender	N/A	Schleswig-Holstein Hospital PPP	The University Hospital of Schleswig-Holstein in Germany is planning the PPP delivery of hotel type accommodation for low care patients. The new building is to be located in Lübeck and should have approximately 120 rooms.
Healthcare	In Tender	N/A	Ostfildern Hospital PPP	The new centre in the state of Baden Württemberg will cover 3,300m <sup>2</sup> including 200 parking bays. The contract will be offered over a 20-year period where the private sector partner will build, finance and maintain the new building. Six ambulatory units and 800m <sup>2</sup> of consulting rooms will also be included in the contract.
Healthcare	In Tender	N/A	Kumpfmühl Nursing Home PPP	The German city of Regensburg, Bavaria is seeking a private sector partner for a new nursing home PPP in the Kumpfmühl district of the city. The private sector partner will design, build, finance and operate Kumpfmühl's new care home.
Healthcare	In Finance	100	Proton Therapy Centre (WPE)	The project involves the design, construction, finance and operation of a proton therapy centre on the site of the University Hospital in Essen in the German state of North Rhine-Westfalia. The project includes the delivery of the necessary clinical machines. The PPP project is said to be the largest ever for the state. The therapy centre or WPE (Westdeutsche Protonentherapiezentrum Essen) expects to treat 2,000 cancer patients with tumours per year.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	255	North Germany's Particle Therapy Centre	The €255m University Hospital of Schleswig Holstein proton therapy centre is to be located in Kiel, Northern Germany. The project involves the DBFO of a particle therapy centre with medical equipment to treat cancer patients in north Germany. It will include the delivery of a new therapy plant with two mobile treatment units (gantries) and two immobile treatment units (fixed beams).
IT	Cancelled	3,000	BOS Paging System	The BOS paging network (Behörden und Organisationen mit Sicherheitsaufgaben) project involves the development of a national digital paging system for Germany's 1.3 million emergency service workers. Originally, the project was planned to be in operation in time for the Football World Championship in 2006 but this has been delayed. The German government has created a project company to handle the procurement process. The project has an estimated value of €3 billion.
Leisure	Pre-Approval	16	Sports Centre Cottbus	The project involves the construction of a sports and leisure centre in Cottbus in the German state of Brandenburg. The work includes the construction of a swimming pool.
Leisure	In Tender	N/A	Rieth Gymnasium PPP	To build a new gymnasium in Rieth, with a sports area of approximately 530m <sup>2</sup> , the necessary operating and ancillary rooms, an auditorium with 1,000 fixed-seats and 500 standing seats and car parking spaces.
Leisure	In Tender	N/A	St. Augustin Sports Facilities PPP	To construct a new sports hall complex with bath facilities in addition to refurbishing four existing sports facilities.
Leisure	In Tender	N/A		The project involves the construction and refurbishment of a sports hall using a PPP. The private partner will be required to construct a three-field new gymnasium of approximately 1,215m <sup>2</sup> .

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Leisure	In Finance	150	Moers City Hall PPP	To plan, finance, build and operate a new PPP city hall in the German city of Moers as well as an adjacent PPP cultural and education centre. The works comprise a new city hall, refurbishment of the existing heritage-listed city hall building as well as the construction of a cultural and education centre, including a library, an adult education establishment and a cultural office.
Leisure	Closed	2	Reinfeld Sports Complex PPP	To design, build and finance a new sports complex in the city of Reinfeld in northern Germany, in addition to demolishing the existing facility.
Light Rail	Pre-Approval	426	Circle Line Project	A PPP approach is under consideration for a €426m light rail project in Dusseldorf. The study mentions the project might be suitable for a PPP. The Circle Line would connect 3 million inhabitants in the cities of Dusseldorf and <b>Mönchengladbach</b> , Wuppertal and the counties of Mettmann and Neuss. It is thought that the Rhine crossing alone would cost €326m.
Light Rail	In Finance	63	Upper Franconia Rail link	To operate a passenger rail link in Upper Franconia, Bavaria. 12-year contract set to commence in 2011. Around 40 vehicles will be procured for the operation which is expected to comprise a total volume of 4.5 million rail kilometres per annum.
Ports	Pre-Approval	N/A	Hamburg Port	In August 2009, the Hamburg Port Authority issued a tender for a market consultation on carrying out PPP or joint venture for the extension and ongoing operation of its port facilities.
Prisons	Pre-Approval	N/A	Hanover Prison Project	The state of Lower Saxony announced in Easter 2003 that it would tender 3 PPP - type pilot projects including a prison, a school and a new building for the state's Ministry of Finance. The prison project is not yet at the feasibility stage.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Prisons	In Tender	N/A	Freiburg Prison	The project involves the construction and financing of a new prison in the city of Freiburg, in the German state of Baden Württemberg, with a capacity to house 500 inmates.
Prisons	In Tender	N/A	Augsburg Prison PPP	The project sponsor will design, build, finance and carry out technical maintenance over a 20 year concession period. The prison will include 609 cells, work areas, a sports hall, administrative buildings, kitchens and a surrounding wall.
Prisons	In Finance	27	Munich PPP Prison	The State of Munich is procuring a new 220 cell prison on a PPP basis to accommodate female prisoners and youth prisoners.
Prisons	Closed	100	Burg Prison Project	A PPP prison is to be built in the city of Burg (20km away from Magdeburg) in the German State of Sachsen Anhalt. The project will see the design, build, finance and partial operation of the prison. The penitentiary will have a capacity of 650 male inmates. Construction cost is estimated at €100m. This will be Germany's second PPP prison after Ratingen in NRW, but first ever true prison PPP as all non sovereign services throughout the entire life cycle of the scheme will be put entirely in the hands of a private company.
Prisons	Cancelled	100	Ratingen Prison Project	The project entails the construction of a new prison in the Dusseldorf/Duisburg area in the State of North Rhine-Westfalia to replace three old sites. The penitentiary will have a capacity of around 850 male inmates. The Feasibility Study for the project had been completed.
Rail	Pre-Approval	N/A	Hamburg Railroad Project	The German State of Schleswig Holstein is considering a new railroad from Kiel – Norderstedt-Hamburg-Fuhlsbüttel (airport) – Hamburg-Central Station as a PPP project.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Pre-Approval	2,200	Munich Airport Rapid Rail Link	Proposed project comprises a €2.2bn rapid rail link between Munich city centre and Munich airport. The German Federal Government has pledged €925m for the scheme, an increase from a previous €550m commitment. The rest of the funding will come from the Bavarian Government, the EU and private sector. As a result a PPP type financing structure may be used.
Roads	Pre-Approval	132	A4/A1 (AS Düren – AK Köln Nord)	The A4/ A1 (Düren to Köln Nord) is one of the pilot A-model projects announced by the German Ministry of Transport in February 2005.
Roads	Pre-Approval	274	A61 (AK Frankenthal to AD Hockenheim)	The A61 (AK Frankenthal to AD Hockenheim) is one of the A Model Pilot Projects. This project runs from Frankenthal to Hockenheim in the states of Baden Württemberg/Rheinland Pfalz and will be 38.1km in length.
Roads	Pre-Approval	294	A10 (AD Havelland to AD Schwanebeck)	The A10 (AD Havelland to AD Schwanebeck) is one of the A Model Pilot Projects. The project runs from Havelland to Schwanebeck, will be 40.8km in length and is in the state of Brandenburg/Berlin.
Roads	Pre-Approval	225	A24 (AS Neuruppin to AD Havelland)	The A10 (AD Havelland to AD Schwanebeck) is one of the A Model Pilot Projects. The project runs from Havelland to Schwanebeck, will be 31.3km in length and is in the state of Brandenburg/Berlin.
Roads	Pre-Approval	143	A3/67/60 (AS Frankfurt Airport to AD Mainspitz)	The A3/67/60 (AS Frankfurt Airport to AD Mainspitz) is one of the A Model Pilot Projects. The project will be 19.8km in length and is in the State of Hessen.
Roads	Pre-Approval	357	A1 (AK Lotte/Osnabrück to AK Münster/S)	The A1 (AK Lotte/Osnabrück to AK Münster/S) is one of the A Model Pilot Projects. The project runs from Lotte/Osnabrück to Münster in the State of North Rhine-Westfalia and will be 49.6km in length.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	187	B1/A44 (AK Dortmund to AK Werl)	B1/A44 (AK Dortmund to AK Werl) is one of the A Model Pilot Projects. The project runs from East Dortmund to Werl, will be 26km in length and is in the State of North Rhine-Westfalia.
Roads	Pre-Approval	269	A57 (AK Meerbusch to AK Cologne)	The A57 (AK Meerbusch to AK Cologne) is one of the A-Model Pilot Projects. The project runs from Meerbusch to North Cologne, will be 37.4km in length and is in the state of North Rhine-Westfalia.
Roads	Pre-Approval	225	A2 (AK Kamen to AS Beckum)	The A2 (AK Kamen to AS Beckum) is one of the A-Model Pilot Projects. The project runs from Kamen to Beckum, will be 31.2km in length and is state of North Rhine-Westfalia.
Roads	Pre-Approval	509	A7 (AD Bordesholm to AS HH - Othmarschen)	The A7 (AD Bordesholm to AS HH Othmarschen) is one of the A-Model Pilot Projects. The road will be 70.7km in length and is in state of Schleswig-Holstein/Hamburg.
Roads	Pre-Approval	348	A8 (Mühlhausen Hohenstadt Alaufstieg)	The A8 Alaufstieg is one of the F-Model projects. The 8km project will run from Mühlhausen to Hohenstadt in the state of Baden-Württemberg.
Roads	Pre-Approval	511	A20 (Elbe Crossing Hamburg)	The A20 Elbe Crossing Hamburg is one of the F Model projects. The project will be some 10km in length and is in the States of Schleswig-Holstein and Lower Saxony. The Elbe crossing will consist of 4.4km of roads and a 6km tunnel. A toll charge for the tunnel is being considered.
Roads	Pre-Approval	N/A		Upcoming road projects are the A30 Rheine Lotte road; the A6 Wiesloch-Rauenberg to Weinsberg in Baden-Württemberg; the A7 Bordeshom-Hamburg in Schleswig-Holstein and the A7 Salzgitter-Damettal in Lower Saxony.
Roads	Pre-Approval	809	A100 (AD Neukoln to AS Lansberger Allee Berlin)	A100: (AD Neukoln to AS Lansberger Allee Berlin) is one of the F-Model projects. The project will be 8.7km long. The feasibility study has been completed.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	237	A281 (Weser Crossing)	A281 (Weser Crossing) is one of the F-Model projects. The project will be 4.4km in length and is likely to consist of a tunnel. The Feasibility Study is in progress.
Roads	Pre-Approval	77	B21 (Kirchholz Tunnel)	The B21 (Tunnel Kirchholz) is one of the F-Model projects. The tunnel will be 3.7km in length. The feasibility study is in the final phase.
Roads	Pre-Approval	100	Waldbeck-Frankenburg Road Development	The project value is currently estimated between €100m and €150m and covers 400km of local roads and highways. The sponsor will design, build, finance, maintain and repair district roads (including existing roads) for 25 years.
Roads	On Hold	377	A52 (Connection of A40 & A42)	The A52 (Connection of A40 and A42) is one of the tunnel F-Model projects. The project will be 8.7km in length and will be a real toll. The project is to the north east of Essen in the State of North Rhine-Westfalia. A feasibility study was completed in August 2003 and published in September 2003. It was concluded that with a 6-lane highway the toll of app. €5 would be too high. A 4-lane highway was suggested as an alternative but the State is insisting on a 6-lane highway.
Roads	In Tender	280	A5 Motorway (AS Baden Baden to Offenburg)	The A5 (AS Baden Baden to Offenburg) is one of the A Model Pilot Projects. This project involves new build and extension works to the A5 and the maintenance of the Malsch Offenburg stretch. The last of the first wave of the A Model, the A5 closed in March 2009, but only after the withdrawal of a legal challenge as to the choice of winning bidder. The unsuccessful bidder had challenged whether the BAFO of the winning bidder complied with the original terms of the tender given that financing terms had changed due to market conditions.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Tender	150	Lippe Roadway Maintenance PPP	The programme will involve the private sector partner designing, building, financing and maintaining a series of municipal roads in the district of Lippe. The programme will include a mixture of greenfield and brownfield projects, with the concessionaire maintaining the new build roads and all the current district roads for Lippe. The estimated project cost for the 25-year project is around €150m.
Roads	In Tender	N/A	German A9 Motorway PPP	Building the A9 – linking Hermsdorf to Schleiz in Thuringia – will be required to expand a 19km stretch of road from four to six lanes. In total about 46.5km will have to be operated and maintained by the private sector.
Roads	In Tender	N/A	A8 (Bubesheim to Augsburg West)	The A8 was the first of the A-Model pilot projects and this section involves widening to six-lanes and operation of a section of the A8 autobahn.
Roads	In Finance	120	B50n (Hochmosel Crossing)	The B50n Hochmosel Crossing Wittlich/Bernkastel, which was originally cancelled in Spring 2003 due to certain environmental issues in the approval procedure, is now being progressed with funds from the anti-crisis package.
Roads	Closed	650	A1 (AD Bucholz to Bremer Kreuz)	The scheme involves the reconstruction of about 73km of the existing A1 between the Buchholzer Triangle (A1/A261) and Bremer Kreuz (A1/A27) for a concession period of 30 years. Construction works are expected to be completed by the end of 2012.
Roads	Closed	141	B75/B104 (Trave Crossing Lübeck)	B75/B104 (Trave Crossing Lübeck) is one of the F Model projects. The project consists of a replacement Herren bridge measuring 0.8km. It is hoped that 40,000 cars will use the bridge per day.

# GREECE

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	2,000	Greek Accommodation Programme	The Greek government is seeking to undertake a €2bn modernisation of its accommodation assets and overseas embassies. PPP is the likely method for a wide range of the schemes. The procuring agency overseeing the programme is KED which is the real estate agency acting on behalf of the state.
			Ministry for Culture	Over €168m to be invested in sports and swimming centres
			Ministry for the Interior - The Hellenic Public Real Estate Company (KED)	<ul style="list-style-type: none"> <li>– Upgrade of Hellenic Police Training Academy (€91m)</li> <li>– New Government House in Prefecture of Chalkidiki (€36m)</li> <li>– New buildings for 5 police divisions and 2 police departments (€54m)</li> <li>– Building of Police Headquarters (€94m)</li> <li>– Restoration of Olympic Shooting Centre in Marcopoulo for the police services (€55m)</li> <li>– Building of 4 Catastrophe Management Units and 3 fire services (€64m)</li> <li>– Fire Department training centre (€155m)</li> </ul>
			Ministry of Internal Affairs, Public Management and Decentralisation	Construction and maintenance of a Government House in the Prefecture of Imathia (€24m)
			Ministry of Economy and Finance	New buildings of the Ministry of Economy and Finance (€212m)
			Ministry of National Education and Religious Affairs	International Hellenic University (€213m)



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	On Hold	45	Coastguard Academy Accommodation Project	PPP is being used for the modernisation and refurbishment of the Navy's training Coastguard Academy, as part of the KED PPP accommodation programme. KED is the real estate agency acting on behalf of the state.
Accommodation	Pre-Approval	N/A	Central Fire Services Headquarters	PPP is being considered for the modernisation and refurbishment of the Central Fire Services Headquarters as part of the KED PPP accommodation programme. KED is the real estate agency acting on behalf of the state.
Accommodation	Pre-Approval	126	Welfare Centre for the Elderly	The development of a centre for the elderly in the Mikra municipality.
Accommodation	Pre-Approval	6.5	Old Grocery Market Restoration	The restoration of the old grocery market in Chios including the development of an underground, multi-storey car-park.
Accommodation	Pre-Approval	N/A	Tax Offices PPP Accommodation Project	PPP being considered for the modernisation and refurbishment of the six central tax offices as part of the state accommodation programme.
Accommodation	Closed	40	Grouped Fire Stations	This €40m project entails the design, build and finance of six new agencies and one new station for the Hellenic Fire Service. The private partner is responsible for both soft and hard facility management (FM). The contract is for 25 years with construction works expected to last for two years.
Accommodation	In Tender	100	Grouped Courts Projects	The PPP project will involve the construction and maintenance as well as the operation of commercial sites and parking spaces of two new Courts of Justice in Patra and Heraclion. The contract will be for 25 years.
Accommodation	In Tender	56	Olympic Conference Centre - Athens	This PPP project will involve the reconstruction of the interior of the Faliro Pavilion (used during the Olympic games) to an International Conference Centre. The operation of the centre will not be included in the PPP contract for the project. The contract will last 25 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	36	Hellenic Police Force (4 Stations)	This PPP project will involve the facility management of four buildings of Hellenic Police. The availability payments will depend on the quality of the maintenance services.
Accommodation	In Finance	48	Trikala & Korinth Prefectures Government Buildings	This is a PPP project for government buildings in the prefecture of Trikala. The private sector partner will design, construct, fund, maintain and carry out facilities management and commercial development over a 26-year concession period.
Accommodation	Pre-Approval	22	Korinthos Prefecture Government Buildings	A PPP project for government buildings in the prefecture of Korinthos. The private sector partner will design, construct, fund, maintain, and carry out facilities management and commercial development over a 26-year concession period.
Accommodation	Pre-Approval	89	Hellenic Police Force (13 Stations)	This PPP project involves the design, construction, financing and facilities management of 5 Police Divisions and 6 Police Stations over a period of 25 years. Contracting Authority is the Hellenic Public Real Estate Corporation.
Accommodation	Pre-Approval	30	Government House for the Prefecture of Achaia	For the Achaia projects, the private sector partner will build, finance and maintain the new government buildings. Availability payments will be made to the concessionaire based on the quality of the management work, over a 25-year period.
Accommodation	Pre-Approval	28	Government House for the Prefecture of Fthiotida	For the Fthiotida project the private sector partner will build, finance and maintain the new government buildings. Availability payments will be made to the concessionaire based on the quality of the management work over a 25-year period.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	19	Ioannina Domboli Building Complex Reconstruction	The project involves the reconstruction of the Domboli building complex in Ioannina in the region of Epirus. The government is seeking a private sector partner to design, build, finance, maintain and carry out facility and security management on the premises over a 25-year concession period.
Accommodation	Pre-Approval	22	Alexandroupolis Administration Park Building Complex Renovation	This project involves the renovation of the Alexandroupolis administration park building complex. The government is seeking a private sector partner to design, build, finance, maintain and carry out facility and security management on the premises over a 25-year concession period. The value of this project has not been announced.
Accommodation	In Tender	69	Prefectures of Fthiotida and Achaia	The planned building in the prefecture of Fthiotida has an estimated cost of €33.6m. The expected cost of the Achaia prefecture building is €36m. A maximum of seven candidates will be shortlisted and the concession contract will have a duration of 26 years. The private partner will be expected to insure the buildings.
Defence	In Finance	62	Piraeus Police Building PPP	The private partner will design, build, finance and maintain and operate the €62m project over a 27 year period.
Defence	Pre-Approval	N/A	Greek Ammunition Depots PPP	To implement 23 ammunition depots across Greece.
Defence	In Tender	N/A	Hotel Facility, Methana	The implementation of a project for the Ministry of Defence for a new hotel facility at Methana.
Defence	In Tender	46.5	Evelpidon Military School	This is a contract for facilities management at the Evelpidon Military School for the Ministry of Defence.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Pre-Approval	150	Attica Grouped Schools PPP	The PPP project involves the building of 27 schools in the Attica region. The Organisation of School Buildings (OSK), the state body responsible for housing schools is the procuring agency. Construction is expected to take two years. The private partners will be responsible for construction, financing and maintenance of the buildings.
Education	In Tender	84	University of Peloponnese	This project for the expansion of the University of Peloponnese requires the design, build, finance and maintenance of six buildings at five campuses Peloponnesian cities. The concession period is 25 years which includes an estimated two years for construction.
Education	Pre-Approval	116	Second Batch Grouped Schools	This project calls for the DBFMO, including security and insurance, of 31 school buildings in the Macedonia region. The scheme will be procured in two separate phases.
Education	Pre-Approval	63	23 PPP School buildings (East & West Macedonia Thrace Epirus and Ionian Islands)	The private sector partner will design, construct, finance and maintain 23 new. They will also manage security for the buildings. The project has a 25 year concession period.
Education	In Tender	86	Attica Grouped Schools PPP	The Organisation of School Buildings (OSK) is the procuring authority, which will shortlist a maximum of five candidates for this construction and maintenance contract. There is a 27 year concession period, throughout which the private partner will insure the buildings.
Education	Pre-Approval	135	Universities of Peloponnese & Thrace Accommodation PPP	New halls of residence are expected to cost around €74m for the University of Thrace, and €61m for the University of Peloponnese. Both are DBFM projects.
Education	In Tender	80	Central Macedonian Schools PPP	In Central Macedonia, the private partner will be responsible for designing, building, financing and managing 16 school buildings.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	58	Attica Schools PPP (10)	This is a DBFM contract worth €58.1m for 10 schools. Availability payments will also be periodically provided by the OSK.
Education	Pre-Approval	600	Grouped Schools (50)	The Greek Organisation of School Buildings (OSK) has launched an advisory tender for 50 schools; 24 new schools in the regions of Thessalia, Western Greece and Sterea Ellada, and 26 schools in Peloponnese, Northern and Southern Aegean and Crete regions.
Education	Pre-Approval	N/A	Thessaloniki Grouped Schools (15)	To design, build, finance and manage 15 school buildings in Thessaloniki, in north-eastern Greece, via a PPP.
Healthcare	On Hold	150	Athens General Hospital PPP	A possible PPP for a new General Hospital in Athens is under discussion. The hospital will have an 800-bed capacity.
Healthcare	On Hold	N/A	Athens Transplant Centre PPP	Proposals for a new build PPP Transplant Centre in Athens with 250 beds to consolidate and replace existing facilities.
Healthcare	Pre-Approval	109	Preveza Hospital PPP	The project will see the private partner design, build, finance and maintain the hospital for 30 years including a three-year construction period. The new hospital will have 164 beds and it will replace the existing Preveza hospital.
Healthcare	Pre-Approval	330	Thessaloniki Oncological Hospital PPP	This PPP project involves the design, construction, financing, maintenance, facility management, insurance and security of the new hospital, along with the provision and maintenance of all necessary clinical and support equipment.
Healthcare	Pre-Approval	103	Greek Rehabilitation Centre	Aimed at the provision of integrated rehabilitation services, the private partner will design, build, finance and maintain the centre for a period of 25 years including a three-year construction period.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	389	Thessaloniki Paediatric Hospital	The private partner will be required to design, build, finance and maintain the hospital building as well as provide certain services. Clinical services are not included in the tender. The private partner will also undertake the construction of four buildings to be used by the Municipality of Mikra.
IT	Pre-Approval	52	Telematics PPP	This is a PPP to design, finance, maintain, operate and manage the integrated telematics system for bus companies.
IT	Pre-Approval	2,100	Greek Broadband PPP	This is a project to create a new fibre optic network to provide high-speed internet services, high-definition television and video conferencing capabilities across the country. It is understood that the project is eligible to receive funding from the EIB.
Light Rail	Cancelled	850	Thessaloniki Metro	This project entails the building of a metro line in Greece's second largest city Thessaloniki and is to be tendered under a 20 year concession. The project was put on hold after an appeal against the contract award. The case was passed on to the European Commission which ruled against the complaint in late April 2003, clearing the way for the finalisation of the joint financing and concession agreement. The Greek government is to participate via a €197m construction subsidy and annual ticket subsidies of €147m. The project was cancelled on 1st September 2003 as the consortium had failed to secure private finance for the deal.
Other	Pre-Approval	N/A	Model flight simulator centre PPP	To design finance, build, maintain and manage a building infrastructure and the necessary equipment at the model flight simulator centre and to provide simulator-based pilot training services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Ports	Pre-Approval	342	Port Security PPP Greece	PPP for the installation and operation of security systems at 12 ports. The private sector partner will design, finance, install and operate the security systems and any additional support infrastructure. The EIB is expected to provide 50% of the funding for this project, which has a 10 year concession period.
Prisons	In Tender	238	Greek Grouped Prisons Project	The grouped prisons PPP scheme involves the DBFMO of three prisons in Salonica (Kentriki Makedonia I), Volos (Thessalia II) and Korinthos (Attiki II). The successful bidder will be reimbursed via availability payments. The private sector partner will also obtain revenue from commercial operations on the prison sites including parking. The duration of the project is 27 years inclusive of a two-year construction period.
Roads	In Tender	575	Athens (Attika) Urban Projects	The project entails the development of a total of 50km roads projects in the city of Athens. Prequalification phase has been completed.
Roads	Closed	2,700	Corinth-Patras-Pyrgos-Tsakona Motorway Project	This is a project to construct approx 163km of new motorway between Patras and Tsakona. 120km of road between Corinth and Patras will be upgraded. A further 64km of existing motorway between Athens and Corinth, and 18km of the Patras ring-road will be operated under the contract.
Roads	Closed	1,580	Central Greece E-65 Highway Project	The E-65 motorway will run for 231km The first 174km Central Greek section will be built entirely by the consortium and will connect Egnatia to PATHE. The PATHE section will run for 57km and will be built by the government and then transferred to the consortium. The concession lasts for 30 years.
Roads	Closed	1,150	Ionia Odos Motorway Project	The project involves the construction, financing and operation of two roads totalling 370km. 196km will be new build. The project has a 30-year concession period.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	844	Korinth-Tripoli-Kalamata and Lefktro-Sparta Motorway Project	The contract is being procured through a DBFO structure and will require Capex investment of around €844m, while total investment over the length of the contract is around €1.04bn.
Roads	Closed	995	Maliakos to Kleidi Highway	The project comprises the northern section of the PATHE which will link the Maliakos Bay area to the western outskirts of Thessaloniki. The total length will be 230kms, 205kms of which have been built.
Roads	Closed	472	Thessaloniki Submerged Tunnel	The deal is a 30 year concession DBFO scheme comprising a by-pass to Thessaloniki. The tunnel will run along the seafront of Thessaloniki to provide east-west traffic.
Waste Management	Pre-Approval	97	Waste Management System	The project will see a private partner design, finance, build, maintain and operate (DBFMO) a new integrated waste system comprising a new treatment unit and a residues landfill. The new system will treat 120,000 tonnes of waste per year, reaching 152,000 tonnes per year by the end of the partnership.
Waste Management	Pre-Approval	290	Thessaloniki Waste Management System	The plant will treat solid waste from the north-western unit of the Prefecture of Thessaloniki. The SPV will carry out the design, construction, maintenance and operation of the waste management system. The concession contract will last for 25 years and the new plant should be constructed within four years.
Waste Management	Pre-Approval	40	Rafina Sewerage Networks	A project for the implementation of sewerage networks and a sewerage treatment unit in the municipality of Rafina.



# HUNGARY

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	121	Budapest Conference Centre	The project involves the development of a 5,000 seat hall in the centre of Budapest and was approved by the government in March 2005.
Accommodation	Pre-Approval	120	National TV Building	The government has received an informal bid from a private sponsor for the development of the new National television headquarters in Budapest. The proposal is awaiting approval from the Ministry of Culture.
Accommodation	In Construction	N/A	Palace of Arts	A project for the construction of a Palace of Arts under the Ministry of Economy and Transport (MET)
Education	In Tender	N/A	Godollo University Campus	The project involves the development of a new dormitory and campus facilities in the university of Godollo in eastern Budapest. The project is part of a development plan issued by Ministry of Education. The tender was launched on 7 February 2005 with EOIs presented on 25/3/05.
Leisure	On Hold	250	Budapest Stadium	The Ministry of Sport is considering developing the new stadium in Budapest under a PPP scheme.
Leisure	In Construction	N/A	Ministry for Local Government and Regional Development	A project for the reconstruction of 37 dormitories, 16 gymnasiums, 17 teaching swimming pools and a sports hall project in Kiskunfelegyhaza.
Light Rail	On Hold	60	Ferihegy Express Rail Link	The project will provide a link between Budapest Airport and Nyugati Railway Station in Budapest. The non-stop rail route will follow the outer railway ring of Budapest with a portion of the track near the airport designed in a tunnel system underground. The project is on-hold because the rail link to the local airport at the moment is not considered a priority by the Government.
Light Rail	Pre-Approval	N/A	FEREX Airport Rail Link	The FEREX PPP project will be a direct railway link between Budapest City Centre and Ferihegy International Airport. FEREX will be Hungary's first railway project to be developed within a PPP structure and the World Bank may provide support; through technical assistance on a cost-sharing basis.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Prisons	In Tender	40	Szombathely Prison Scheme	The Szombathely Prison project involves the construction and 15-year operation of a prison with a capacity of 800 inmates 350 staff. The custodial services will be retained by the state.
Prisons	In Tender	N/A	Tiszalok Prison Scheme	This is the first PPP prison project that was launched in the Hungarian market. The project involves the development of a new prison in Tiszalok in the eastern part of the country. The prison will have a capacity of approximately 700 inmates.
Roads	Pre-Approval	N/A	MO Motorway Extension	The MO Motorway is a ring road motorway around Budapest. A PPP structure may be used for a further stretch of the project.
Roads	Pre-Approval	N/A	M4 expressway, section between Budapest - Cegléd	N/A
Roads	Pre-Approval	N/A	M44 expressway, section between Tizsakürt -Kondoros	N/A
Roads	Pre-Approval	N/A	M60 expressway (developable into a highway) section between Pécs South Junction - Szentlőrinc	N/A
Roads	Pre-Approval	160	Dunaujvaros Bridge Project	The €160m bridge project on the Danube in Dunaujvaros will be linked to the M6 motorway by an 8km stretch of the M8 motorway.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	M43 Motorway Project	The project involves the development of the M43 Motorway which runs towards Romania. Some elements of EU Structural & Cohesion grant funding is expected for the M43 project.
Roads	In Finance	800	M6 Motorway Phase II	The 80km project runs along the M6 motorway to the M60 express road. It will include four tunnels and several viaducts. Construction is due to start in early 2008.
Roads	Closed	205	M5 Refinancing	The project involves refinancing of the existing M5 Toll Motorway project signed in 1995 and structured on the assumption that it should be refinanced by 2008. The refinancing replaces existing debt for the M5 Toll Motorway project and covers certain refinancing costs.
Roads	Closed	900	M5 Toll Motorway Refinancing Phase I & II & III	The M5 Motorway runs from Budapest to Kiskunfelegyhaza towards the Serbian border. The project comprised the upgrading and tolling of an existing 27km motorway; the construction of 40km of a new dual two-lane motorway and operation and maintenance of the motorway for the 35-year concession period. Phase III will see the construction of the last 15km of the PPP motorway linking the town of Szeged with the Serbian border.
Roads	Cancelled	500	M3 Motorway Concession	The 46km highway will connect the cities of Nyiregyhaza and Vasarosnameny.
Roads	Closed	470	M6 Motorway (Budapest to Dunaujvaros)	This concession-based PPP motorway project linking Erdi-Teto near Budapest and the Dunaujvaros M6-M8 Junction in south Hungary is to be part of the national vignette system. This section will be 58 km long. The project is expected to be operated under an availability payments mechanism.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	520	M6 Motorway Phase III	The full tender for the project was launched at the beginning of January and covers a 65km section of the M6 between the junction with the M8 (Dunaujvaros) and M9 (Szekszard) motorways. The 30-year contract is structured along design, build, refurbish, operate and maintain lines with the private sector partner remunerated through availability payments.
Roads	Cancelled	N/A	M7 Motorway	The M7 Motorway project is a 52km stretch of highway running between Budapest and the Croatian border.
Roads	Cancelled	N/A	M8 Motorway	This project involves the development of a 10km link with a bridge over the Danube in Hungary.

# ITALY

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	94	Municipality of Milan Building	The project entails the construction and the management of two different buildings (with respectively 35 and 6 floors) in the Area of Garibaldi-Repubblica for the delivery of a new HQ for the Municipality of Milan.
Accommodation	Closed	100	Bologna Municipal Building	The project involves the development (construction and management) of the new municipal building of the City of Bologna. The total project value includes a public sector contribution of €9.5m.
Accommodation	On Hold	92	S. Maria Capua Vetere PPP Court Scheme (Caserta)	The project entails the development of the new court centre near Caserta in the south of Italy. The total amount includes a noteworthy public contribution by both the Italian Justice Ministry and the local body of Santa Maria Capua Vetere.
Accommodation	In Tender	240	Region of Lombardy Office Building	The project involves the development of the new headquarters of the regional government in the area of Garibaldi-Repubblica in Milan. The building will Italy's highest standing at 160m.
Accommodation	Pre-Approval	N/A	City of Milan Sports Centre	The City of Milan is working on a pre-feasibility study for the development of a new integrated sport centre in south-east part of the town. The relevant tender should be issued by the end of 2005.
Accommodation	Closed	1,000	Milan New Exhibition Centre (Fiera Mi Polo Esterno)	The project involves the development of Milan's new expo area moving from the centre of the city to the external area of Rho-Pero in the northern outskirts.
Accommodation	Pre-Approval	55	Monopoli Community Scheme (PUGLIA)	The project involves the bundling together of a number of projects (13) in order reach a critical mass for investment. The Comune di Monopoli in the Region of Puglia plans to build a new building for the Comune's offices, a new market and sport facilities etc.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	30	University of Pisa Accommodation Project	The University of Pisa in Italy has issued a tender for the design, construction and maintenance of new buildings and parking spaces for the university. The total project amount is €30m including a €2.5m contribution from the university. The project will be procured according to ex Art. 37 bis of the Italian law for public works.
Accommodation	Pre-Approval	200	University of Turin (Piemonte)	N/A
Accommodation	Pre-Approval	36	Pietralata Municipal Building Relocation	New €36m municipal building for the Comune di Roma to be located in the Pietralata district of Rome. The project will involve the relocation and upgrade of the municipal building to Borghetto Galvani in Pietralata. A surrounding area for residencies and parkland will also be upgraded.
Accommodation	In Tender	50	Milan Polytechnic University Halls of Residence	The new halls of residence at Milan Polytechnic University will be project financed through art. 143 of the Italian public works law. Around €50m will need to be invested in the new residences, however it is not clear how much of this investment the private sector will cover.
Accommodation	In Tender	36	Baldinucci and so Ovada Student Accommodation PPP	To design, construct and operate the postgraduate housing facilities as well as an underground parking for the university staff and visitors.
Accommodation	Closed	60	TerzaTorre Government Accommodation PPP	To design, build, finance and operate the government building in Bologna, which will house employees within the regional administration. Construction is expected to take up to 22 months and the concession contract will expire in 2032. Apart from a fee paid by the region the concessionaire will receive all proceeds from the lease of commercial space and parking facilities.
Bridges and Tunnels	Cancelled	4,400	Messina Straits Crossing	The project involves the development of the new 3.3km Messina Bridge Crossing linking Sicily to Calabria in Italy.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Bridges and Tunnels	On Hold	620	Genoa Tunnel	The project involves the construction of a 1.8km under-water tunnel in Genoa, Liguria. The tunnel will stretch from San Benigno to the port of Genoa. The tender was launched in November 2002. In Summer 2002 a consortium presented a non-binding proposal.
Bridges and Tunnels	On Hold	390	Appia Antica Underpass	The project involves the construction of a two-lane, 9km tunnel road in each direction linking the southern and eastern sectors of Rome. The total investment value of the project is €390m of which €190m will be provided by the concessionaire and €200m by the public sector.
Bridges and Tunnels	In Tender	182	Vicenza Underpass	Development of a new 3.5km urban tunnel that will link S. Lazzaro to the stadium area in the city of Vicenza. The project entails also the development of two surface links with the rail station parking and the S. Agostino area. The total project amount includes €115m public sector contribution.
Bridges and Tunnels	On Hold	500	Garibaldi Tunnel (Milan)	The project involves the development of a tunnel from the motorway network north of Milan to the centre of Milan.
Healthcare	On Hold	140	Brescia Hospital II (Stage I)	The project involves a phased refurbishment/rebuild of Brescia hospital in Northern Italy and follows an initial €34m project (Brescia Hospital I) which reached financial close in December 2002. The total capital value of the project is estimated to be worth approximately €300€350m. The Brescia local health authority will tender the refurbishment/rebuild in several tranches.
Healthcare	In Finance	330	Tuscany Hospitals PPP Scheme	The project involves the development of four hospitals with a total of 1,710 beds in Massa, Pistoia, Lucca and Prato, in Tuscany.
Healthcare	Closed	34	Brescia Hospital (I)	The project involves the renovation and extension of the municipal hospital of Brescia in Northern Italy and was the first PPP-type hospital transaction to reach financial close in Italy.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	237	Niguarda Hospital (Milan)	The project involves the development of two new hospital blocks for the Niguarda hospital in Milan in the region of Lombardy. Design for the project has been carried out by an internal division of the Hospital. The project was approved by the Regione of Lombardia in April 2004 and is set to be tender in July 2004.
Healthcare	Closed	32	CTO/CRF Maria Adelaide Hospital (Turin)	The €30m project involves the construction of a new spinal unit within Turin's existing CTO/CRF Maria Adelaide Hospital.
Healthcare	On Hold	83	Felettino Hospital (La Spezia)	The Felettino PPP Hospital project in La Spezia (Liguria Region) is being procured under Art. 19 of Italian public works law. The project amount includes a €41m public contribution.
Healthcare	In Finance	113	Santa Maria Capua Vetere Hospital (Campania)	The project involves the new build of Santa Maria Capua Vetere Hospital in the Region of Campania. The tender for this project was published on 12/4/04 - Art. 37-quarter. The project amount includes €43m of public contribution.
Healthcare	Closed	122	Castelfranco & Monte Belluno Hospitals (Veneto)	The €122m Castelfranco Veneto and Montebelluna hospitals PPP transaction in the Veneto region involves a 30-year concession procured by the USLL Asolo 8 (Asolo Local Health Authority) via Art. 37 of the Italian public works law. The transaction is particularly significant as it is the first project financing in the Italian health sector whose financial documentation is wholly governed by Italian law.
Healthcare	Pre-Approval	150	Trento Hospital	N/A
Healthcare	In Finance	187	Ospedale del Mare (Naples)	The project involves the new build and management of the 'Ospedale del Mare' in the eastern part of the city of Naples.
Healthcare	Closed	28	Osimo Hospital (Ancona)	The project involves the construction of a hospital with a 140-bed capacity in San Sabino di Osimo in Ancona. The project includes services management, energy management cleaning equipment maintenance and retail area maintenance for a period of 11 years.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	On Hold	N/A	Forlanini Hospital (Rome)	The project involves the redevelopment/upgrade of a brownfield hospital in Rome.
Healthcare	Pre-Approval	120	Santa Eugenia/CTO Hospital (Rome)	The project involves the brownfield refurbishment of the Santa Eugenia hospital in Rome. The total amount includes €45m of public sector contribution.
Healthcare	In Finance	129	Omegna Hospital	The project involves the construction and operation of a new hospital at Verbano Cusio Ossola (Omegna) in the region of Piedmont. Of the €121m cost of the project, €57m will come from private finance with the balance from the public sector.
Healthcare	In Tender	120	Alba-Bra Hospital (Cuneo)	The project involves a concession to construct and manage a new hospital 'Ospedale di Alba-Bra' in Cuneo in the Region of Piemonte. Of the €120m project cost, 30% will be provided by private finance and 70% from a public sector contribution.
Healthcare	In Tender	22	Careggi Hospital (Florence)	The project involves the refurbishment of the Careggi hospital near Florence, in the Tuscany region. No public sector contribution is included in the project amount.
Healthcare	In Tender	45	Santo Pietro e Paolo Hospital	The project involves the development of the new Santo Pietro e Paolo hospital in Venice. Investment for the project is expected to be €45m with the FM element valued at around €18m per annum. The project will involve a €20m public sector contribution.
Healthcare	Pre-Approval	100	Trieste Paediatric Hospital (Friuli-Venezia Giulia)	N/A
Healthcare	Pre-Approval	100	Udine Hospital (Friuli-Venezia Giulia)	N/A
Healthcare	Pre-Approval	100	Alessandria Hospital (Piedmont)	N/A
Healthcare	Pre-Approval	N/A	Santa Corona Hospital (Savona)	The preliminary design for a new 350 beds hospital was completed in July 2004.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	30	RSA Hospital Rovereto (Trento)	The project entails the development of two health residences for old people with a total of 160 beds an underground parking with 309 car places and a park. The project will be located in Rovereto, near Trento in the North of Italy. The total amount includes a €23 m public contribution.
Healthcare	Closed	143	Ferrara PPP Hospital (Emilia Romagna)	The project involves the final design the development and the management of 'no-core' facilities of a new hospital in Ferrara. The concession will cover a period of 33 years with a three-year construction phase. The project will receive a €97m public grant, partly disbursed after completion.
Healthcare	In Finance	47	Regina Margherita Hospital Renewal (Messina)	The project involves the refurbishment and conversion of the Santa Margherita Hospital in the Catania region of Sicily into a medical and rehabilitation centre. The concessionaire will have to create an SPV company with equity amount more than €4m.
Healthcare	Pre-Approval	45	Garbagnate Hospital (Lombardy)	New hospital to be located near Milan in the municipality of Garbagnate.
Healthcare	Pre-Approval	N/A	Busto Arsizio Hospital (Lombardy)	New hospital to be located near Varese in the municipality of Busto Arsizio.
Healthcare	In Tender	134	Monselice Hospital PPP	To design, build, finance and maintain a new hospital in Monselice for a period of 30 years.
Healthcare	On Hold	102	Castelli Romani Hospital (Rome)	The project involves the dismissal of the two existing hospitals and the design, development and management of the new 360-bed building (Castelli Romani hospital) in Genzano, just outside Rome. The project amount includes €41m public sector contribution from the regional government and a €13m availability fee.
Healthcare	In Finance	130	Thiene & Schio PPP Hospitals (Veneto)	The project will provide a new PPP hospital for the towns of Thiene and Schio near Vicenza.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	100	Monza Hospital (Lombardy)	The project involves the redevelopment of the 600-bed Villareal Monza Hospital near Milan.
Healthcare	Pre-Approval	N/A	Gavado Hospital Brescia (Lombardy)	N/A
Healthcare	On Hold	200	Cisanello Hospital (Pisa)	The project involves the relocation of the Santa Chiara Hospital, which is currently located close to the leaning tower of Pisa, to the outskirts of Pisa. The project is currently on hold until the 4 Tuscan hospitals scheme is completed.
Healthcare	In Tender	150	New Mestre Hospital Proton Therapy Centre	The proton therapy centre to be added to the original Mestre hospital PPP, which reached financial close in 2005. The new centre will be project financed with the private sector designing, building, operating and partially-financing the scheme.
Healthcare	In Tender	7	Desio Nursing Home PFI	To design, finance and build a new care home for the elderly in the municipality of Desio, with a total planned capacity of 60 beds.
Healthcare	In Tender	33	Empoli Hospital PPP	To renovate and upgrade existing Empoli hospital facilities in Florence. The project will involve the completion and renovation of two existing buildings in a hospital complex in the Viale Boccaccio district of the city as well as the construction of a third to be used for commercial purposes.
Healthcare	In Finance	60	Nuoro Hospital PPP	To upgrade and modernise two major hospitals in Nuoro: the San Francesco and C. Zonchello. Three smaller centres in Macomer and Siniscola will also be included in the contract. The concessionaire will be responsible for all hard FM services.
Leisure	Pre-Approval	21	Cantugrave Sports Centre Lombardy	The municipality of Cantugrave; Lombardy has initiated this plan for a €21m multi-sports centre.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Leisure	Pre-Approval	400	Naples Stadium	New multi-disciplinary stadium planned for the Miano quarter of the city. The whole project will need around €400m of investment. The development will rely on private investment although it will receive a public grant as part of Italy's bid for the Euro 2012 football tournament. Work is set to begin in the initial months of 2008.
Light Rail	In Tender	583	Modena Metro PPP Project	This metro project in Modena in Emilia Romagna involves the development of two lines (M1 and M2) with an overall development of 16.45km of track and 20 stops.
Light Rail	On Hold	752	Bologna Metro Line - MAB	The project involves the development of a light rail system in Bologna. The design was approved in November 2002. In February 2005: the regional government (Emilia-Romagna region) approved the preliminary design of the project.
Light Rail	On Hold	450	Cagliari Metro Line	The Municipality of Cagliari in Sardinia has revealed plans in September 2003 to develop a Metro Line linking the centre of the city with the suburban areas. The €450m project includes 20 stations and will require four to six years to be developed.
Light Rail	Pre-Approval	N/A	Naples Metro Project	N/A
Light Rail	Closed	296	Florence Light Rail Project	The project involves the development of a light rail network in the city of Florence, Italy. The main section – 9km and 19 stops – will link the airport with centre of the city. The second on – 4.5km and 9 stops – involves a light rail line between the centre and Scandicci hospital with the possibility of building additional lines in the future.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	In Tender	788	Milano Metro Line 4	The project involves the development of Line 4 of the Milan Metro that will link Lorenteggio with Linate. The project amount includes a 70% public contribution both from CIPE and from the municipality of Milan. The project is part of the Milan metro's development plan for 2015. The total project cost for the whole plan including the new Lines 4 and 5 and the extension of Line 3 is approximately €3.15bn.
Light Rail	In Finance	2,500	Metro Rome Linea C	The project entails the development of the third metro line in the City of Rome. It will receive public contribution by the CIPE (around 70% of the total value of the project). ISPA should pre-finance up to 20% of the project. The track will be 25km long and will cross the centre of the capital from NW to SE.
Light Rail	In Tender	31	Taormina Light Rail Link	Development of a new urban light rail link in the city of Taormina in the north of Sicily in Italy. The route will link the outskirts with the city centre and the hospital. A €18m public contribution conceived by CIPE is included in the project value.
Light Rail	Closed	70	Minimetro Perugia	The project entails the development of a new 3.8km metro line between Pian Massiano e Monteluca in the city of Perugia. The concessionaire will be in charge of building financing and managing the project.
Light Rail	Pre-Approval	306	Parma Light Rail	This new light rail rail should link the Airport with the rail station and the University campus in the city of Parma. The total project amount includes €184m of public contribution conceived by CIPE on November 2004.
Light Rail	In Tender	140	Latina Light Rail	The project entails the development of a new light rail line in the centre of Latina region of Lazio. The line will link the centre of the city with train and coach stations. The private finance involved amounts to 40% of the project value.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Pre-Approval	850	Pedemontana Metro Catania	The projects involves the development of a new 18km light rail link to connect the city of Catania to the motorway and to the main municipalities in the outskirts close to the Etna volcano.
Light Rail	In Tender	2,800	Metro Rome Line D	The project involves the development of the fourth underground line in the city of Rome, Italy. The 22 station 20km link will connect the city centre to the northern districts of Nuovo Salaria and Montesacro, and to the southern districts of Trastevere and Eur. Conductorless trains will run every 90 seconds and each convoy has the capacity to carry 800 passengers.
Light Rail	Pre-Approval	340	Venice Submerged Metro	The project involves the development of a new submerged tunnel in the centre of Venice. The new 8km line will link the local airport with the hospital and the central area called 'Arsenale' by 7 different stops.
Light Rail	In Finance	90	Bologna Light Rail Link for Marconi Airport	The concession will cover the design, construction, operation and transfer of the new €90m line linking the city's central station and Marconi airport. Around half of the funds will be used for the upfront construction costs. A preferred bidder was announced in March 2009.
Light Rail	In Tender	560	Metro Rome Line B	To extend Rome's metro line B to the east of Rebibbia linking it to Casal Monastero over the course of 3.8km.
Other	Pre-Approval	1,470	Italian Broadband PPP	To upgrade Italy's internet broadband network to fibre optic. The PPP project is estimated to cost €1.47 billion of which the Italian government is to provide €800 million and another €188 million is to come from EU funds. The private sector is expected to provide the rest of the funding.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Ports	In Tender	70	Ragusa Tourist Port (Sicily)	The project entails the final design construction and management of a tourist port in Ragusa, Sicily. The project total amount can include a maximum public contribution of €34m.
Ports	In Tender	180	Savona Ports Project	The project will see the construction of three new terminals for Savona commercial Port as well as the management of the Container Terminal. The project value exceeds €180m.
Ports	Closed	160	Porto D'Imperia	This project involves the construction and development of €160m touristic harbour in Imperia, Liguria.
Ports	In Tender	85	Campania Tourist Port	The new tourist port will be located in the Castel Volturno comune of the Caserta province. The private partner will design, build and manage the new infrastructure, which will require around €85m of investment.
Prisons	Cancelled	N/A	Italian Prisons Development	Potential PPP project to develop 9 new prisons and refurbish 17 existing ones throughout Italy during the period 2004–2005. The programme includes €328 m public contribution.
Rail	Pre-Approval	100	Isola della Scala Terminal (Verona)	The project was included in the priority list signed between the Italian Ministry of Transport and Regione Veneto in 2003 and entails the development of a rail terminal focused on matched freight transport. It will be located in Comune di Isola della Scala (Verona).
Rail	In Finance	623	Palermo Rail Pass	The awarded consortium will be in charge of the design and purchase of the areas and construction of a new rail link close to the existing one between Palermo and Carini in north-west of Sicily. The track will be 26km long with 18 new stops.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	On Hold	1,500	Bre-Be-Mi Toll Road	The BreBeMi road PPP has been on the priority list of ANAS and ILSpA for some time and will see a 60km road linking Milan with Bergamo and Brescia. Original figures had estimated the project would cost around €860m but this has jumped to around €1.5bn.
Roads	In Finance	1,000	Asti-Cuneo Motorway	The project entails the development of a new 90km motorway linking Asti to Cuneo to the south-west of the Piedmont region of Italy. The winning consortium will create a joint SPV which will hold about 35% of the shares.
Roads	In Finance	2,150	Pedemontana Veneta	The project is being procured via Art.37 of the Italian Public works law. The original €1.9bn project was to be developed under a concession to build, own, operate and transfer the toll road. The total amount includes a €300m public sector contribution conceived by the State and the Veneto region.
Roads	On Hold	2,600	Pedemontana Lombarda Motorway	The project involves the development of a 87km two-lane motorway from Dalmine (Bergamo) to Malpensa Airport (Varese).
Roads	Closed	512	A3 Salerno-Reggio Calabria Motorway (Tranche I)	The project involves the upgrade of 430km of highway between Salerno and Reggio Calabria under a PPP scheme.
Roads	On Hold	2,200	Nuova Romea Highway	The project involves the construction of a 140km highway from Mestre/Venice to Ravenna.
Roads	In Finance	564	Catania-Siracusa Highway	The project involves the development of a 70km highway from Catania to Siracusa in Sicily. ANAS aims to create an efficient network of road for the Messina bridge.
Roads	On Hold	310	Genoa Ring Road	The project involves the development of a ring road outside Genoa to ease the traffic around the city. Four projects were proposed to develop the ring road.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	887	A3 Salerno-Reggio Calabria Motorway (Tranche V)	The project involves the upgrade of 430km of highway between Salerno and Reggio Calabria under a PPP scheme. The project is divided in six parts with each section to be awarded through a separate tender.
Roads	Closed	507	A3 Salerno-Reggio Calabria Motorway (Tranche VI)	The project involves the upgrade of 430km of highway between Salerno and Reggio Calabria under a PPP scheme.
Roads	In Tender	789	A3 Salerno-Reggio Calabria Motorway (Tranche II)	The project involves the upgrade of 430km of highway between Salerno and Reggio Calabria under a PPP scheme.
Roads	On Hold	950	Cremona-Mantova Toll Road (Lombardy)	The €944m DBFO scheme involves the development of a 60km toll road between Cremona and Mantova and is being procured under art. 19 of the Italian public works law. The project has a 55-year concession period.
Roads	In Tender	472	Ancona Port Connector	Part of highway agency ANAS's €3.9bn masterplan. Highway connector to Ancona Port, worth around €472m.
Roads	Pre-Approval	N/A	A1: Bologna-Firenze Motorway	Redevelopment and upgrade.
Roads	Cancelled	594	E45 Orte-Cesena	Redevelopment and upgrade.
Roads	Pre-Approval	870	Aurelia-Rosignano-Civitavecchia Highway	Redevelopment and upgrade.
Roads	Pre-Approval	129	A28 Scile-Conegliano Section	Redevelopment and upgrade.
Roads	Pre-Approval	5,700	Rome Ring Road	Redevelopment and upgrade.
Roads	Pre-Approval	83	Salerno Avellino Ring Road	Redevelopment and upgrade.
Roads	Pre-Approval	320	Naples to Salerno Motorway	Redevelopment and upgrade.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	485	A4: Turin-Milan Motorway	Redevelopment and upgrade.
Roads	In Tender	1,460	Termoli-S.Vittore Highway	The 150km road will require around €1.46bn of investment of which the Italian Highways agency ANAS will fund half and the private partner will invest the remaining €750m. The new highway will connect the A/1 (Autosole) with the A/14 (Adriatica) crossing the region of Molise.
Roads	Pre-Approval	10,000	Mestre-Orte-Civitavecchia	The project runs from Mestre near Venice-Mestre to Orte and then Civitavecchia (Region of Lazio). It is understood that the entire project will need a massive public sector contribution (around €4.5bn).
Roads	On Hold	220	Sassuolo - Campogalliano Toll Road	The project involves a 20km link between Modena – Sassuolo in the region of Emilia Romagna in north east Italy. The project is a BOT toll road with a shadow toll element to supplement the toll.
Roads	Pre-Approval	1,280	Mantova - Mare Toll Road	The 96km motorway will link the end of future 'Cremona-Mantova' toll road with the track of the 'Nuova Romea' highway in the north-east of Italy between the cities of Nogara (Mantova) and Chioggia (Padova). The total amount includes about €170m public contribution.
Roads	In Tender	1,200	Quadrilatero Marche-Umbria	The project entails the development of 11 different motorway links between two Italian regions: Marche and Umbria. Tender procedures and relevant construction works will be realized in two different lots. The total amount includes about €900m of public contribution by CIPE.
Roads	Pre-Approval	1,545	Fiumicino-Formia Corridor	The project also known as 'Tirrenic Corridor' entails the development of a new motorway from Fiumicino to Formia (128km) in the region of Lazio in the centre of Italy. The total amount includes a €260m public sector contribution conceived by CIPE.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	640	Cisterna-Valmontone Motorway Link	The project entails the development of a 33km motorway link between Cisterna and Valmontone in the region of Lazio. This project is directly related to the Fiumicino-Formia link located in region of Lazio. The project amount includes a €100m public contribution by CIPE.
Roads	In Finance	242	Prato-Signa Link (Tuscany)	The project involves the development of a 12km motorway link between Prato and Lastra Signa in the region of Tuscany. The project is considered a regional motorway so the procuring authority is the local government of Tuscany. A €29m public sector contribution is included in the total amount.
Roads	In Finance	1,400	Milan Eastern Ring Road (TEM)	The procuring authority is looking for a private partner to design, build, finance and manage the 33km road project. The DBFO concession contract is expected to last for 56 years. Total contract investment is expected to be €1.7bn with €1.4bn of capital costs.
Roads	Pre-Approval	1,200	Grosseto-Siena-Bettolle Motorway	The project entails the development of a new motorway in the region of Tuscany, linking the city of Grosseto to Siena and Florence. The total amount includes a 30% public sector contribution. The project is actually waiting for being approved by ANAS before reaching tender phase.
Roads	Pre-Approval	2,646	Serenissima Highway Link	The project entails the construction and management of a 196Km link between the ring roads of the four main cities in the north-east of Italy: Brescia, Verona, Vicenza and Padova. The concession draft is expected to be 40 years long, starting the operational phase in 2013.
Roads	Closed	337	A3 Salerno-Reggio Calabria Motorway (Tranche VII)	The project involves the upgrade of 430km of highway between Salerno and Reggio Calabria under a PPP scheme. The project is divided in six parts with each section to be awarded through a separate tender.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	On Hold	890	Bologna North Pass	The project involves the development of one new toll road link connecting the outskirts of Bologna. The total project amount includes a public sector contribution that could lie between 47% (€460m) and 52% (€507m), depending on the length of the concession contract (either 54 or 34 years).
Roads	Pre-Approval	306	Padova Ring Road (GRAP)	The project involves the development of a new 42Km ring road around the city of Padova in the region of Veneto eastern of Italy. The project amount should include a 55% public contribution.
Roads	Pre-Approval	N/A	Padova-Venezia Toll Road	This project should be an alternative to the existing A4 motorway currently congested by traffic.
Roads	In Tender	485	Roman Roads Maintenance Scheme	The Comune di Roma launched a 9 year service contract tender to maintain 800km of roads in Rome in Spring 2006. The transaction includes €285m for major maintenance and €200m for ordinary maintenance.
Roads	Closed	N/A	S.S.106 Jonica Highway	The project involves the upgrade of a 490km free highway running on the coast of the Jonio sea. The project includes two construction contracts amounting to €737m for the renovation and upgrade of National Highways 106 and 280.
Roads	On Hold	969	Broni-Mortara Motorway	A project involving the delivery of a new motorway from Broni to Mortara in the Lombardy region. The project will be procured under Art. 37 and has an estimated value of €820m.
Roads	In Tender	N/A	Nogara - Mare (Veneto)	This transaction involves the development of the Nogara-Mare (Adriatic Sea) Highway. A decision is expected shortly to appoint a preferred bidder (1st May 06).
Roads	In Tender	1,100	La Cispadana - Ferrara to Reggiolo Rolo	The scheme will involve the upgrade of the current infrastructure in the Emilia-Romagna region of northern Italy and linking of the A22 (Brenner) motorway to the A13 (Bologna-Padova) motorway.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	2,000	Rome-Latina Road	The highway will connect Rome to Latina. The total cost of the project is thought to be around €2bn with the private sector investing around 60% of the total funds and the public sector contributing the remaining 40%.
Roads	In Tender	708	Caianello to Benevento Highway	Part of highway agency ANAS' €3.9bn Masterplan. New road linking Caianello and Benevento in Campania, worth €708m.
Roads	In Tender	1,300	Ragusa to Catania Road	Part of highway agency ANAS's €3.9bn Masterplan. Cost estimated to be €1.3bn.
Roads	In Tender	290	Verona Ring Road	The project known as the Torricelle Tunnel will see the completion of Verona's ring road by creating a direct connection between the existing eastern section of the bypass in Fincato and the western ring road towards the north of the city. A new bridge over the river Adige will also be built.
Roads	In Tender	315	A1 Motorway (Capua - Grazzanise airport)	To design, build, finance and maintain a 24km stretch of road connecting the A1 motorway at the junction of Capua to Grazzanise airport. €200m of funding will be provided through government programmes with the private sector funding €115m.
Roads	In Tender	782	Pedemontana Piemontese Highway	To design, build, finance and maintain a 40.5km link interconnecting with the A4 Torino-Milano highway.
Social Housing	In Tender	212	Chalandri Accomodation PPP	The Hellenic Public Real Estate Corporation (KED) is providing new offices and sports facilities via a PPP for the Ministry of Economy and Finance. The project as a whole will require €212m of investment.
Urban Regeneration	Pre-Approval	39	Marconi Interchange Project (ROME)	The project involves the planning, realization and management of the Marconi Interchange (Nodo di Scambio Marconi) along the Viale Guglielmo Marconi in Rome.
Waste Management	In Tender	300	Messina Waste-To-Energy (Siciliaenergia)	The project entails the development of an 80MW waste-to-energy power plant in Messina Sicily.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	Pre-Approval	25	Verona Waste to Energy Project	The project entails the refurbishment and management of a waste to energy plant located in Verona. The €25m project is procured under Art. 37-bis of the Italian public works law.
Waste Management	In Tender	78	Desio - Waste to Energy Plant	The plant in the city of Desio in the Lombardy region of Italy will be procured under Article 37 of Italian public works law and is estimated to need an investment of around €78m.
Waste Management	In Tender	18	Alassio Refuse Treatment Plant	This project calls for the design, construction, management and finance of an urban refuse treatment plant in Alassio. The project will be project financed through Article 153 of the Italian public works law It will require around €18.8m of investment.
Waste Management	Closed	N/A	Gerbido Waste to Energy Project	To design build and operate the 65 MW waste to energy power plant located in Gerbido, Turin.
Waste Management	In Tender	7	Bracciano Waste PPP	To design, construct and operate a waste treatment plant in the City of Bracciano.
Water/ Wastewater	In Finance	290	Sicily Water Project (ATO Enna)	The project entails the refurbishment and the management of the entire water network in the province of Enna in the centre of Sicily. The network provides water to 177,000 people.
Water/ Wastewater	In Finance	853	Sicily Water Project (ATO Palermo)	APS is in charge of operating the integrated water and wastewater project in the province of Palermo covering 82 municipalities and a total of about 1.2m inhabitants. The concession contract is expected to last for 30 years and was signed last June with the region's water authority.
Water/ Wastewater	On Hold	350	Sicily Water Project (ATO Ragusa)	The project entails the refurbishment and the management of the entire water network in the province of Ragusa in Sicily. The network provides water to 295,000 people. The investment plan includes a €43m public sector contribution.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Water/ Wastewater	In Tender	590	Sicily Water Project (ATO Trapani)	The project entails the refurbishment and the management of the entire water network in the province of Trapani in Sicily. The network provides water to 425,000 people.
Water/ Wastewater	In Finance	502	Sicily Water Project (ATO Agrigento)	The project entails the refurbishment and the management of the entire water network in the province of Agrigento in Sicily. The network provides water to 448,000 people.
Water/ Wastewater	In Tender	N/A	Sicily Water Project (ATO Caltanissetta)	The project entails the refurbishment and the management of the entire water network in the province of Caltanissetta in Sicily. The network provides water to 274,000 people.
Water/ Wastewater	Closed	600	Tuscany Water Project (ATO 2 Basso Valdarno)	The project involves the refurbishment and the management of the entire water network in the provinces of Pisa and Siena in Tuscany.
Water/ Wastewater	Closed	181	Tuscany Water Project (ATO 4 Alto Valdarno)	The project involves the development and the management of water network of 37 municipalities in the Provinces of Arezzo and Siena, Tuscany.
Water/ Wastewater	Closed	614	Sicilia Acque (Sicily)	The project involves the management of the water service and the refurbishment of the network for the whole region of Sicily. The concessionaire will be responsible to collect and provide water to all the local service providers (each province belongs to a different area - called ATO) and to maintain and improve the network and the relevant plants (dams aqueducts etc.).
Water/ Wastewater	Closed	200	Acqua Novara	The project is a 20-year concession to upgrade, operate and maintain an integrated water supply and wastewater treatment service for the ATO I in Piedmont. The concession expires on June 30 2026.

# LATVIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports	In Finance	150	Riga Airport PPP	To modernise and enlarge Riga Airport to four times its size by the end of construction, in three to five year's time, with the capacity to handle around 20 million passengers per year. Riga is one of the largest airports in the Baltic area, having handled around 3.1 million passengers in 2007. However, the Minister of Transport announced that it expects 2009 to mark the fastest development in the airport's history with an expected 5m passengers using it.
Bridges and Tunnels	On Hold	200	Riga Tunnel	A DBFO Concession-type structure for financing 1.3km underwater tunnel to cross Daugava river in Riga is being considered.
Bridges and Tunnels	On Hold	100	Riga Bridge Crossing	A DBFO Concession-type structure for financing a bridge to cross Daugava river in Riga is being considered.
Roads	Pre-Approval	N/A	Riga-Jelgava PPP Road	The Latvian Government is in the early stages of considering a PPP structure for the upgrade of the Riga to Jelgava road.
Roads	In Tender	100	Riga Bypass Concession	The future SPV will be responsible for rehabilitating and expanding the 25km Riga bypass to Senite section of the E77/ A2 road into a dual carriageway. The DBFO contract is expected to last for 24 years. Local media sources are estimating project costs at around the €100m mark.

# LITHUANIA

There is no project list for Lithuania.



# MALTA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	N/A	Mellieha Community Home Project	The Mellieha Community Home Project for the elderly is being procured under Malta's PPP programme in the form of a design, build, finance, operate and transfer (DBFOT) project. The contractor will be responsible for the construction, facilities management and the provision of hotel services. The home will cater for 114 residents comprised of 102 single and 6 double-bedded units. The home will also house a day centre, a G.P. clinic, a dining room, chapel, mortuary room, activity areas and staff facilities.

# THE NETHERLANDS

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	N/A	Amsterdam Court Centre	The project involves the construction or redevelopment of the Amsterdam Palace of Justice. The project is currently undergoing PPC analysis.
Accommodation	Pre-Approval	N/A	Ministry of Defence Building	The project involves the redevelopment of the MoD building in the Dutch city of The Hague. The project is currently undergoing PPC analysis.
Accommodation	Pre-Approval	N/A	Central Bureau of Statistics Building	The project involves the redevelopment of the offices for the Central Bureau of Statistics (CBS) in the Dutch city of Heerlen. The project is currently undergoing PPC analysis.
Accommodation	Pre-Approval	N/A	Zwolle Court Redevelopment	The project is one of eight PPPs under consideration. It involves the new development and renovation of the court in Zwolle.
Accommodation	Pre-Approval	N/A	Ijsselsprong Development Zutphen	The project involves the bypassing of the Ijssel River, landscaping the areas and constructing both housing as well as commercial spaces and government offices. Early estimates of the cost are between €400m and €500m. Although the concession period is yet to be determined, the scheme will be procured under a PPS model. Feasibility schemes are underway and an integrated vision for the project is expected by the end of 2007. Construction is planned to start in 2015.
Accommodation	In Finance	25	Doetinchem Tax Office	The project involves the DBFMO of a tax office in Doetinchem over a period of 15 years and is the first tax office PPP to be launched in the Netherlands. The office should be ready for use by March 2009.
Accommodation	Closed	185	Tax Office in Groningen	The project involves the DBFMO of an office building in Groningen. The new building will house the Tax Administration and the Information Management department. Negotiations reached financial close in June 2008.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Closed	290	Kromhout Barracks	The PPP project involves the construction of an institutional complex that is to have office space for 2,000 personnel with accommodation, sports and medical facilities. The MoD will also be contracting out a package of support services including the maintenance and facilities management of the Kromhout Barracks complex. The new barracks are scheduled to be operational by the end of 2009 under a 25-year DBFMO contract. The DBFMO contract for the PPS Kromhout Kazerne (barracks) was amended in February 2009 to provide for an additional 1,000 workplaces.
Accommodation	Closed	105	Dutch Ministry of Finance Building	The €105m scheme involves the complete renovation of around 66 000m <sup>2</sup> of the Ministry's buildings in The Hague on a DBFMO structure.
Accommodation	Cancelled	N/A	PPP Accommodation Project: Ministry of Agriculture Building	The project involves the redevelopment of the main building of the Ministry of Agriculture, Nature and Food Safety in the Dutch city of The Hague. The project is currently undergoing PPC analysis.
Accommodation	Cancelled	N/A	PPP Accommodation Project: TBS-institute in Almere	The project involves the construction of a prison for mentally ill inmates. Essentially the building will be a closed psychiatric hospital in the Dutch city of Almere. The project is currently undergoing PPC analysis.
Education				In the education sector there has been only one PPP project, the Montaigne Lyceum at Voorburg. In February 2009, the Dutch secretary of the Ministry of Education, Culture and Science announced 10 pilot projects in the education sector.
Education	Closed	16	Montaigne School Project	The Montaigne School Project is the first PPP education project in procurement in the Netherlands.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Cancelled	N/A	Groene Hart Ziekenhuis (GHZ)	The Groene Hart Ziekenhuis (GHZ) project involves new build and renovation works. The hospital is located in Gouda. A PSC was carried out showing that the hospital qualifies to act as a PPP pilot for the healthcare sector.
Prisons	Pre-Approval	N/A	Dutch Prison Project	The project involves the construction of 3000 prison cells and is currently undergoing PPC analysis. April 2005: the project will go ahead as a DBFMO and will house at least 900 inmates.
Prisons	In Finance	70	Rotterdam Airport Detention Centre	The project involves the DBFMO of a detention centre at Rotterdam Airport. The new building is to accommodate 576 detainees in 320 cells.
Prisons	In Tender	N/A	Schipol Justice Complex PPP	The project entails the construction of the Schipol Justice Complex. The project is part of a wave of recently announced Dutch justice PPPs. The private partner will be responsible for the design, build, finance, maintain and operate (DBFMO) contract which is set to last for 25 years. A maximum of three consortia will be shortlisted for the project but the private partner will not be expected to provide security or administrative services for the complex. Facilities should be operational before July 2012.
Rail	Pre-Approval	N/A	ZZLink - Zuiderzee Line Project	Design, construction, financing and operation of the Zuiderzee Line (ZZL) high-speed rail link under a PPP scheme. The government had previously decided to make a maximum of €2.73bn available, but it is unclear if the project will go ahead.
Roads	Pre-Approval	N/A	A2 Maastricht Road Project	
Roads	Pre-Approval	N/A	A4 Motorway Delft-Schiedam	The A4 will run from Delft to Schiedam. The MoT has decided the project will go ahead as a DBFM.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	Project MainportCorridor Zuid (PMZ)	The scheme is designed to complete a free-flow route for freight traffic. In particular this will be between Rotterdam and Antwerp. The concession will last for around 40-years depending on the proposals and tolling will provide the main source of revenue.
Roads	Pre-Approval	2,000	Zuidas-Dock	The Dutch infrastructure redevelopment project for the area known as Zuidas-Dock in south Amsterdam is now seeking private sector partners to join the Zuidas-Dock Company. New residential and office block opportunities are being developed as part of the regeneration which includes the redevelopment of Amsterdam Zuid /WTC station.
Roads	Pre-Approval	N/A	Road User Charging Scheme	A feasibility study is now underway so that the scheme can be launched for 2012. Seven pilot projects are due for launch so that the government can gauge the best financing practice for the scheme.
Roads	Pre-Approval	357	Utrecht A-12 DBFM	The Dutch Ministry of Transport, Public Works and Water Management is looking for a private sector partner to increase the A-12's capacity while reconstructing the existing traffic lanes.
Roads	In Tender	1,200	A-15 Motorway	The 40km stretch of road is the largest DBFM road project ever to be tendered in the Netherlands. It will run from Maasvlakte in the port of Rotterdam to Vaanplein to the south of the city. In March 2009 a total of four consortia pre qualified for the project, and the tender is likely to be issued at the end of 2009. The EIB is considering a €500 million loan for this project and the Dutch government is considering other methods of finance. The concessionaire will be remunerated through availability payments based on standards of performance.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Tender	N/A	A15 Highway PPP	The future SPV will be required to design, build, finance and maintain the 30km of road on the outskirts of Rotterdam for a 24-year period and will receive availability payments from the procuring authority based on performance targets.
Roads	Closed	595	Amsterdam Coentunnel Project (II)	The project entails the construction of an underwater tunnel along the A10 ring road in Amsterdam and the renovation and maintenance of the first Coentunnel which opened in 1966. The concessionaire will be reimbursed via availability payments over the 30-year contract. Construction is expected to take five years. The project reached financial close in June 2008.
Roads	Closed	78	N31 Leeuwarden-Drachten	The project involves the design, build, finance and maintenance of 13km of motorway. The project is located in the province of Friesland. A consortium has been appointed. Payments for the project are to be based on an availability-based scheme with no traffic risk. The project reached financial close on 8 December 2003.
Roads	Closed	N/A	A59 Motorway Project	Commercial close took place on 4 February 2003. Financial close occurred on 17 April 2003.
Roads	Cancelled	600	A4 Motorway (South Section)	There are two sections of the A4 Motorway currently being considered by the Dutch government to go forward as PPP projects. The Ministry of Transport is currently considering a PPP implementation scheme using actual tolls for cost recovery. This would make the project the first toll-based PPP project for a road in the Netherlands and a continuation of the PPP programme for roads, following the successful financial close of the A59 and the current negotiations for the N31. The project is likely to come to the market in late 2004.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Urban Regeneration	Pre-Approval		Rotterdam CS	Enlargement and redevelopment of the Central Station and environs. Construction of new offices, shops, homes and leisure amenities. The city of Rotterdam and a number of private-sector parties completed a Master Plan. On 5 December 2000, government and city signed an agreement on the manner and conditions of their collaboration in the initial planning phase including conditions on benefit sharing. Completion is scheduled between 2005 and 2010.
Water	Pre-Approval	N/A	Afsluitdijk Dam	The 32km dam will have to be improved in the near future to cope with rising sea levels as a result of climate change leading to an increased risk of flooding. Procurement of the project might take the form of a PPP.
Water/ Wastewater	Closed	400	Delfland Wastewater Purification	A PPP for the design, development / redevelopment, financing and commercial operation of two water purification plants. On 19 September 2002 a Project Development Agreement was signed. Financing for the project closed on 10/12/03.

# NORWAY

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Pre-Approval	60	Færder VGS school	A PPP is being considered.
Education	Closed	64	<b>Persbråten</b> and Hørbråten Schools <b>PPP</b>	A pilot school PPP in Norway has been awarded to a successful consortium. The project will see the consortium build and modernise two schools in Oslo as well as handle the maintenance and operation for a period of 24 years. The total contract amount is SEK600m. The work with the Hørbråten school involves both modernisation and new construction and is to be completed in the winter of 2007-2008. The pricing of the loan is 70bp over NIBOR (5 years).
Healthcare	Pre-Approval	N/A	Trondheim Hospital	PPP option being considered for a new hospital in Trondheim.
Healthcare	Pre-Approval	N/A	Sor Trondelag	PPP structure being considered for building a new medical college in Sor Trondelag.
Rail	Pre-Approval	200	Sandnes-Stavanger Rail Link	The project involves the upgrade of single track to double track and the construction of a new freight terminal on the Sandnes-Stavanger line in Norway. The £200m project will be developed on a Design Build Finance and Operate (DBFO) basis and will be a PPP pathfinder project for future Norwegian infrastructure projects. The Government is expected to make a decision on the project in spring 2004.
Roads	Closed	140	E39 (Klett to Bardshaug)	This project is one of three pilot PPP roads projects currently in procurement in Norway: E39 (Klett to Bardshaug) E39 (Lyngdal to Flekkefjord) E18 (Grimstad to Kristiansand). These projects were approved by the Norwegian Parliament in 2001 as part of the National Transport Plan 2002-12.
Roads	Closed	250	E18 (Grimstad to Kristiansand)	This project is one of three pilot PPP roads projects currently in procurement in Norway:-E39 (Klett to Bardshaug) -E39 (Lyngdal to Flekkefjord)-E18 (Grimstad to Kristiansand) These projects were approved by the Norwegian Parliament in 2001 as part of the National Transport Plan 2002-12. The E18 section between Grimstad and Kristiansand, is currently under construction, after financial close in 2006. There have been some “road bumps” in the construction of this section, including cost overruns, but the outlook for completion is still good and is scheduled for summer 2009.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	125	E39 - (Lyngdal - Flekkefjord)	This project is one of three pilot PPP roads projects currently in procurement in Norway: -E39 (Klett to Bardshaug) -E39 (Lyngdal to Flekkefjord) -E18 (Grimstad to Kristiansand) These projects were approved by the Norwegian Parliament in 2001 as part of the National Transport Plan 2002-12. A preferred bidder was appointed in February 2004. Financial close is expected by the end of April 2004.
Roads	Cancelled		E14	N/A
Roads	Cancelled		Saaremaa Fixed Link E96	N/A

# POLAND

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	100	Lazienkowska Street Stadium Project	The project will see the development of Sports and Recreation Facilities. It is envisaged that the works concession will involve the design, financing and completion of a 70,000m <sup>2</sup> facility. This is to include a minimum of 35,000 seats, as well as related infrastructure such as a practice grounds, parking facilities for at least 3,500 cars, a road system plus other service facilities with the predominant sports and recreation function.
Airports	Closed	N/A	Warsaw Airport	The project entails building a new terminal with a target capacity of 6.5m passengers a year, expanding an existing one with a capacity of 4 million a year and building an underground railway station and three car parks with the capacity for 7,000 cars.
Healthcare	Pre-Approval	60	Wroclaw Hospital PPP	The project entails the construction of a new 500-bed hospital in Wroclaw. A feasibility study was completed Summer 2002.
Light Rail	Pre-Approval	310	Warsaw - Lodz Rail Link	The project entails the development of a new 140km rail link between the two most populated cities of the country: Warsaw and Lotz. The project should receive EU infrastructure development funds.
Light Rail	Cancelled	N/A	Warsaw Metro PPP Project	The project involves extending the existing Line 1 (North to South) and construction of Line 2 (East to West). The advisory mandate was concluded in December 2003. The City of Warsaw decided in February 2004 not to procure the project as a PPP.
Rail	Pre-Approval	8,000	Warsaw high-speed rail line PPP	To design and build Poland's first high-speed rail line, linking Warsaw to the west of the country. The journey time from Warsaw to Wroclaw will be reduced by almost 4 hours. Around 35 sections of the rail line will be in operation by 2020. Construction is scheduled to commence in 2014 and should be concluded by 2019.
Rail	Pre-Approval	47.5	Railway Station in Sopot	The value of this project is approximately PLN 200m. A private partner is to be selected by 2010.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Pre-Approval	6	High Speed Railway – (Y Line - Wrocław - Poznań - <b>Łódź</b> - <b>Warsaw</b> )	A PPP formula has not yet been confirmed.
Rail	Pre-Approval	N/A	Tram lines Warsaw - Piaseczno and Warsaw - Wilanów	Details have not yet been published.
Rail	Pre-Approval	N/A	WKD (Warsaw Commuter Rail System)	The project entails the construction of a 35.4km rail commuter link in Warsaw. The project will involve the modernisation, provision of rolling stock and the operation of the infrastructure.
Rail	Pre-Approval	N/A	SKM (Tri-City Rail Link)	The project involves the development of a 52km rail link between the suburbs of Gdansk, Gdynia and Sopot. The project will involve the modernisation, the rolling stock exchange and the operation of the infrastructure.
Roads	In Finance	900	A1 (Strykow - Pyrzowice Section)	The A1 Strykow-Pyrzowice section will be 180km long and is a DBFO project. As of 11 June 2009 the consortium had mandated financial advisors on the project. They are now working towards structuring the deal and sounding out the market.
Roads	Pre-Approval	220	National Highway No. 19	The project involves the modernisation, maintenance and management of a 150km section of the road National Highway No. 19. A feasibility Study for the project was carried out in 2003. The project may be tendered together with National Highway No. 62 with a combined value of €220m and will be part of the Polish Road Plan 2004-06.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	220	National Highway No. 62	The project involves the modernisation, maintenance and management of a 100km section of the National Highway No. 62. A feasibility Study for the project was carried out in 2003. The project is expected to be tendered together with National Highway No. 19 in 2004 with a combined value of €220m and will be part of the Polish Road Plan 2004-06.
Roads	Pre-Approval	N/A		Six underground car parks in Warsaw – no details yet published.
Roads	Pre-Approval	N/A		One multilevel car park in Warsaw – no details yet published.
Roads	Pre-Approval	28.5	Nowa Walowa Street	No details available.
Roads	In Tender	840	A2 (Nowy Tomysł – Świecko)	This section of over 100km, including nearly 80 bridges and flyovers, is to be developed by the end of 2011. The A2 motorway will run through Warsaw to connect with Germany in the East and Belarus in the West.
Roads	In Tender	30	A1 (Stryków - Pyrzowice)	Most of this 180km section is to be developed by June 2012.
Roads	In Finance	900	A1 (Strykow - Pyrzowice Section)	The A1 Strykow-Pyrzowice section will be 180km long and is a DBFO project. As of 11 June 2009, a consortium has mandated two financial advisors on the project. They are now working towards structuring the deal and sounding out the market.
Roads	In Finance	N/A	A4 (Wroclaw - Katowice Section) Operation Concession	The project involves a concession for the operation of the €200m A4 (Wroclaw-Katowice section).
Roads	Closed	N/A	A4 (Katowice to Krakow)	Real Toll system

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	1,642	A2 (Swiecko - Nowy Tomysl Section)	The A2 motorway will run through Warsaw to connect with Germany in the East and Belarus in the West. As a part of the Berlin to Moscow highway, the Nowy Tomysl-Konin stretch of the A2 is initially planned to be 150km, but could be extended to 250km in total, depending on financial performance. As of July 2009, the Polish government had provided a full guarantee to lenders ahead of the closing of a €1.6bn stretch of the A2. Financial close for the project was reached in June 2009.
Roads	Cancelled	N/A	A2 Motorway (Strykow - Konotopa section)	The project involves the construction of a new section between Strykow - Konotopa (approx. 95km) close to Warsaw. After five months of negotiations with two shortlisted consortia, the Polish roads authority GDKKiA, decided not to procure the country's €1.3bn A2 highway as a PPP.
Roads	Closed	500	A1 (Nowe Marzy - Toruń <b>Section</b> )	This 60km section of road is to be developed by the end of 2011.
Waste Management	Pre-Approval	125	Tricity Waste Management System	A PPP project is being considered for the waste management program for Gdansk, Gdynia and Sopot.
Waste Management	Pre-Approval	180	Warsaw Waste Management System	The EU will fund 60% of this project which has a concession period of 30 years.
Waste Management	Pre-Approval	157	Lodz Solid Waste Treatment, Phase II	This project involves the development of a thermal waste incinerator facility on a BOT basis. The local authorities will fund 55% of the project.
Waste Management	Pre-Approval	167	Szczecin Thermal Waste Treatment Plant	This is a 30 year concession project on a BOT basis. It is expected that the EU will fund 61% of this project.
Waste Management	In Tender	160	Budowa Zakladu Termicznego Przekas	This is a 25 year concession DBFO project.

# PORTUGAL

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	40	NHS Call Centre	The project involves the DBFOT of a call centre to provide hospital telephone-answering and related services. The service is to be akin to the British NHS Direct program.
Accommodation	In Tender	75	Justice Campus PPP (Porto)	To build Porto's justice campus.
Airports	Pre-Approval	3,500	Lisbon International Airport Project	This is a project to design, build, finance, and operate the new Lisbon airport and, through the privatisation of ANA take 50% plus one, share of the Portuguese airport operator. The new owner of ANA will maintain the national airport network. €600m of public funds are already guaranteed for the project.
Education	Pre-Approval	N/A	Alcobaca Schools PPP	This is a project to redevelop six schools in Alcobaca region Portugal. The first will be the Cova da Onca centre. with schools in Benedita, Pataias, Alfeizerao, Cela and Turquel included in the project.
Healthcare	In Tender	140	Wave I: Loures Hospital	This project is the final part of Wave of the Portuguese Ministry of Health's PPP programme. It is expected to include the construction and maintenance of a 400-bed hospital and will include clinical services.
Healthcare	In Tender	75	Wave I: Vila Franca de Xira Hospital	This is part of a program for 10 hospitals, with a total value of €750m. Xira hospital will have a capacity of approx 280 beds. There are expected to be two SPVs post-financial close. One for Infraco (30 year contract) and the other for Clinico (funds medical equipment and hospital IT; 10 year contract). The total capped value of the project is €590m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	250	Wave 2: Algarve Hospital	The Algarve's 550-bed HCA will be built in Faro, and should be operational by 2013. Construction is expected to start sometime in 2009 and the hospital complex should be built by 2012. The new hospital will replace the Hospital Distrital de Faro (HDF). The private partner will be expected to build, equip and manage the new building over a period of 30 years as well as provide additional support services for 10 years.
Healthcare	In Tender	70	Centro Hospitalar de Cascais	This is a project for the development of a 250 bed hospital serving a population of 170,000.
Healthcare	In Tender	1,200	Braga Hospital	This is a project for the development of a new hospital to replace the Sao Marcos Hospital and psychiatric department. EIB propose to finance up to 50% of the project.
Healthcare	In Tender	377	Wave 2: Hospital Todos-os-Santos	The 789-bed Todos os Santos hospital will substitute five units in the centre of Lisbon and will serve a total of 950,000 inhabitants. The hospital is expected to be operational by 2012 and the construction period should last three years. The concession contract for managing the building (except clinical services) lasts 30 years, while support services will be provided for seven years from the opening of the facility.
Healthcare	Pre-Approval	N/A	Wave 2: Evoro Espirito Santo Hospital	This is one of 4-6 new hospitals that will be part of the Portuguese government's second wave of PPP hospitals. The hospital will have 380-420 beds.
Healthcare	Pre-Approval	N/A	Wave 2: Gaia Manuel de Barros Hospital	This is one of 4-6 new hospitals that will be part of the Portuguese government's second wave of PPP hospitals. The hospital will have 550-600 beds. This project is located in the city of Gaia.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	N/A	Guarda Sousa Martins Hospital	This will be one of 10 Hospital Projects that Portuguese government plans to procure as DBFO PPP. The hospital will have a capacity of approx. 300-400. There are expected to be two SPVs post-financial close. One for Infraco (30-year contract) and the other for Clinico (funds medical equipment and hospital IT over a 10 year-contract. This also includes all the 10 year clinical operation and Soft FM services. Renewable up to 30 years).
Healthcare	Pre-Approval	N/A	Wave 2: P. Varzim Hospital	One of 4-6 new hospitals that will be part of the Portuguese government's second wave of PPP. The hospital will have 200-230 beds.
Healthcare	Pre-Approval	N/A	Wave 2: South Lisbon Hospital	One of 4-6 new hospitals that will be part of the Portuguese government's second wave of PPP hospitals. It is expected that there will be two schemes a year.
Healthcare	Pre-Approval	N/A	Wave 2: Santa Maria Hospital	Wave 2 of the Portuguese's government's PPP hospitals. The Santa Maria hospital is one of 2 Rehabilitation Projects (Based on the Infrastructure Model) for the Central and University Hospitals in Lisbon and Oporto. SMH is located in Lisbon.
Healthcare	Pre-Approval	N/A	Wave 2: St. Joao Hospital	Wave 2 of the Portuguese's government's PPP hospitals. The S. Joao hospital is one of 2 Rehabilitation Projects (Based on the Infrastructure Model) for the Central and University Hospitals in Lisbon and Oporto. The St. Joao Hospital (SJH) is located in Oporto
Healthcare	Pre-Approval	N/A	Angra do Heroismo Hospital	This is a planned PPP hospital on the island of Ilha Terceira, at Angra do Heroismo. The private partner will design, build, finance, operate and maintain the structure over a 30-year concession period and will receive a variable annual payment based on performance criteria. The concessionaire will not provide any health services.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	70	Wave I: Cascais Condes Castro Guimaraes Hospital	Cascais hospital will be a new-build centre, consisting of around 230-250 beds, serving as a replacement for existing facilities. Following commercial close the winning consortium will take over the running of the existing site with immediate effect. Clinical and operational services are to be carried out by two separate SPVs, with concessions lasting 10 years for clinical services and 30 years for facilities services.
Healthcare	Closed	75	Wave I: Braga Hospital	Braga hospital will be a DBFO new-build to replace the existing facilities. The new hospital will have a capacity of 700 beds and will include teaching facilities. Once commercial close is reached facilities and services will be transferred across to the consortium.
Healthcare	Cancelled	75	Sintra Hospital	This is part of a program for 10 hospitals, with a total value of €750m. The newly built Sintra hospital is expected to have a capacity of approx. 300-400 beds. There are expected to be two SPVs post-financial close. One for Infraco (30 year contract) and the other for Clinico (funds medical equipment and hospital IT; 10 year contract).
Light Rail	Pre-Approval	700	Porto Light Rail Project (Phase II)	Phase II of this project involves around 40km of extension to the existing Phase I works, and development of a possible three or four new lines.
Light Rail	Pre-Approval	N/A	Lisbon Circle Line Light Rail Project	This project is currently at the feasibility study stage.
Light Rail	Pre-Approval	2,000	Metro (Porto) PPP - Phase 2	This is a project to extend Porto's metro network.
Light Rail	On Hold	240	Coimbra Light Rail Project	This is a DBOM project for a 40km, three-line, light rail web in the Coimbra, Miranda do Corvo and Lousa regions of Portugal. There will be one package for rolling stock and infrastructure.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Pre-Approval	4,434	Lisbon-Porto High-Speed Rail Link	The project is part of the EU's plan to develop a Trans-European Network (TEN) of transport links across Europe. The scheme is one of six high-speed rail links (total investment value of €9bn) planned for Portugal.
Rail	Pre-Approval	1,400	Porto-Vigo High-Speed Rail Link	The scheme is one of six high-speed rail links (total investment value of around €9bn) planned for Portugal.
Rail	Pre-Approval	N/A	Lisbon-Faro High-Speed Rail Link	The scheme is one of six high-speed rail links (total investment value of around €9bn) planned for Portugal. The link would connect Lisbon with Faro in the Algarve.
Rail	Pre-Approval	2,600	Faro-Huelva High-Speed Rail Link	The scheme is one of six high-speed rail links (total investment value of around €9bn) planned for Portugal. The link would connect Faro in the Algarve with Huelva in Spain.
Rail	Pre-Approval	2,200	Aveiro-Salamanca High-Speed Rail Link	The scheme is one of six high-speed rail links (total investment value of around €9bn) planned for Portugal. The 170km extension would connect Aveiro with Salamanca in Spain.
Rail	Pre-Approval	2,100	Lisbon to Pombal Rail Link	This forms part of the Portuguese government's €8.5bn rail PPP programme. Five separate rail links are included under the programme with another project focusing on the associated signalling and telecommunication.
Rail	Pre-Approval	1,700	Pombal to Porto Rail Link	This forms part of the Portuguese government's €8.5bn rail PPP programme. Five separate rail links are included under the programme with another project focusing on the associated signalling and telecommunication.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Pre-Approval	1,600	Lisbon to Poceirao High-Speed Rail Link	This forms part of the Portuguese government's €8.5bn rail PPP programme. The Portuguese Government will contribute around 36% of the total project funding, while European funds will contribute a further 19%. The private sector would be expected to fund the remaining 55% of the project costs and would be reimbursed through a "mixed-payment mechanism". Under the structure 95%-99% of the concessionaire's revenue would be covered via annual availability payments. The rest of the revenue would be related to the number of train's using the line, which exposes the concessionaire to some demand risk.
Rail	Pre-Approval	900	Braga to Valenca Rail Link	This forms part of the Portuguese government's ambitious 8.5bn rail PPP programme. Five separate rail links are included under the programme with another project focusing on the associated signalling and telecommunication.
Rail	Pre-Approval	600	Valenca "Lisbon" Caia Signalling and Telecommunications	This forms part of the Portuguese government's ambitious 8.5bn rail PPP programme. Five separate rail links are included under the programme with another project focusing on the associated signalling and telecommunication.
Rail	In Tender	1,700	Poceirao to Caia High-Speed Rail Link	The project is part of the EU's plan to develop a Trans-European Network (TEN) of transport links across Europe. The scheme is one of six high-speed rail links (total investment value of around €9bn) planned for Portugal. The link would help to connect Lisbon with Madrid. The rail line will carry both passengers and cargo and should be operational by 2013.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	240	Ribatejo Highway Concession	This concession will require two new stretches of road. The concessionaire will also operate 36km of existing highway. The concession will use a mixed-toll structure with the successful bidder remunerated in the form of availability payments from EP, as well as real toll payments.
Roads	Pre-Approval	N/A	Lezira do Tejo Highway Concession	EP is seeking a private sector partner to construct 74km of new road for the DBFOM project. The project has been split into three sections. The concession will use a mixed-toll structure with the successful bidder remunerated in the form of availability payments from EP as well as real toll payments.
Roads	In Tender	740	Auto-Estradas do Centro	The future SPV will be responsible for a DBFM contract that includes the construction of around 177km of greenfield roads in addition to the refurbishment and maintenance of close to 183km of existing roads.
Roads	In Tender	772	Pinhal Interior Highway Concession	EP is seeking a private sector partner to construct 173km of new road as part of the project. The greenfield portion of the project has been split into five sections. In addition to the €706m greenfield construction portion, the private sector partner will refurbish around 135km of existing motorway for a total of €66m. A further 259km of existing road will also be operated by the future concessionaire.
Roads	In Finance	N/A	AE Centro Highway Concession	The future SPV will be responsible for a DBFM contract that includes the construction of around 177km of greenfield roads in addition to the refurbishment and maintenance of close to 183km of existing roads.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	On Hold	165	Lisboa Norte (IC11) Real Toll Road	This project is one of five real toll schemes that make up the second tranche of Portuguese road concessions. The project entails a 30-year concession to develop a 27km toll road to be known as the IC11 under a DBFO scheme.
Roads	On Hold	800	Mira-Mangualde (IC12) Real Toll Road	The IC11 Mira-Mangualde road runs from the Costa de Prata to the IP5 through the middle of Portugal. The project is currently under evaluation for tender by the Portuguese Government.
Roads	On Hold	N/A	Mafra - Malveira - Ericeira Real Toll Road	The project is currently under evaluation for tender by the Portuguese Government.
Roads	Closed	1,040	Douro Litoral Real Toll Road	Four sections of new-build motorway around will be managed and operated by the concessionaire. The project will be offered as to the preferred bidder as a 30-year concession.
Roads	Closed	1,400	AENOR (Northern Toll Road)	This project concerns the design, build, finance, maintenance and operation of a highway in Northern Portugal.
Roads	Closed	550	Auto-Estradas do Atlantico (Western Real Toll Road)	This was the second project in the first tranche of two real toll road projects commissioned by the Portuguese government.
Roads	Closed	725	Beira Interior (IP6/2) SCUT	This project was the first SCUT (DBFO shadow toll road concession) in a first tranche of six projects.
Roads	Closed	665	Interior Norte (IP3) SCUT	This project was the second SCUT (DBFO shadow toll road concession) in a first tranche of six projects.
Roads	Closed	324	Algarve SCUT	This project was the third SCUT (DBFO shadow toll road concession) in a first tranche of six projects. The project involves constructing dual carriageway all along the route of the 131km road which links the Algarve at Lagos to the Spanish border.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	672	Grande Porto SCUT	This project was the fourth SCUT (DBFO shadow toll road concession) in a first tranche of six to come to the market. The 66km Grande Porto SCUT will provide a network of roads to the North and East of Porto, divided into four parts.
Roads	Closed	414	Costa de Prata SCUT	This project was the fifth SCUT (DBFO shadow toll road concession) in a first tranche of six to come to the market. The 30-year concession will see the new build of 101km of road with 64km of widening on the outskirts of Porto.
Roads	Closed	925	Beira Alta/Litoral (IP5) SCUT	This project was the sixth SCUT (DBFO shadow toll road concession) in a first tranche of six projects. The project involves the construction of the 180km IP5 road which runs east to west across the mountains through northern Portugal to Spain and is valued at around €1bn.
Roads	Closed	795	Centro Litoral (ICI) Real Toll Road	This project is one of five real toll schemes that make up the second tranche of Portuguese road concessions. The Centro Litoral Toll scheme involves the DBFO of 94.8km of new road.
Roads	Closed	154	Grande Lisboa (IC16/IC30) Real Toll Road	This project is one of five real toll schemes that make up the second tranche of Portuguese road concessions. The second tranche also contains one SCUT (shadow toll) project. The scheme is divided into two parts. The concession period for this group of roads is 30 years.
Roads	Closed	475	Baixo Tejo (IC3/IC12) Real Toll Road	This project concerned the upgrade and maintenance of the Baixo Tejo highway. The sub-concession has been split into four sections.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	442	Norte Litoral SCUT	This is the only SCUT (shadow toll road) project included within the second tranche of Portuguese road concessions which also covers five real toll road schemes. The Norte Litoral SCUT involves the DBFO of 37km of new road 89km of maintenance and major repairs.
Roads	Cancelled	60	Leiria (IC36) Ring Real Toll Road	The Leiria ring road is 10km long and is to be procured as a real toll road. Leiria is Portugal's fifth largest city.
Roads	Closed	350	Azores SCUT	This will form part of the Government's shadow-toll, or SCUT programme. The motorway will run from the north and down the entire eastern side of Sao Miguel Island.
Roads	Closed	538	Baixo Alentejo Highway	This is a DBFMO contract to upgrade and maintain around 344km of the Baixo Alentejo highway. The sub-concession has been split into three sections.
Roads	Closed	285	Via Expresso SCUT (Madeira)	The 100km road project is one of the three SCUTs in Madeira and the Azores and is not included in the national roads programme.
Roads	Closed	500	Transmontana Highway	This is a DBFO project for 181km of the Transmontana highway in the north-east of Portugal. The sub-concession has been split into three sections.
Roads	Closed	889	Douro Interior highway	The Douro Interior project is a DBFO project, procured on a real toll basis with the successful bidder being remunerated in the form of availability payments. This project is expected to be operational by January 2012.
Roads	Closed	150	Algarve Litoral Highway	The 285km project includes the upgrade and maintenance of around 257km of road in addition to 28.4km of greenfield construction and maintenance. The highway project is structured as a sub-concession. The sub-concession will use a shadow toll structure with the successful bidder remunerated in the form of availability payments.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	670	Litoral Oeste	This is a project to construct, operate and maintain the IC2 IC9 and IC36 highways, along the western coast of Portugal's Centro region. Construction should be completed in 2011.
Roads	Closed	493	Marao Tunnel and Highway	The concessionaire will design, build, finance, manage and operate a 30km stretch of road. It is understood that 6km of the new 26km tranche will require a tunnel.
Water/Wastewater	In Tender	N/A	Evra Water Treatment Plant	There will be two systems of potable distribution to residences in the Evra region, and any wastewater from these residences will be treated in the plant.
Water/Wastewater	In Tender	N/A	Horta Wastewater Treatment Plant	The municipality of Horta on the Azores Islands is seeking a private partner to design, build, manage and operate the wastewater treatment facility, which will treat residual waste water from residential housing in the municipality. The concession will last for 30 years.



# REPUBLIC OF IRELAND

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	N/A	Drogheda Circuit and District Court Building	The project involves the creation of a new Circuit and District Court building for Drogheda.
Accommodation	Pre-Approval	N/A	Limerick District Court	The project involves plans for a new District Court. The Prison Service is to make available a site free of charge.
Accommodation	Pre-Approval	N/A	Cork District Court Building	The project involves the provision of additional accommodation for the District Court in Cork.
Accommodation	Pre-Approval	N/A	Waterford Courthouse	The current project envisages a mixed development with office space for the Office of Public Works.
Accommodation	Pre-Approval	N/A	North Kildare Circuit and District Courts	The project involves building to accommodate Circuit and District courts and offices. Work will commence to identify a suitable greenfield site.
Accommodation	Pre-Approval	N/A	Swords Court	The project involves providing new courthouse accommodation in Swords, county Dublin.
Accommodation	Pre-Approval	N/A	Letterkenny Courthouse	The project may involve selling the existing courthouse and constructing a new Court facility on greenfield site. This will be subject to evaluation and consultation with local Judges local practitioners and staff.
Accommodation	Pre-Approval	N/A	Wicklow Courthouse	Following assessment, if it is ascertained that future requirements cannot be met on the existing Courthouse site it is proposed to develop a new Courthouse on a greenfield site by way of a PPP.
Accommodation	Pre-Approval	N/A	Magee Barracks PPP	Kildare County Council is seeking a private sector partner for its Magee Barracks development PPP project. The Barracks will be located on a 64-acre site close to the centre of Kildare Town.
Accommodation	In Tender	N/A	The Grange Housing PPP	The housing PPP at the Grange Clondalkin aims to deliver a new neighbourhood of mixed tenure on 85 acres of land.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Construction	N/A	National Conference Centre	Project to provide a National Conference Centre in Dublin. It will involve the design, build, finance, maintenance and operation of the project. The estimated value is €20-€50m and the estimated operational date is late 2010.
Accommodation	Closed	100	Dublin Criminal Court Complex	The project involves the construction of a new Criminal Court Building in Dublin by means of a PPP.
Accommodation	Closed	263	Dublin International Conference Centre	The projects involve a design build and lease back arrangement for a conference centre including a hotel facility. There are also plans to potentially build a new €30m train station.
Accommodation	Cancelled	N/A	Wexford Courthouse	The project involves the construction of a court building in Wexford Town Ireland.
Education	Pre-Approval	N/A	Irish Schools Bundle 3	The bundle will take the form of a 25-year DBFM contract to build new schools which are expected to be operational by late 2012.
Education	Pre-Approval	555	Post Primary and New Primary Schools PPP Programme	The Minister for Education and announced a list of schools to be procured as PPPs. Exact bundles to be determined at a later stage.
Education	Pre-Approval	1000	Grangegorman Redevelopment Scheme	This €1bn plus project will see the relocation of the Dublin Institute of Technology (DIT) to a new campus. Funding for the scheme is to come from three sources; traditional government backing , PPP agreements and leveraging off the DIT's property portfolio.
Education	Pre-Approval	N/A	Third Level Education PPP Programme	The Minister for Education and Science announced a plan to develop 17 major buildings and development projects for tertiary education institutions across Ireland through a PPP over the next five years. The programme will be procured as a series of bundled projects. The NDFA is seeking a financial advisor for bundles 1 and 2 of the third level PPP programme. The NDFA also requests that tenderers submit bids for the remaining bundle(s).

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	N/A	Irish Schools Bundle 2	This is the second bundle of the Republic's €320m schools PPP programme. All together 23 new post-primary schools and four new primary schools are to be developed in four or five bundles. In total the planned new schools will accommodate 4 300 pupils.
Education	In Tender	N/A	University College Dublin Gateway Project	With 120 000m2 of floor space the Gateway project will include various student facilities and a major new road network entry regime. Significant infrastructural changes are also proposed as part of the development.
Education	Closed	68	Cork School of Music	The project comprises construction of the new School of Music. The project company will also equip and operate the complex.
Education	Closed	56	Five Grouped Post Primary Schools	The Department of Education and Science piloted a bundle of five post primary schools procured on a Design Build Finance and Operate basis with a twenty five year concession period. Following publication of an OJEC Notice in June 2000 seeking Expressions of Interest in the education projects twelve companies expressed interest in the five new post-primary schools. Jarvis Projects Ltd was selected as the preferred bidder for the project in March 2001.
Education	Closed	51	National Maritime College	The NMC is to be procured by the Department of Education & Science in conjunction with the Cork Institute of Technology (CIT) and the Irish Naval Service (INS). The NMC has been procured under a design build finance and operate contract to build a new facility which will provide training facilities.
Education	Closed	300	Irish Schools Bundle 1	This is the first bundle to be released under the Irish Schools plan announced in September by the Minister for Education and Science. Under the programme €320m will be spent on 23 new post-primary schools and 4 new primary schools in the period between 2005-2009. Completion estimated for late 2010.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Government & Policy	In Finance	N/A	Ireland Government Office PPP	The project involves the design, building, finance and maintenance of decentralised government office buildings of the Departments of Agriculture Education and Enterprise Trade and Employment.
Healthcare	Pre-Approval	110	ERHA Nine Community Nursing Units	The ERHA proposes to develop 9 fifty bedded CNU's 3 in each of the Area health Boards. The Public Sector Benchmark (PSB) for the ERHA project is currently being considered by the Dept. of Finance (June 04). Once approval is received from the Dept. of Finance to proceed to the next stage the tenders will be launched.
Healthcare	Pre Approval	100	SHB Eight Community Nursing Units and Central Services Unit	The Southern Health Board proposes to develop 8 fifty bedded CNU's. The Public Sector Benchmark (PSB) for the Southern Health Board project will be submitted to the Dept. of Finance in June 2004.
Healthcare	Pre-Approval	N/A	Radiation Oncology Services PPP	The project involves the national revamp and reorganisation of radiation oncology treatment services.
Leisure	Pre-Approval	N/A	Abbey Theatre – Dublin	Situated in Dublin's Docklands the new development will include a new playhouse. Operation of the new theatre will be the responsibility of the Abbey Theatre, Amharclann na Mainistreach, who operate and manage the current Abbey Theatre.
Leisure	In Tender	N/A	National Concert Hall (NCH) Dublin PPP	The National Concert Hall (NCH) is to be redeveloped through a DBFM PPP on its current site at Earlsfort Terrace in Dublin. The NDFA and CPW are acting on behalf of the Department of Arts Sport and Tourism (DAST) with NDFA providing financial advice.
Light Rail	Pre-Approval	1000	Dublin Metro West	The project will be procured as a PPP. A market consultation process will now begin for the next year and it is expected that a tender for the project will be released in the latter half of 2008. The RPA is hoping to award the contract in 2009. The project will include a new bridge over the Liffey.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Pre-Approval	1000	Dart Underground	A tunnel which will provide for a second Dart line.
Light Rail	Pre-Approval	1000	Lucan Luas	A Luas tram line from Dublin city centre to the suburb of Lucan.
Light Rail	In Tender	700	Dublin Metro North	The Metro North project will be procured under two contracts the first of which has a DBFM structure and will cover all the infrastructure and rolling stock. The operator will in effect be a sub-contractor of the DBFM contract holder until commissioning and thereafter will become a separate contract.
Ports	In Tender	N/A	Kinsale Marina Development DBFO	Kinsale Town Council is seeking a private sector partner to design build finance and operate (DBFO) a new marina, ancillary works and facilities
Ports	In Construction	N/A	Redevelopment of Greystones Harbour Area	The scheme involves the redevelopment of the harbour area of Greystones, including residential and commercial units, redevelopment of the harbour, provision of a marina, sea defences on the south beach and other social infrastructure. The project's value is estimated at €20-€50m and it should be operational by mid 2010.
Prisons	Pre-Approval	N/A	Munster Prison Project	Development of adult male and female prison. Estimated value is between €50m-€250m.
Prisons	In Finance	400	Thornton Hall Prison Development	The project proposes a prison to be developed at Thornton Hall North County Dublin through a PPP financed route. It is expected to provide 1200 prisoner cells on a 150 acre site.
Rail	Pre-Approval	N/A	Interconnector Rail Project	Irish Rail is procuring the Interconnector a 5.2km twin bore heavy rail electrified tunnel in Dublin's city centre comprising five underground stations connecting the Belfast line to the Cork line.
Roads	Pre-Approval	0	N7 Nenagh to Limerick	This project lies on the N7 Limerick to Dublin route and will involve the construction of a 38 km stretch of road. This project is at pre-approval stage (Jan 04) and is understood to be under review by the NRA. The project is unlikely to come to the market prior to 2005.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In-Tender	150	N11 Arlow/ Rathnew Road	This project involves the design, construction, operation, maintenance and financing of approximately 16.5 kilometres of dual carriageway in County Wicklow together with several kilometres of associated side roads and link roads.
Roads	In Tender	N/A	Gorey Enniscorthy/ N25 New Ross	This will involve the design and construction of the M11 Gorey Enniscorthy/ N25 New Ross by-pass.
Roads	In Tender	1000	Irish Motorways N17/N18 (Gort – Tuam)	To develop and operate the N17/N18 motorways (Gort to Tuam) a total of 57km of dual carriageway as well as a service area.
Roads	In Tender	N/A	Irish Motorway Service Stations (M1 & M4)	This is Tranche I of Ireland's motorway service area PPPs. The first phase of the project has an estimated capital value of €30m to €40m and involves the construction of four service areas on the M1 motorway and two on the M4. The concession is likely to be 15 years. The completed service areas will include parking fuel toilets Garda facilities and restaurant/food outlets.
Roads	Closed	300	N25 Waterford By-Pass	The Project is a by-pass of Waterford City and includes a new river crossing of the River Suir. There will be a new connection between the by-pass and the industrial areas south-west Waterford. Estimated date of operation is late 2010.
Roads	Closed	270	N7 Limerick Southern Ring (Phase II)	The project connects Limerick with the Dublin road. The project will incorporate an immersed tube tunnel crossing of the River Shannon. Estimated date of operation - 2010.
Roads	Closed	575	M3 Clonee – Kells	The scheme is part of tranche II of the PPP Roads programme and lies on the Monaghan to Dublin route. The scheme has a 45-year concession period and is expected to be operational by late 2010

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	400	N6 Galway to East Ballinasloe	The N6 Galway to East Ballinasloe PPP will commence in Galway and terminate in Roscommon. The new N6 will allow traffic to bypass several towns. This project is also to include the installation operation and associated financing of a toll collection system. The authority may extend the DBFO to other parts of the national road network. The scheme is expected to be in operation by late 2010.
Roads	Closed	350	M7/M8 Portlaoise – Castletown – Culahill	This initially consisted of two schemes that have been combined as one, which will be procured as a single scheme. The scheme is expected to be operational by late 2010.
Roads	Closed	136	N8 Rathcormac-Fermoy Bypass	The area for development lies on the N8 Cork to Dublin route. The road is part of the trans-European network (TEN) system of roads. Costs will be reimbursed to the private sector partner through the collection of tolls.
Roads	Closed	40	M50 Second Westlink Bridge	The current project involves the construction of a second bridge crossing at West-Link which will run along side the existing bridge crossing. The project was completed and opened in summer 2003.
Roads	Closed	233	N4/N6: Kilcok – Kinnegad	This scheme was included as one of the projects approved under Tranche II of the PPP Roads programme as announced by the NRA in June 2000. The project involves the construction of 39 km of motorway from Kinnegad to Kilcock and is an extension of the Kilcock-Maynooth-Leixlip motorway on the N4/N6 Sligo/Galway to Dublin route. It by-passes the towns of Enfield and Kinnegad. The contract was awarded to Eurolink in March 2003.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	150	N1/M1 Dundalk Western By-Pass	The project will involve the construction operation and maintenance of an 11km stretch of road forming part of the N1/M1 national primary route. The project to be procured will also include the operation and maintenance of existing motorway. The Celtic Roads Group was selected as preferred bidder in late October 2003. The project reached financial close on 9/2/04.
Roads	Closed	600	M50 Upgrade PPP	The M50 scheme involves the design, construction, operation, maintenance and financing of upgrades to the M50 motorway. The scheme is expected to be operational in late 2010.
Social Housing	Pre-Approval	N/A	Jamestown Road Development	Development of affordable housing. The estimated value of the project is €20m-€50m.
Social Housing	Closed	N/A	Cherry Orchard Housing Project	This is a high density, affordable housing scheme. The development will consist of 374 residential units together with childcare facility. 30% will be sold to Dublin City Council at cost and will be sold on as social affordable housing and the remaining 70% will be sold on the private market. Now in construction.
Social Housing	In Tender	N/A	Carney Housing PPP Project	The project involves the development of a site in county Sligo for the provision of residential housing including social housing affordable housing and private housing. The project is being procured on a PPP basis.
Social Housing	In Tender	N/A	Ballinode Housing Project Sligo	The scheme plans to develop a site of around 37 acres at Ballinode through a PPP. The site will be developed for residential purposes together with community facilities commercial development and a significant parkland element.
Social Housing	Closed	35	Fatima Mansions Housing Regeneration Project	This project is one of the largest housing projects currently being undertaken by Dublin City Council. Involving the demolition and re-development of social housing.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Urban Regeneration	Funded	180	O'Devaney Gardens Urban Regeneration PPP	The project will see the demolition of 278 flats in 13 blocks at the O'Devaney Gardens Flat Complex to be replaced by about 820 units.
Urban Regeneration	Cancelled	N/A	U2 Tower PPP Project Dublin	The project involves construction of approximately 20 000m <sup>2</sup> of residential space and will include a recording studio for U2. It also includes the adjacent Britain Quay development which will contain a mix of uses including leisure residential commercial arts and cultural facilities.
Water/Waste Management	Pre-Approval	N/A	Donegal A Sewerage Scheme	The project is comprised of three individual schemes for towns in county Donegal. Costs are estimated between €50-€250m.
Water/Waste Management	Pre-Approval	N/A	Donegal B Sewerage Scheme	The project is for two individual schemes in county Donegal. Costs are estimated between €20-€50m.
Water/Waste Management	Pre-Approval	N/A	SE Region Joint Waste Management Plan	This project involves a scheme to provide infrastructure to cater for the South-East region's waste management needs. Estimated value of the project is €50-€250m.
Water/Waste Management	In Tender	464	Southern Waste Management Partner	To treat residual municipal waste and to provide associated services (which may include the management sale and/or disposal of waste outputs). The partner will be responsible for the operation and maintenance of the facilities for the duration of the 25 year contract. Construction of the new facilities is anticipated to take three years and be completed in 2012.
Water/Waste Management	In Tender	20	Fingal Landfill PPP	To develop and operate new landfill and associated waste management infrastructure in Fingal in accordance with the Waste Management Plan for the Dublin Region on a PPP basis.
Water/Waste Management	In Tender	N/A	Arklow Water Treatment Scheme	A DBO for a water treatment plant. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Shanganagh Sewerage Scheme	A DBO for a water treatment plant. Estimated value of the project is €50m-€250m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Water/Waste Management	In Tender	N/A	Thurles Regional Water Supply Scheme	A DBO for a water treatment plant. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Waterford Grouped Towns and Villages	A DBO for water treatment plants across Waterford county. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Letterkenny Sewerage Scheme	A project for a waste water treatment plant. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Gweedore Sewerage Scheme	A project for a waste water treatment plant. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Portrane/ Donebate Sewerage Scheme	A project for a waste water treatment plant. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Navan-Mid Meath Water Supply System	A project for a waste water treatment plant. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	Barrow Water Abstraction Scheme	Extraction and treatment for water from the river Barrow. Estimated value of the project is €20m-€50m.
Water/Waste Management	In Tender	N/A	County Galway Landfill PPP	To develop and operate a new landfill in accordance with the Connaught Waste Management Plan on a public private partnership basis.
Water/Waste Management	In Tender	100	Ballyogan Biological Treatment Facility (DUBLIN)	The Dublin Biological Project is estimated to be valued at up €100m over its concession period. It involves: – the DBFMO of a biological treatment, taking over the operation and maintenance of an existing baling transfer station and civic recycling facility;- management and monitoring of the closed Ballyogan Landfill and the management and compliance with the waste licence.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Water/Waste Management	In Tender	N/A	Kilshane Biological Treatment Facility (DUBLIN)	The project involves the DBFMO of Biological Treatment Facility in Kilshane that has construction costs worth approx. €15m. This project is being carried out under an independent contract from the similar-sized Ballyogan PPP although together they compose the Dublin Biological Project. The Dublin Biological Project is estimated to be valued at up €100m over its concession period.
Water/Waste Management	In Construction	N/A	Meath Grouped Village Sewerage Scheme	The Scheme consists of Waste Water Treatment Plants for Dunleek, Athboy, Kilmainham Wood, Summerhill, Moynalty, Rathmoylan and Rathcairn. They will have the capacity to cater for a PE of 5,000. The project has a value of €20-€50m and is due for completion in early 2010
Water/Waste Management	In Construction	N/A	Mullingar Sewerage Scheme	The treatment plant is part of the Mullingar main drainage scheme. When complete it will have the capacity to cater for a PE of 30,000 rising to 55,000 within the next three years. The project has a value of €50-€250m and is due for completion in late 2009.
Water/Waste Management	In Construction	N/A	Wicklow Sewerage Scheme and Sludge Treatment Centre	The treatment plant, which is the DBO element of the scheme, will be sited outside Wicklow Town. It will cater for Wicklow Town and Ashbourne and have the capacity to cater for a population equivalent of 34,000. The project has a value of €20-€50m and is due to complete in late 2009.
Water/Waste Management	In Construction	N/A	Dublin Waste to Energy Scheme	The scheme will extract energy from the incineration of municipal waste. Its estimated value is €250-€500 and it is due to complete in late 2010.
Water/Waste Management	In Construction	N/A	Portlaoise Sewerage Scheme	This treatment plant is part of the Portlaoise Main Drainage Scheme. Its value is estimated as €20-50m and it is due for completion mid 2009.
Water/Waste Management	In Construction	N/A	Waterford Main Drainage	The treatment plant is the DBO element of the scheme. When completed it will have the capacity to cater for a PE of 100,000. Estimated value is €50m – €250.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Water/Waste Management	In Construction	N/A	Clareville Water Treatment Scheme	The scheme will cater for the potable water for Limerick and its environs. Estimated values is €20m - €50m
Water/Waste Management	Closed	N/A	Sligo Main Drainage	This treatment plant is part of the Sligo Main Drainage scheme. Estimated value of the project is €20-€50m.

# ROMANIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Air	In Finance	45	International Airport Bacau	A 35-year concession contract was concluded on 19 January 2009 and awarded by the Bacau County Council to a Bucharest-based provider of passenger airline services for the improvement and operation of the International Airport “George Enescu” Bacau. At a cost of approximately €45 million, the concessionaire will upgrade and modernise the runways, extend the passenger terminal, create a new baggage handling system and generally upgrade the airport to international standards. This innovative project aims to increase tourism to Moldavia.
Air	Pre-Approval	N/A	International Airport in Saulesti, Deva.	In May 2009, plans for the construction of an international airport located in Saulesti, Deva, by way of PPP contract were unveiled. Phased over 20 years the capacity of the airport will increase from an initial 100,000 passengers per year to over 1 million. Works include construction of a 2,000-metre runway capable of taking Boeing 737s, an aircraft hangar and passenger terminal. The Hunedoara County Council will provide the land.
Healthcare	Pre-Approval	90	Bucharest Fundeni Clinical Hospital	This project has been announced but its notification has not yet been formally issued. The concessionaire should be in charge of refurbishing, operating medical services and financing the existing Fundeni clinical hospital in Bucharest. The envisaged duration of the PPP is 30 years.
Healthcare	In Tender	59	Timisoara Clinical City Hospital	The project entails the partial refurbishment and development of the new city hospital in Timisoara. The concessionaire will have both to build, provide equipment and carry out several health services.
Healthcare	In Finance	N/A	Polizu Obstetric Gynaecology Hospital	In this project the concessionaire will build and manage a private clinic in the existing Polizu Hospital. Construction will last 12 months. The concessionaire will also provide supplementary medical services, such as ambulatory services, diagnostic and imagery services, one-day surgeries and others. The duration of the PPP is expected to be 25 years.
Roads	Pre-Approval	380	Ploiesti Comarnic Highway	The preparation study is currently being drafted by the State’s consultants.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	1,260	Sibiu-Pitesti Highway	N/A
Roads	Pre-Approval	1,050	Targu Mures-lasi Highway	N/A
Roads	Pre-Approval	1,485	Ploiesti-Sculeni Motorway	The project has been announced but its notification has not yet been formally issued.
Roads	Pre-Approval	420	Oraste-Sibiu Motorway	The project has been announced but its notification has not yet been formally issued.
Roads	Pre-Approval	N/A	Ploiesti–Buzau–Focsani Motorway, Romania	<p>The Romanian Ministry of Transport, Construction and Tourism has proposed a PPP project to build, operate and transfer a motorway between Ploiesti–Buzau–Focsani. The motorway is a pilot PPP for Romania.</p> <p>This project will link two towns, Ploiesti and Buzau, which lie in the region of Wallachia, with Focsani in Moldavia.</p>
Roads	In Tender	N/A	Odjula-Focsany Road	
Roads	In Tender	N/A	Ploiesti-Brasov Highway	The 108km, Ploiesti-Brasov highway links Ploiesti in the central region of Wallachia with Romania's eighth largest city, Brasov and is valued at around €1.5bn. Originally procured via the traditional design-build approach, the project is now being procured via the PPP route. One consortium is known to be looking to participate in the tender.
Roads	In Tender	480	Bucharest to Brasov Motorway (Comarnic to Predeal Section)	This project is one of seven priority transport projects in the Romanian US\$3bn infrastructure programme published in Feb 2002. The Romanian government decided to use PPP in early 2002 for 3 sections of the Bucharest to Brasov motorway and launched a tender for bids. The deal is based on an availability payment mechanism with no traffic risk. A concession agreement was signed on 18/10/04.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Tender	5,000	Bucharest to Brasov Motorway (Bucharest to Ploiesti Section)	This project is one of seven priority transport projects in the Romanian US\$3bn infrastructure programme published in Feb 2002. The Romanian government decided to use PPP in early 2002 for 3 sections of the Bucharest to Brasov motorway and launched a tender for bids. The 62km section from Bucharest to Ploiesti includes 8 bridges, 5 rail crossings and 15 crossings with other roads.
Roads	In Tender	310	Bucharest to Brasov Motorway (Predeal to Brasov Section)	This project is one of seven priority transport projects in the Romanian US\$3bn infrastructure programme published in Feb 2002. The Romanian government decided to use PPP in early 2002 for 3 sections of the Bucharest to Brasov motorway and launched a tender for bids. Construction costs amount €118m, financial and management costs €229m. The deal is based on an availability payment mechanism with no traffic risk. There are two other sections currently in procurement.
Roads	In Finance	200	Bucharest-Pitesti Motorway	This motorway links the capital with the city of Pitesti, in the south-east part of the country and is a redevelopment and upgrade project.
Roads	In Finance	1,000	Cormarnic to Brasov Highway	<p>Romania's National Roads and Highways Company (CNADNR) has tendered for a concessionaire to finance, build and maintain the 58km highway over a 23- to 25-year period. The project will include a number of bridges and viaducts.</p> <p>Financial close of the project is expected by the end of 2008 with construction commencing at the start of 2009. The project is expected to be completed by 2011.</p> <p>In July 2009, the ministry of transport announced that it will sign a contract with its preferred bidder in August. The ministry of transport had deemed the bid of another bidder inadmissible and the project has suffered delays as the decision was challenged through the courts. With a Bucharest court of appeal judgment in its favour, the project can now proceed to contract signature. Estimated construction costs are €1.2 billion.</p>

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	On Hold	N/A	Piatra Neamt Waste Management	At the moment the project for the second ecological deposit is on hold.
Waste Management	Pre-Approval	22	Bacau Waste PPP	To develop of a €22m solid waste management system in the Romanian municipality of Bacau. An €800,000 contract will call for a technical advisor to assist the municipality in preparing the required concession documentation and is set to be awarded in the first quarter of 2009. It is expected to last for a year.
Waste Management	Pre-Approval	N/A	Dambovita Waste Management	The awarding documentation for services concession contracts/project is under approval.
Waste Management	Pre-Approval	N/A	Galati Waste Management	The structure of the PPP project is under discussion.
Waste Management	Pre-Approval	N/A	Bacau Waste Management	The ecological deposit is under construction, financed with ISPA funds. After the construction, the PPP project will be implemented.
Waste Management	Pre-Approval	N/A	Teleorman Waste Management	The awarding documentation for services concession contracts/project is under approval.
Waste Management	Pre-Approval	N/A	Arges Waste Management	The ecological deposit is under construction with ISPA funds. After the construction, the PPP project will be implemented.
Waste/ Waste water	In Finance	11.2	Sanandrei Sewage System Project	Development and Management of a sewage system in Sanandrei, Timis County. The sewage system is under construction.
Waste/ Wastewater	In Finance	132	Apa Nova Water Treatment Plant	The project entails the construction of a Water Treatment facility in Bucharest, improvement of the water distribution network and completion of the Crivina water-treatment plant in Bucharest.



# RUSSIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports	In Finance	1,400	Pulkovo Airport PPP	The St. Petersburg municipal authorities are seeking a private company to operate Pulkovo Airport under a 30 year concession. Over five million passengers used Pulkovo Airport in 2006 and it is anticipated that by 2025 it will handle 17 million passengers.
Light Rail	In Tender	900	Nadzemny Express HSL Rail	This 30km high-speed light rail system will run from west to east St Petersburg with the private partner transferring all fare revenue to the city. Shortlisted pre-qualified applicants should be announced in May and a bid instruction document will be issued in the same month. Bids must then be submitted by November and a preferred bidder should be known in December. The PPP contract will last for at least 30 years and the Nadex should be operational between 2009 and 2012.
Ports	Pre-Approval	N/A	St Petersburg Port	N/A
Ports	Pre-Approval	N/A	Novorossiysk and Murmansk Port	N/A
Ports	Pre-Approval	N/A	St Petersburg	This project may be procured as a PPP.
Rail	Pre-Approval	N/A	High Speed Moscow - St Petersburg Railroad	This project may be procured as a PPP.
Rail	Pre-Approval	N/A	St Petersburg - Buslovskaya Railroad with Modernisation of St Petersburg - Helsinki	This project may be procured as a PPP.
Rail	Pre-Approval	N/A	Kyzyl - Kuragyno Railroad	This project may be procured as a PPP.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Finance	1,500	Moscow - St Petersburg High Speed Toll Road	Toll road for the first segment (15-58km segment) of planned Moscow to St Petersburg connection. The road will complement the existing portion of the M-10 road. To be procured under PPP model with a 30 year concession. The Ministry of Transport's Federal Road Agency are developing the project but the Russian Federation will grant the concession. US\$960m (€645m) has been requested from the Investment Fund of Russia.
Roads	Pre-Approval	N/A	Moscow Region Ring Road	The project entails the development of ring road around Moscow. The government has approved plans for the project and a tender is expected shortly.
Roads	Closed	420	Moscow to Minsk M1 Motorway	The project entails the construction of a toll road link between the forthcoming Moscow ring road and the existing motorway (Federal Road M-1) to Minsk. The government has approved plans for the road project and a tender is expected shortly.
Roads	In Finance	5,000	St. Petersburg Western High Speed Diameter Road (WHSD)	The scheme is planned as a 46.4km toll road which will start south of St Petersburg's ring-road and pass through the Grand Seaport, a proposed ferry passenger terminal, and Pulkovo Airport. The road will connect with road links to the Baltic, Scandinavia and central and eastern Russia. The concession contract is expected to last for 30 years.
Roads	Pre-Approval	N/A	Krasnodar-Abinsk-Kabardinka Toll Road	This project may be procured as a PPP.
Roads	Pre-Approval	N/A	Far Western Krasnodar Bypass Toll Road	This project may be procured as a PPP.
Roads	Pre-Approval	N/A	M-4	Segments (21-117km and 330-465km) may be procured as PPPs.
Roads	Pre-Approval	N/A	Central Automobile Ring Road (CARR) Moscow Region	This project may be procured as a PPP.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	On Hold	830	Orlovsky Toll Transit Tunnel St Petersburg	The Orlovski tunnel is intended to establish the first 24hr road crossing for the Neva river. The tunnel will also provide a direct road exit from the city centre to the ring road and beyond. The tolled tunnel will run approximately 1km under the Neva River in St Petersburg. The total cost is estimated at US\$990m (€665) with US\$330m (€220) requested from the Investment Fund of Russia.

# SERBIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	On Hold	800	Serbian Motorway (Horgos-Belgrade-Pozega)	This is the flagship Serbian toll motorway scheme that will link Horgos on the border with Hungary with Belgrade and then Pozega, the first part of which is, in effect, an extension of the Hungarian M5. The second part of the scheme is a new build road that will link Belgrade to Pozega. The motorway is part of the Trans European Networks (TENs). The EIB and EBRD had been reviewing the scheme and are in contact with the Serbian government. They could potentially provide funding once the scheme proceeds.
Water/Wastewater	Pre-Approval	N/A	Serbian Water PPP Project	The city of Belgrade has estimated that €750m of investment is needed to remedy environmental damage caused by inadequate sanitation and a further €100m to improve water supply levels of service. The overall aim of the project is to improve the level of water and wastewater services through the use of a PPP. The initial phase will involve a strategy report, proposing a recommended structure for the PPP, which will be jointly prepared by the advisory team and the IFC. Subsequent phases of the project are likely to entail procurement of a PPP through an international tender managed by the IFC.

# SLOVAKIA

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	150	Media Centre (Bratislava) PPP	To build a new media centre in Bratislava. The complex, which will bring together the employees of Slovak Television and Slovak Radio in a common building, is to be built in three years time, with the concession contract set to last for 25 years.
Roads	Pre-Approval	2,000	D4 Highway (Bratislava) PPP	To build a 20km bypass around Bratislava. D4 highway project is expected to require investments in the region of €2bn and was previously set to be funded by the state budget in 2011. The private partner could be collecting and retaining toll fees, dispensing with state-backed availability payments.
Roads	In Tender	1,000	D1 Motorway (package II)	The concession concerns a 25km stretch of the D1 highway, linking Hričovské Podhradie to Dubná Skala. The concessionaire will be reimbursed via availability payments with construction and availability risks to be transferred to the private sector. The government will retain demand and traffic risk. It is expected that a euro-based financing will be implemented to match the concession period. The concession contract will last 30 years.
Roads	In Tender	1,000	D1 Motorway (package III)	The concession concerns 29km stretch of the D1 highway linking Hričovské Podhradie to Dubná Skala. The concessionaire will be reimbursed via availability payments with construction and availability risks to be transferred to the private sector. The government will retain demand and traffic risk. It is expected that a euro-based financing will be implemented to match the concession period. The concession contract will last 30 years.
Roads	In Tender	1,000	D1 Motorway (package I)	The sections of the D1 will run from Visnove to Ivachnova for 74.8km. The concessionaire will be reimbursed via availability payments with construction and availability risks to be transferred to the private sector. The government will retain demand and traffic risk. It is expected that a euro-based financing will be implemented to match the concession period. The concession contract will last 30 years.
Roads	Closed	900	Slovakian R1 Expressway	The 51.5km R1 Expressway will connect Nitra and Tekovské Nemce in the southwest of the country and also includes a bypass around Banská Bystrica.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	600	Electronic Road User Charging System (Slovakia)	The electronic tolling system network would cover 2,400km of roads and will be applied to motorways and main roads. The price is expected to be €0.12-€0.18 per kilometre. Satellite technologies were selected.

# SLOVENIA

There is no project list for Slovenia.

# SPAIN

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	43	Pamplona Bus Station (NAVARRA)	The Council of Pamplona in the region of Navarra, Northern Spain, has issued a PPP tender for the construction and management of a new bus station in Pamplona. The capital value of the project is €43m and the concession period can be up to 40 years.
Accommodation	In Tender	N/A	Lleida University Campus PPP	This PPP project involves the design, financing, construction and operation of new student accommodation in Lleida Spain. The 9,500m <sup>2</sup> halls of residence should be completed by September 2010.
Accommodation	Closed	296	Barcelona Judicial Offices (Ciutat de la Justicia)	The project involves a new court complex comprising 11 new buildings, developing the judicial office headquarters for all the courthouses in Barcelona and L'Hospitalet. The deal is notable as it represents Spain's first monoline wrapped non-transport transaction for more than five years.
Airports	In Finance	185	Aeropuerto de Corvera (Murcia)	This 40-year contract will receive €30m in credits from the Murcian autonomous authority. The airport is to be located 23km from the capital in Corvera, and will be the third private airport in Spain.
Airports	In Finance	N/A	Ciudad Real Airport	Aeropuerto de Ciudad Real is Spain's second PPP project in the airport sector.
Airports	Closed	112	Aeropuerto Costa Azahar - Castellón (Valencia)	The project is Spain's first airport PPP, involving development of the Castellón Airport between Benlloch and Villanueva de Alcolea. A formal bid was presented on August 26 2003.
Car Park	In Tender	13	Valencia Car Park	To design, build and operate the 40-year concession which has an estimated value of €13.42m. The car park will be located next to the new hospital in Valencia, Spain.
Education	In Tender	40	Aragon PPP Scheme	The Aragonese Regional Government, via its construction group Suelo y Vivienda, is looking for a financier for the €40m development of two new high schools and four health centres.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	N/A	Vall d'Uixó hospital (Castellon) (VALENCIA)	The regional government of Valencia announced its new €1.1bn healthcare programme, 'Construyendo Salud', in March 2005 as a mixture of government procurement projects and PPPs. At least 5 of the 13 new hospitals will be procured as PPPs.
Healthcare	Pre-Approval	N/A	Hospital de Dénia & Benidorm Hospital (Alicante) (VALENCIA)	The regional government of Valencia announced its new €1.1bn healthcare programme, 'Construyendo Salud', in March 2005 as a mixture of government procurement projects and PPPs. At least 5 of the 13 new hospitals will be procured as PPPs.
Healthcare	Pre-Approval	N/A	Hospital de la Nueva Fe Liñárrica Campanar (Valencia) (VALENCIA)	The regional government of Valencia announced its new €1.1bn healthcare programme, 'Construyendo Salud', in March 2005 as a mixture of government procurement projects and PPPs. At least 5 of the 13 new hospitals will be procured as PPPs.
Healthcare	Pre-Approval	N/A	Padre Jofre Hospital (VALENCIA)	The regional government of Valencia announced its new €1.1bn healthcare programme, 'Construyendo Salud', in March 2005 as a mixture of government procurement projects and PPPs. At least 5 of the 13 new hospitals will be procured as PPPs.
Healthcare	Pre-Approval	N/A	Hospital de Campanar (Valencia) (VALENCIA)	The regional government of Valencia announced its new €1.1bn healthcare programme, 'Construyendo Salud', in March 2005 as a mixture of government procurement projects and PPPs. At least 5 of the 13 new hospitals will be procured as PPPs. This project is moving forward as a PPP.
Healthcare	In Tender	85	Elx-Crevillente & Torrevieja Hospital (Alicante) (VALENCIA)	This project involves the construction of a new hospital and primary health centres in the department of Elx-Crevillent. The annual budget for the programme will be €64.98m.
Healthcare	In Tender	80	Hospital l'Horta/Manises (Valencia) (VALENCIA)	The Manises Hospital will serve 139,000 around the local area and have a 241 bed capacity, as part of the 'Construyendo Salud' programme.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	53	Gandia Hospital (Valencia) (VALENCIA)	The Gandia hospital will be constructed on a DBFO basis with 240 individual beds serving 150,000 people of La Safor, as part of the 'Construyendo Salud' programme. The planning phase will last four months with a further 24 months for construction.
Healthcare	In Finance	43	Hospital del Tajo (Aranjuez) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias 2004-07 healthcare scheme. This 164,000 sqm project will be built in the district of Aranjuez in south Madrid and should serve 73,000 people by 2011.
Healthcare	In Finance	60	Hospital de Valdemoro (Valdemoro) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias 2004-07 healthcare scheme. It is the first PPP hospital project to include clinical services.
Healthcare	In Finance	300	Toledo General Hospital	The new hospital forms part of the region's 2001-2010 health plan and will have a capacity of over 1,000 beds and 36 operating theatres. The new hospital will comprise 11 buildings that replace the three obsolete healthcare centres currently constituting the Toledo Hospital and will cover 364,000m <sup>2</sup> . The construction phase is due to last for 40 months.
Healthcare	In Finance	120	Hospital Torrejan de Ardoz (Madrid)	To design, build, finance and maintain the Torrejan de Ardoz hospital that will have a total of 214 beds and serve a population of 133,144 inhabitants. Construction works for the project are set to last for 18 months.
Healthcare	Closed	100	Hospital del Norte (San Sebastian de los Reyes) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias, 2004-07, healthcare scheme. This 238 bed, 100,000 sqm hospital will be built in San Sebastian de los Reyes, north of Madrid.
Healthcare	Closed	93	Hospital de Henares (Coslada) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias 2004-07 healthcare scheme. This 80,000 sqm hospital will be built in Coslada in East Madrid.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	63	Hospital de Sureste (Arganda del Rey) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias 2004-07 healthcare scheme. This 29,500 sqm project is located in the district of Arganda del Rey in south Madrid.
Healthcare	Closed	71	Hospital del Sur (Parla) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias 2004-07 healthcare scheme. This hospital will serve 150,000 people, and the construction phase is due to last 17 months.
Healthcare	Closed	250	Hospital Puerta de Hierro (Majadahonda) (MADRID)	The project is part of Madrid's Nuevas Infraestructuras Sanitarias 2004-07 healthcare scheme. The new Hospital will serve various areas in the northeast metropolitan area of Madrid and Sierra de Guadarrama.
Healthcare	Closed	233	Hospital Universitari de Son Dureta Palma (MALLORCA)	The project involves a concession for the financing construction operation and maintenance of a new reference hospital for the Balearic Islands - the University Hospital of Son Dureta in Parma de Mallorca. The new hospital will cover 162,000sqm and have 900 bed capacity, with €545m covering the 30-year contract costs of the hospital.
Healthcare	Closed	120	Hospital de Vallecas (MADRID)	This is one of the eight PPP hospitals to be launched by the Comunidad de Madrid under its New Public Health Infrastructure Plan 2004-2010. The new hospital will serve 320,000 people, providing around 300 beds and covering an area of 107,000m <sup>2</sup> .
Healthcare	Closed	232	Burgos Hospital (Castilla y León)	The project involves a new build 678-bed hospital in Burgos, Castilla y León region.
Light Rail	Pre-Approval	178	Malaga Light Rail (Line 3)	The third line of the Malaga LR will be 5.5km long and is likely to be a BOT. The project is still being designed and it will probably come to tender next year.
Light Rail	Pre-Approval	98	Cadiz Light Rail	The project involves a 13km LR between the areas of Chiclana and San Fernando.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Pre-Approval	100	Alicante Tram (L2)	The project involves the delivery of a tram line for the city of Alicante in the Spanish region of Valencia. The Public Administration is now said to be considering the project, but an alternative approach is now under consideration where the public partner is responsible for the construction of the project with the private partner in charge of operating the line under a concession contract.
Light Rail	On Hold	637	Madrid Metro (Metronorte Line)	The project involves the development of a new 12.6km line for the Madrid Metro/Underground with 12 stations. Construction has been tendered under traditional procurement. MINTRA, the Comunidad de Madrid procuring transport infrastructure authority, is still deciding whether to launch this project as a PPP.
Light Rail	On Hold	440	Madrid Metro (Metroeste Line)	The project involves the development of a new 7.5km line for the Madrid Metro/Underground with 8 stations. Construction has been tendered under traditional procurement. MINTRA, the Comunidad de Madrid procuring transport infrastructure authority, is still deciding whether to launch this project as a PPP.
Light Rail	In Tender	292	Madrid Light Rail (T1: Pinar de-Chamartín Sanchinarro - Las Tablas)	The project involves the development of a 10km light rail line in Madrid stretching from Colonia Jardin to Aravaca. The line is expected to be 10km in length and carry approx. 25,000 passengers per day. The tender was launched as a PPP.
Light Rail	In Tender	45	Madrid Metro Line 8 Extension - T4	The extension will link the new terminal (which already has pre-planned concourse) with Barajas Pueblo on Line 8 of Madrid's metro. Construction work was agreed for nine months with a deadline of the first quarter 2007 for the completion and opening of the new metro station.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	In Tender	50	Tenerife Second Light Rail Project	Tenerife's Metro Authority (MTSA) is seeking interested banks to provide financing for a second light-rail line. The MTSA is looking for €50m for a second light-rail line, of which €20m will be a long-term project finance facility and another €15m will cover the equity payment due from the Tenerife Island Government. The MTSA should award the civil works contracts for the new line by the end of November with rolling stock and electrical and mechanical contractors in place by year-end.
Light Rail	In Finance	400	Madrid Light Rail (Central Móstoles to Navalcarnero)	The project involves the development of a light rail line in Madrid. The line is expected to carry approximately 30,000 passengers per day. It will be 15km long and have 7 stations. MINTRA, which is part of the Comunidad de Madrid's transport authority, is the procuring authority for the project.
Light Rail	In Finance	400	Zaragoza Tram Line	The new line will connect Valdespartera, in the southern part of the city, to Parque Goya on the northern side, with over 13km of track and 33 stations. Construction works for the first phase of the line should be ready in 2011 with the remaining stretch to be completed by 2013. It is thought that the line will need around €200m of investment but the exact proportions of public and private contributions will be confirmed once the study has been completed.
Light Rail	In Finance	264	Murcia Tram	Tram project in Murcia. It will run over 18km from the centre of Murcia to the Nueva Condomina commercial zone and the university area. It will have 28 stations and is expected to carry a total of 5.5m in its first year of operation.
Light Rail	In Finance	1,600	L-9 Metro Line (Barcelona)	As it stands only two stretches of the city's future L-9 metro line are set to be procured as PPPs. The concession contract for these two stretches is expected to be signed by the end of the year, with the future SPV being responsible for providing an initial payment of around €773m, corresponding to the total amount of works already finalised. The L-9, covering around 48km and comprising 52 stations, is expected to be operational by 2014.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Funded	138	Parla Tram (Madrid)	The project involves the construction, maintenance and management of a 12km tram link between Parla East and the city centre. Parla is located in the Comunidad de Madrid.
Light Rail	Closed	450	Seville Metro Line	The project involves the development of a 19km metro line in Seville. Financing is to come from the local authority La Junta de Andalucia via the EIB, which is offering a guarantee facility of up to €50m in which commercial banks will participate. In March 2003 the tender was won to carry out construction of the project under a 35-year DBFO concession.
Ports	Pre-Approval	70	Tarragona Port	The Tarragona Port Authority (APT) is looking to begin its procurement process for a new port construction concession. The APT wants to award a 35-year concession to the private sector. The concessionaire will build and operate a new quay and terminal covering around 25 hectares.
Ports	In Tender	1,000	El Gorguel Cartagena Port Expansion	The Port Authority of Cartagena (APC), Murcia, is preparing a new €1bn PPP container dock programme, according to market sources. The new dock will be built in El Gorguel, as the current container port in Santa Lucia has reached its commercial limit. 2015 is the target date for the start of port operations.
Prisons	In Finance	87	Figueres Prison PPP	The Figueres prison complex in the Spanish region of Catalonia, will house 750 inmates and should be ready in the fourth quarter of 2010. The private partner will operate the prison complex and be responsible for hard FM services as well as providing some of the prison's security equipment.
Prisons	Closed	41	Quatre Camins Prison	An SPV has been chosen to build, operate and maintain a new annex for juvenile detention alongside the current prison at Quatre Camins. It will operate and maintain only the hard-FM services over a period of 27-years, upon which the annex will return to the government.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	On Hold	N/A	High Speed Spain Rail Network - AVE Project	The project entails the development of the High Speed Rail Network in Spain. The plan is divided into five main parts, including a €4bn line linking the Madrid-Córdoba-Sevilla line with the cities of Toledo, Granada, Cadiz, Algeciras and Huelva and a €9.7m tender for the installation and a €9bn section linking Madrid with Valencia, Alicante, Castellán and Murcia.
Roads	Pre-Approval	1,113	Toledo-Ciudad Real-N IV Road Project	The project was planned to go to tender during 2004 but has been delayed due to the change in government and environmental concerns.
Roads	Pre-Approval	53	Autovía de la Plana - La Pobla Tornesa to Vilanova - (VALENCIA)	This project is part of the region of Valencia's 2004-10 Infrastructure Plan and may be procured as a PPP/BOT project. The project will see the development of 11 km of road linking La Pobla de Tornesa and Vilanova as an extension of the existing road.
Roads	Pre-Approval	N/A	Autovía l'Olleria - Gandia CV-60 (VALENCIA)	This project is part of the region of Valencia's 2004-10 Infrastructure Plan and may be procured as a PPP/BOT project. Alternatively the project could be funded by the 'Metodo Aleman' whereby the regional government makes one unique payment at contract completion against the delivery of the infrastructure.
Roads	Pre-Approval	N/A	Eje Transversal Villena - Muro de Alcoi (VALENCIA)	This project is part of the region of Valencia's 2004-10 Infrastructure Plan and may be procured as a PPP/BOT project. Alternatively the project could be funded by the 'Metodo Aleman' whereby the regional government makes one unique payment at contract completion against the delivery of the infrastructure.
Roads	Pre-Approval	N/A	Eje Viario Novelda - Agost - Alacant (VALENCIA)	This project is part of the region of Valencia's 2004-10 Infrastructure Plan and may be procured as a PPP/BOT project. Alternatively the project could be funded by the 'Metodo Aleman' whereby the regional government makes one unique payment at contract completion against the delivery of the infrastructure.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	Eje del Segura (Orihuela - Guardamar) (VALENCIA)	N/A
Roads	Pre-Approval	N/A	Tunnel Olocau- N234 (VALENCIA)	This 6km real toll project is currently under study.
Roads	Pre-Approval	65	M45- M501 Montepríncipe-Cuatro Vientos (MADRID)	This 8km shadow toll road project is part of the Comunidad de Madrid's current Highways Programme. The project is currently in pre-design phase. It will possibly be procured as a shadow toll road.
Roads	Pre-Approval	N/A	Conexion AI-A68 Haro-Pancorbo (LA RIOJA)	The project was planned to go to tender during 2004 but has been delayed due to the change in government.
Roads	Pre-Approval	200	Santomera-Mar Menor Highway (MURCIA)	The project involves a 40km long toll highway in the region of Murcia South-East Spain.
Roads	Pre-Approval	181	Autovía Vilanova-Manresa (CATALUÑA)	The project consists of a 68.3km long shadow toll road part of Catalonia's new five-year Highway Plan. Four more highways are expected to be constructed under the Plan.
Roads	Pre-Approval	N/A	Bus Lane Avda. Meridiana-Cerdanyola del Valles (CATALUÑA)	The project is potentially being launched as a PPP. It would see the development of a bus lane from Avda, Meridiana (Barcelona) to Cerdanyola del Valles.
Roads	Pre-Approval	N/A	Eix del Llobregat: Berga-Baga (CATALUÑA)	The project would see the development of a 20km road between Berga and Baga.
Roads	Pre-Approval		Eix de l'Ebre (Amposta) A-2 Lleida (CATALUÑA)	The project will see the development of a 139km road between Amposta and Lleida.
Roads	Pre-Approval	N/A	Badalona-Mollet B-500 (CATALUÑA)	N/A

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval		Palamos-Palafrugell road (CATALUÑA)	The project is potentially being launched as a PPP. It would see the development of a 6.8km road between Palamos and Palafrugell.
Roads	Pre-Approval	324	A1 - Santo Tomas del Puerto (Madrid)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned for renovation and maintenance. The Santo Tomas del Puerto tranche will cover 89km.
Roads	Pre-Approval	222	A2 - PK62 to LP Soria/ Guadalajara (Castilla La Mancha)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 76km.
Roads	Pre-Approval	266	A3 - LP Cuenca to LP Albacete (Castilla La Mancha)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 141km.
Roads	Pre-Approval	203	A4 - PK67.5 to Puerto Lapice (Castilla La Mancha)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 70km.
Roads	Pre-Approval	294	A4 - LP Jaen/ Ciudad Real to LP Córdoba/LP Jaen (Andalusia)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 102km.
Roads	Pre-Approval	224	A4 - LP Córdoba/ LP Jaen to LP Seville/Córdoba (Andalusia)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 88km.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	235	A4 - LP Seville/ Córdoba to Seville (Andalusia)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 105km.
Roads	Pre-Approval	200	Cariñena-Gallur (Aragon)	This projected DBFO contract will connect the Corredor del Levante (A-23 and the N-330) with the Corredor del Ebro (AP-68 and N-232) covering 64km in the north-eastern Spanish state of Aragon. The contract will last 30 years and the construction period is thought to be around 30 months.
Roads	Pre-Approval	1,500	M50/M61 Highway-Madrid	€2.3bn project to complete the city's M-50 ring road to the north of the capital.
Roads	On Hold	30	M-100 R2-A2 (MADRID)	This 7km real toll road project is part of the Comunidad de Madrid's current Highways Programme. The Comunidad of Madrid is currently undecided whether this project will be tendered as a PPP.
Roads	In Tender	270	Centelles-Ripoll C-17 (Catalonia)	The construction and operation of the C-17 road between Centelles and Ripoll. The concession will last for 33 years while the construction phase lasts for approximately 26 months.
Roads	In Tender	210	Spanish R-I Road Concession	The concession includes the construction of five links to the R-I highway. The successful bidder will have the possibility of extending the contract by two years if it meets certain criteria for maintaining a service levels on the road.
Roads	In Finance	265	Eje Orihuela - Costa CV-95 (VALENCIA)	The project, which is being procured on a BOT basis as part of the region of Valencia's 2004-10 Infrastructure Plan, will run from Eje Orihuela to Costa in the west of the Valencia region. There are five separate stages to the project.
Roads	In Finance	126	M-404 Widening (MADRID)	The expansion of the M-404 road from two lanes to four. The project is to be implemented on a build finance and operate basis with a 28-year concession period and a planned construction period of 20 months. The cost is €126m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Finance	108	Desdoblamiento de la Via Rapida del Barbanza (GALICIA)	This is the third of 5 BOT highways promoted by the regional government of La Xunta de Galicia. The project will be 42km in length and will involve the widening of the existing road.
Roads	In Finance	250	Autovía Carballo-Berdolas	The contract lasts for 30-years and involves the widening and upgrade of the motorway. The highway is broken into two sections running for 42km in total. The regional government of LA Xunta de Galicia will remunerate the private sector partner via a shadow-toll payment mechanism.
Roads	In Finance	30	Autovía Ourense (A-52) - Celanova Sur (GALICIA)	The 30-year contract will see the development of two stretches of road linking Ourense with Celanova Sur on the Spanish-Portuguese border. The project improvements will include increasing capacity on the A52 to Celanova and widening of the OU-540.
Roads	In Finance	63	Autovía Maçanet-Platja d'Aro (CATALUNYA)	The project consists of a 27.7km long shadow toll road, part of Catalonia's new five-year Highway Plan.
Roads	In Finance	65	Autovía Reus-Alcover (CATALUÑA)	The project consists of a 10.2km long shadow toll road part of Catalonia's new five-year Highway Plan. Four more highways are expected to be launched under the Plan. The 32-year concession project has an estimated value of €78.1m and is the second toll road to be launched in the region.
Roads	In Finance	708	Eix Transversal: Cervera - N-II (Girona) (CATALUÑA)	The Eix Transversal DBFO project includes 155km of road, 145km of which will be widened. An additional requirement of the contract is that the winning consortium is obliged to sub-contract half of the works to a contractor that is not part of their original consortium.
Roads	In Finance	N/A	Ibiza Airport Shadow Toll Road (BALEARIC ISLANDS)	The project will see the development of a new access road to Ibiza airport. The road will be developed as a shadow toll road.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Finance	60	El Burgo-Villafranca Shadow Toll Road (ZARAGOZA)	The regional Government of Aragon in north-east Spain has decided to launch the first shadow toll road of the region as a DBFO. Construction of the 5.2km road is expected to last for 20 months and includes the construction of a 400m bridge over the Ebro river. The project has a 30-year concession period.
Roads	In Finance	500	CV-50 Algar del Palancia-Sueca (VALENCIA)	The BOT project will run from Algar del Palancia to Sueca in the east of the autonomous region.
Roads	In Finance	844	A1 - Santo Tomas del Puerto to Burgos (Catilla y León)	The A1 will run for 146km from Santo Tomas del Puerto to Burgos in the autonomous region of Castilla y León. A total of €844m will be invested over the life of the contract, which also lasts for 19 years.
Roads	In Finance	N/A	A2 - Madrid to PK62 (Madrid)	Project to upgrade and maintain the A-2 motorway from Madrid to the intersection with the R-2 in Guadalajara. Around €580m will be invested over the life of the contract. This specific contract will last for 19 years and a total of 29 months have been set aside for the construction and upgrade works.
Roads	In Finance	259	A2 - LP Soria/ Guadalajara to Calatayud (Aragon)	This is part of the €6.34bn country-wide renovation and maintenance programme that the Fomento launched at the beginning of 2006. The programme will see 1,521km of roadways concessioned out under a shadow-toll PPP scheme. The road will run for 95km. This specific contract will last 19 years. 29 months have been set aside for the construction and upgrade works.
Roads	In Finance	480	A3 - Madrid to LP Cuenca (Madrid)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 68km.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Finance	179	A3 - LP Albacete to Bonete (Castille La Mancha)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 94km.
Roads	In Finance	182	A3 - Bonete to Alicante (Castilla La Mancha)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1 521km of roadways concessioned out for renovation and maintenance. This tranche will cover 111km.
Roads	In Finance	453	A4 - Madrid to PK67.5 (Madrid)	The A4 section will run for 63.72km from the centre of Madrid, southbound. It is understood that around €453m will be invested over the life of the contract, which will last for 19 years.
Roads	In Finance	670	A-2 Motorway R-2 Intersection to Soria/ Guadalajara	It is understood that around €515m will be invested over the life of the contract, which will last for 19 years. The project is part of a €6.34bn country-wide renovation and maintenance programme that the Fomento launched at the beginning of 2006. The programme will see 1,521km of roadways tendered under a shadow-toll PPP scheme.
Roads	In Finance	310	Eje 3/Eje Diagonal (Barcelona)	The private partner will be responsible for constructing and operating the Eje 3/Eje Diagonal road in Barcelona. The future highway is estimated to cost around €310m.
Roads	In Finance	212	AP21 Pyrenees Highway	Project to construct, operate and maintain stretches four and five of the AP-21.
Roads	Funded	93	M-407 Fuenlabrada-Griñón (MADRID)	This 11.6km shadow toll road project is part of the Comunidad de Madrid's current Highways Programme.
Roads	Funded	1,160	Bilbao By-Pass "Variante Sur Metropolitana"	Interbiak will be concessioning out to the private sector the construction of the 30km road. There will be a separate single tender for the operation and maintenance of the highway.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	355	Madrid-Barajas Airport Toll Road	The project involves a 25-year DBFO concession to develop a motorway from the centre of Madrid to Barajas Airport.
Roads	Closed	132	Autovía de los Vinedos (Stage II)	The project involves a shadow toll road between Toledo and Consuegra, the second part of the Autovía de los Vinedos.
Roads	Closed	125	Autovía CV-50 (Lliria to Alzira) (VALENCIA)	This project is part of the region of Valencia's 2004-10 Infrastructure Plan and may be procured as a PPP/BOT project.
Roads	Closed	200	Autovía de Ademuz CV-35 (Lliria - Casinos - Losa del Obispo) (VALENCIA)	This shadow toll road project is part of the region of Valencia's 2004-10 Infrastructure Plan and will be procured as a PPP/BOT project. It will have a length of 52.9km. The total contract value is €450m with construction costs estimated at €200m.
Roads	Closed	831	R3-R5 Toll Road Project	The project involves the building of the R-3 and R-5 toll motorways in Madrid. The project is envisaged to improve access around Madrid to the city centre and alleviate heavy traffic on the N-3 and N-5 motorways.
Roads	Closed	115	Autovía Santiago-Brión(C-543) (GALICIA)	This is the second of 5 BOT highways promoted by the regional government of La Xunta de Galicia.
Roads	Closed	41	Desdoblamiento Via Rápida del Salnes (GALICIA)	This is the second of 5 BOT highways promoted by the regional government of La Xunta de Galicia. The project will be 17km in length and will involve the widening of the existing road.
Roads	Closed	440	R2 Toll Road Project	The project is one of a series of real toll roads running into Madrid. Each concession also includes the obligation to build a portion of a ring road around the city, which will not be tolled. The R2 includes the construction operation and maintenance of 80.9km of new roads.
Roads	Closed	600	RIV Toll Road Project	One of a series of real toll roads running into Madrid. Each concession also includes the obligation to build a portion of a ring road around the city, which will not be tolled. The R4 comprises of the toll access road R4 alongside N-IV plus a third segment of the M-50.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	375	Autovía del Camino	The project involves the upgrading of the N111 road from single to two-lane highway. The project is a 70km shadow toll road linking Pamplona to Logrono in Navarre. A 1.3km bridge and tunnel crossing the River Arga will also be built.
Roads	Closed	260	Ibiza-San Antonio Shadow Toll Road (Balearic Islands)	The project involves a PPP scheme for the Ibiza-San Antonio Shadow Toll Road. The 25 year concession involves the widening of the existing road between Ibiza Town and San Antonio from 2 lanes to four. The investment required is valued at more than €98m.
Roads	Closed	96	Valladolid-Segovia Shadow Toll Road Section 1 (CASTILLA Y LEÓN)	The Valladolid-Segovia shadow toll road project in Castilla y León involves the upgrading of the existing CL-601 road from Valladolid to Segovia to a motorway and has been divided into two separate projects. This stretch covers the CL-601 Junction - Cuellar South Approach (link to SG-250).
Roads	Closed	125	AS-18 Highway - Oviedo-Gijón Section (ASTURIAS)	The AS-18 shadow toll highway involves the splitting of the AS-18 (between Oviedo and Porceyo) over 20.7km in length, the doubling of the AS-17 road length, a service road and a service area to be operated by the Consortium. The works will be executed over 20 months. Total revenue of approximately €270m is estimated for the concession.
Roads	Closed	113	Valladolid-Segovia Shadow Toll Road Section 2 (CASTILLA Y LEÓN)	The Valladolid-Segovia shadow toll road concession will see the upgrading of the existing CL-601 road from Valladolid to Segovia to a motorway. The project has been divided into two stretches for which separate tenders have been published. Total revenues of approximately €461m are estimated for the concession.
Roads	Closed	650	A2 - Calatayud to Alfajarin (Aragon)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This project covers the 107km of the A2 running from Calatayud to Alfajarin.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	132	A4 - Puerto Lapice to LP Jaen/Ciudad Real (Castilla La Mancha)	This is part of the €2bn country-wide renovation and maintenance programme that the Ministry of Public Works launched in the beginning of 2006. The programme will see 1,521km of roadways concessioned out for renovation and maintenance. This tranche will cover 107km.
Waste Management	Closed	27	Cantabrian Solid Waste Treatment Plant	The project, located close to Reoncin, consists of the DBFOM of a waste thermal drying plant that will treat 52,000 tons per year of solid waste coming from Cantabrian waste water treatment plants.
Water / Wastewater	In Tender	N/A	Almuñécar Cariñena Desalination Plant	The project is for the design, build and maintenance of a desalination plant in Almuñécar. The procurement authority is the Almuñécar town council. The concession will last for 12 years.
Water/ Wastewater	Funded	180	Navarre Irrigation System	The scheme involves the development of an irrigation system in the area of Navarre and requires an investment of €166m. It will be the first project in the irrigation sector to be done under a PPP scheme combining availability payments and demand payments. The concessionaire will be reimbursed via a mix of availability and demand-based mechanisms.
Water/ Wastewater	Closed	1,000	Aigues del Segarra Guarrigues Irrigation Project	The project consists of the construction of a secondary irrigation network in the province of Lleida in central Catalonia which when completed will irrigate about 70,000 hectares of land in central Catalonia, around the municipality of Lleida
Water/ Wastewater	Closed	141	Andratx PPP Water project	To construct and exploit the water cycle services in 10 residential areas in the municipality servicing a total of about 5,000 inhabitants of Andratx on the island of Majorca.

# SWEDEN

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Closed	32	Toftanas Police PPP	A project to construct a new police building in Toftanas, near Malmö. The building will house other facilities, such as a fitness centre, a workshop and a garage.
Healthcare	In Tender	1,400	New Karolinska University Hospital	The private partner will be required to design, construct, finance, operate and maintain the greenfield hospital. The concession contract will include soft and hard FM services but not clinical services. The hospital is expected to be operational by December 2015. The procurement process is set to last for 18 months. Bids for the university hospital are due in September 2009 and a timetable leading to financial close is expected by April 2010.
Light Rail	In Tender	82	Stockholm Tram Concession	This 15-year BOT project will see the upgrade and new-build of a tram line in the centre of the Swedish capital. Investment required is SEK764m (€82m). It is expected that the concession agreement will be signed by the end of the year, with the tram-line itself operational by the first half of 2010.
Prisons	Closed	N/A	Sollentuna Prison	A project to design, build, own, operate and maintain a 23, 600m <sup>2</sup> facility, which will house 10 floors with 240 detention cells and an administration section with the total construction cost valued at €70m.
Rail	Pre-Approval	N/A	Ostlanken Rail Link Stockholm	The Ostlanken is a high-speed railroad link around Stockholm which will include Skavsta Airport. It is likely to be financed on an availability basis. It is one of the Swedish government's potential "pathfinder" PPP projects.
Roads	Pre-Approval	N/A	E22 Motorway Karlskrona - Kristanstad	The E22 motorway between Karlskrona and Kristanstad is likely to be financed on an availability basis.
Roads	Pre-Approval	N/A	Stockholm Ring road Expansion Farbifart Stockholm - Astra Lanken	This is a project for the expansion of the Stockholm Ringroad between Farbifart Stockholm and Astra Lanken. Real tolls are likely to be used. This is one of the Swedish government's potential "pathfinder" PPP projects.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	N/A	Gothenburg - Oslo Motorway Extension	The plan proposes the extension and upgrade of the motorway connecting Gothenburg and Oslo. This is likely to use real tolls and is one of the Swedish government's potential "pathfinder" PPP projects.

# TURKEY

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	200	Ankara Pilot Hospital PPP	The Turkish government are to develop a PPP pilot hospital using Madrid's highly successful Nuevas Infraestructuras Sanitarias (2007-2010) programme as a model.
Healthcare	Pre-Approval	250	Kayseri Hospital PPP	To construct the Kayseri Integrated Health Campus in central Anatolia, which will replace three existing hospitals in the city of Kayseri. The new campus will have a total of 1,500 beds.
Light Rail	Closed	N/A	Istanbul Metro Line (Kadikoy-Kartal)	The construction of the new Kadikoy-Kartal Metro line on the Asian side of Istanbul. This new metro line is expected to relieve congestion on Istanbul's most important road axis, the D-100, and will cover 20km.
Roads	Pre-Approval	N/A	Bosporus Tunnel Road Crossing	This 25 year, BOT project, concerns an immersed road tunnel which will link the Siyami Ersek and Haydarpasa Numune hospitals to the Yenikapi coastline. The crossing will be tolled. The estimated value of the project is US\$500 (€340m).
Roads	In Tender	4200	Gebze-Orhangazi-Izmir Toll Road, including Izmit Korfez Bridge and Bursa-Balikesir-Izmir Highway	The Gebze-Orhangazi-Izmir toll road will connect Gebze, near Istanbul, to Izmir, which is the third largest city in Turkey and the commercial capital of the Aegean region. Construction will be in three stages. The project involves building a highway and constructing a bridge over Izmit Bay. The highway will be 421 km long.
Roads	In Finance	1000	Bosphorus Underwater Road Tunnel	This project concerns the construction of a two lane, 5.4km tunnel under the Bosphorus strait, connecting the European and Asian sides. Use of the tunnel will be tolled, with the price to be determined by the Ministry for Transport.
Water	In Finance	116	Kavsakbendi Dam	The project involves the construction of Kavsakbendi dam and HEPP project on Seyhan River in the Adana province.

# UKRAINE

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports	Completed	178	Odessa Airport	In preparation for the Euro 2012 Football cup, which will be hosted by Ukraine and Poland, the Government of Ukraine have initiated a programme of reconstruction and development of the country's airports. The work at Odessa will include the reconstruction of the airfield and existing terminal and the construction of a new terminal.
Airports	Completed	48	Kharkov Airport	Reconstruction and development of airport and facilities in preparation for Euro 2012.
Airports	Completed	265	Donetsk Airport	The work will include a terminal expansion and improvement to international standards so that it can handle 1,000 passengers an hour (five million passengers a year).
Airports	Completed	250	Boryspil Airport	Reconstruction and development of airport and facilities in preparation for Euro 2012.
Roads	Pre-Approval	N/A	Kiev - Lvov Highway	N/A
Roads	Pre-Approval	N/A	The Southern Trans-European Highway Construction	The project will provide a highway from the Western border of Ukraine, (village Kosyn) to the city of Kyiv with total length about 735km. (international transport corridor No. 5, 3).
Roads	Pre-Approval	N/A	Road Service Complex Construction	The project is located at the town of Grebinky. The work will form part of the motorway of Kyiv - Odessa (international transport corridor No 9).
Roads	Pre-Approval	N/A	Road Service Complex Construction	The work will be located near the city of Oleysk in the Zhytomyr Region and will form part of the Kyiv - Kovel motorway. The total length will be approx. 228 km.
Roads	Pre-Approval	N/A	Highway Construction Kyiv - Kharkiv - Dovzhansk	The highway will begin at border of the Russian Federation and end at the Kyiv -Kharkiv - Dovzhansk motorway.
Roads	Pre-Approval	N/A	Brody – Rivne Highway	Construction of approx. 94.8km of highway in the Rivne Region.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Cancelled	N/A	Kiev - Odessa Highway	Difficulties were experienced relating to the adoption of existing works and a PPP concept was therefore abandoned.
Roads	Completed	135	Stryi-Ivano-Frankivsk Chernivtsi-Mamalyga (Morshyn) Motorway	Repair works to motorway.
Roads	Completed	142	Lviv-Krakovets Motorway	A project involving the construction of a motorway.
Roads	Completed	1,500	Lviv - Brody Motorway	A project for the construction of approx 80.2km of motorway in the Lviv region.
Roads	Completed	1.5	Kipti-Glukhiv-Bachivsk Highway	Major repairs to the highway.
Roads	Completed	2.3	Yalta-Sevastopol Motorway	Arranging buildings on the motorway.
Roads	Completed	2.3	Skole-Slavsk Highway	Major repairs of the bridge across the river Opir, on the Skole-Slavsk highway.
Roads	Completed	4.8	Kharkiv-Simferpol'-Alushta-Yalta Highway	Reconstruction of the highway.
Roads	Completed	3.4	Lviv-Radikhiv-Luts'k Motorway	Road-works on motorway.
Roads	Completed	5	Turka-Skhidnyts'a a-Truskavets'-Drohobych	Road-works on motorway.
Roads	Completed	3	Inkerman Motorway, M26 to M18	Reconstruction of motorway.

# UNITED KINGDOM

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	86	Essex Magistrates' Courts	Serviced courthouse accommodation in Essex. The project is valued at around £65-70m.
Accommodation	Pre-Approval	39	Gloucestershire Magistrates' Court	Serviced courthouse accommodation in Gloucestershire. The project is valued at around £35m.
Accommodation	Pre-Approval	N/A	Merseyside Magistrates' Courts	Serviced courthouse accommodation in Liverpool, Wirral and Knowsley.
Accommodation	Pre-Approval	N/A	West Midlands Magistrates' Courts	Serviced courthouse accommodation across the West Midlands Area.
Accommodation	Pre-Approval	N/A	Greater Manchester Magistrates' Court Committee	Serviced courthouse accommodation in Bolton and Salford.
Accommodation	Pre-Approval	N/A	Wakefield Police PFI	To build new divisional police headquarters in West Yorkshire.
Accommodation	Pre-Approval	N/A	Cheshire Magistrates' Courts	To procure the provision of suitable serviced courthouse accommodation for a magistrates' court service in the Cheshire MCC area over the next 20 to 30 years. The project currently has site issues and a tender will not be published until this is resolved.
Accommodation	Pre-Approval	13	Cumbria Fire Stations PFI	The plans involve the building of six fire stations at new locations across Cumbria.
Accommodation	Pre-Approval	N/A	Northampton East Regeneration PFI	The work will include providing technical advice to Northampton Borough Council.
Accommodation	Pre-Approval	N/A	UK Law Courts Project	The scheme involves the construction of a number of new law courts, in addition to several other buildings in England and Wales. The project may be procured via the PFI route.
Accommodation	In Tender	N/A	Bedfordshire Magistrates' Court	Provision of new courthouse with nine courtrooms, ancillary accommodation, external works and car parking in the Bedford and Luton areas.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	27	Kent Police Authority PFI Project	The project involves the DBFO of new police premises facilities and services for Kent. The capital value of the scheme is around £23m.
Accommodation	In Tender	N/A	Islington Residential Care Centre PPP	The project involves the DBFO of a new resource centre to provide nursing and residential care for elderly people.
Accommodation	In Tender	N/A	University of Luton Accommodation Services	The project involves the management of 26 halls of residence in 11 different locations in Luton Hall of Residence, with scope for a possible DBFO rebuild. The principal contract will be for 48 months (with an option to extend for a further 2 years). However, if a new build option is selected then the duration of the contract may be extended.
Accommodation	In Tender	70	London Fire Stations PFI	To design, construct, finance and operate up to nine fire stations across Greater London. Following completion of the construction works, the private sector partner will be responsible for providing facilities management services. The private sector partner will also be responsible for providing up to five temporary fire stations to ensure business continuity during the construction phase. The concession period is 30 years.
Accommodation	In Tender	44	Age Well Social Care Facilities	The project will see the private sector partner design, build, finance, operate and maintain four new social care facilities in East Sussex. Facility management services are expected for between 25 and 30 years. The estimated capital value of the project is £25m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	N/A	Gloucestershire Fire Stations PFI	The procuring authority is seeking a private sector partner to design, build, finance and maintain four community fire stations and a community life skills centre which are expected to reach financial close in 2009 or 2010.
Accommodation	In Tender	57	Gloucestershire Police Headquarters PFI	To design, build, finance and operate (DBFO) two divisional police headquarters, two custody suites and other accommodation for specialist functions. The PFI project has an estimated value of around £50m.
Accommodation	In Tender	N/A	Liverpool Student Accommodation PPP	This is a contract to design, build, finance and operate around 830 en-suite student bedrooms in addition to associated communal accommodation.
Accommodation	In Tender	42	Maidstone Housing Services PFI	To design, build, finance and operate extra care housing and other forms of supported housing within the Kent area.
Accommodation	In Tender	129	Orchard Park Housing	Hull City Council is looking for external technical advisors for its extra care housing and Orchard Park housing PFI projects.
Accommodation	In Finance	68	Three Counties' Custody Facilities	The project involves the development of custody facilities on a central site to be shared by Cambridgeshire, Suffolk and Norfolk Constabularies. It will be procured according to the government's Private Finance Initiative.
Accommodation	In Finance	27	North East Fire and Rescue Authorities Collaborative PFI	The North East Fire and Rescue Authorities £20.1m proposals will provide four new community fire stations and a community life skills centre, all of which will have integral community safety centres.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Finance	N/A	Stoke-on-Trent and Staffordshire Fire Station PFI	This PFI fire station project calls for the replacement and refurbishment of fire stations across Stoke-on-Trent and Staffordshire and will be procured under a DBFMO contract with a 25 year concession period. £46m has been awarded in PFI credits.
Accommodation	On Hold	N/A	Cornwall Serviced Accommodation	The project involves the DBFO of a new office accommodation PFI scheme, which will house staff from the local police, fire brigade and local authority in Truro. The Council has received £12.63m in PFI credits for this scheme.
Accommodation	Closed	82	Merseyside Headquarters - Health & Safety Executive	The project is to provide new office accommodation for the HSE, consolidating various sites onto a single, 24,000sqm, signature facility in Bootle, Merseyside. The project has a capital value of £60m.
Accommodation	Closed	46	Cleveland Police Authority - Action Stations PFI	The £20m project, known as 'Action Stations', entails the design, build, financing and operation of a variety of facilities for Cleveland Police Force in the Stockton, Middlesbrough and South Bank districts. The government will provide 70% of the unitary charge and the Police Authority 30%.
Accommodation	Closed	481	Arsenal Football Stadium Project	Arsenal F.C. is seeking £260m of project financing for the development of their new £357m stadium at Ashburton Grove in Highbury, London. AFC will fund the balance of the projects costs themselves.
Accommodation	Closed	27	Newcastle City Council Libraries' PFI Project	Newcastle City Council is procuring on a DBFO basis, a new City Library with a capital value of £21m. The project also includes the redevelopment of two existing community libraries and the relocation of a third.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Closed	79	Dorset Emergency Services Partnership Initiative (DESPI)	The DBFMO project will involve the development of a new combined fire and police station in Poole and a fire station in Dorchester. The project sponsor may also be required to provide facility management, IT, catering and grounds maintenance services for the facilities and other services.
Accommodation	Closed	N/A	Wigan Community One Stop Shop PFI	The project involves the provision of a Joint Service Centre (JSC) BOOT to be located on two sites adjacent to the Town Hall in Wigan. The first is a “one-stop-shop” for council services and advice, while the second is orientated towards leisure and education. The Council has obtained £67m in PFI credits.
Accommodation	Closed	450	Croydon Urban Regeneration Project	The project will see the regeneration of four sites across the town with the creation of over 1,300 new private and affordable residential units. It will also involve the delivery of a new office complex for the council.
Accommodation	Closed	38	North West Fire Stations PFI	The project comprises the rebuilding or relocation of stations in the North West and across Cumbria. The concession period is 25 years. The project, with a capital value of £131m, has been granted £66.4m of PFI credits.
Accommodation	Closed	133	University of Exeter	The project will involve the design, financing and operation of new residential accommodations at three locations on the University of Exeter’s Streatham Campus.
Accommodation	Closed	17.5	1.1 Suffolk County Council - Fire & Rescue Service	The provision of serviced accommodation, by way of the design and build of approximately 7 new fire stations and the refurbishment of approximately 28 existing fire stations.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Airports	Pre-Approval	N/A	Newquay Cornwall International Airport	This project concerns the development of Newquay, Cornwall International Airport. The project is likely to develop over two stages.
Airports	Closed	81	Exeter Airport Sale	Devon County Council has put Exeter airport up for sale. The successful bidder will be expected to spend £20m on improvements, including a new passenger terminal, expanded parking and new road access.
Defence	Pre-Approval	N/A	Future Electronic Warfare Ground to Air Training	To improve the Ground to Air Electronic Warfare Training Capability and to provide mobile training facilities to meet tri-service operational requirements.
Defence	Pre-Approval	N/A	Future Defence Supply Chain Initiative	Strategic partnering sought with original equipment manufacturers to improve efficiencies and use spare capacity. The Future Defence Supply Chain is defined as the planning and operation of a fully integrated supply chain network, comprising storage and distribution of both MOD and industry-owned stock between the point of manufacture and the point of final distribution.
Defence	Pre-Approval	36	Inter-Services Generating System (ISGS) Replacement Project (Gibraltar)	Inter-Services Generating Services (ISGS) replacement and upgrade of HV electrical distribution system to meet military requirements in HQBF Gibraltar.
Defence	Pre-Approval	N/A	Provision of Serviced Accommodation in the Brize Norton Area	To design, build, finance and operate 600 new married quarters for officers and other ranks in the Brize Norton area.
Defence	Pre-Approval	N/A	Army Foundation Project	The project is to look into the requirement for soldier initial training for 2010 and beyond. This project was formerly known as the Initial Training Group/2nd AFC project.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	Pre-Approval	N/A	AS90 Tracked Howitzer	Alliance with BAE to introduce coherence in service delivery and infrastructure.
Defence	Pre-Approval	N/A	CHINOOK TLCS	Development of a partnering arrangement with an Industrial Alliance for the Through Life Customer Support (TLCS) of the existing Chinnok fleet until their out-of-service date.
Defence	Pre-Approval	N/A	FLINT	The project is to develop a strategic partnering to improve efficiency and use spare capacity. The aim is to effect a full review of the defence fuel group's activities, using a strategic partnership methodology.
Defence	Pre-Approval	N/A	Future Military Area Radar Services	The project involves the provision of tools for military Area Air Traffic Controllers to perform air traffic.
Defence	Pre-Approval	N/A	Hard Diving Suits	The project involves the provision of suits and support services for deep sea diving.
Defence	Pre-Approval	N/A	Harrier FIST	Development of a partnering arrangement with an Industrial Alliance for support of the existing fleet to introduce coherence in service, delivery and infrastructure.
Defence	Pre-Approval	N/A	Hercules Future Support project	Delivery of C-130K and C-130J sustainment throughout the life of the two weapons.
Defence	Pre-Approval	N/A	Integrated Land Freight Distribution	The project is being subsumed into the greater Surface Freight Distribution study, which will itself be integrated into the Definitive Supply Chain Strategic partnering work.
Defence	Pre-Approval	N/A	Javelin VC10	Integrated engineering and logistics support for VC10 fleet to be provided through a partnering contract.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	Pre-Approval	N/A	Joint Personnel Administration	The joint personnel administration programme seeks to transform the delivery of service personnel business. The project is based around harmonised and simplified processes, supported by off-the-shelf model.
Defence	Pre-Approval	N/A	Pay As You Dine (PAYD)	The project involves the implementation of the Bett Review recommendation to directly relate payment to meal consumption for Armed Forces.
Defence	Pre-Approval	N/A	Royal Centre for Defence Medicine Living Accommodation Project	This project is to provide accommodation for about 800 permanent staff and students at a new centre for defence medicine in Birmingham.
Defence	Pre-Approval	N/A	Sandhurst Group Development	The project is for the provision of modern fully serviced, living and working accommodation facilities.
Defence	Pre-Approval	N/A	SENTRY	This is an ES(Air) initiative to provide IOS support for SENTRY Early Warning Aircraft (Boeing 737) until the end of their life which is 25 years. The winning consortium will be expected to deliver improved logistic support, maintenance of the third and fourth line airframe and maintenance and management of the first and second line.
Defence	Pre-Approval	N/A	Tornado Future Support Program	The project entails letting partnering contracts over three phases.
Defence	Pre-Approval	N/A	Whole Fleet Management	The MoD seeks a commercial partner to manage its fleet, helping to create efficiencies in the provision of service.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	Pre-Approval	137	Project PRIME	Project PRIME (Portsmouth Rationalisation in the Maritime Estate) is a public private partnership (PPP) to develop HM Naval Base, Portsmouth, being jointly delivered by the MOD and Partnerships UK. Project PRIME is a new style of PPP in which Defence Estates will make available 30 acres of buildings and land to the private sector for property development under a 125-year lease.
Defence	On Hold	N/A	Sea King Integrated Operational Support (SKIOS)	Project for the customer support of the existing Sea King fleet, until their out of service date.
Defence	In Tender	N/A	Defence Medical Information Capacity System (DMICP)	The project concerns comprehensive communication and information systems to Defence Medical Services.
Defence	In Tender	549	UK Search and Rescue (SAR) Programme	The MoD and the Maritime and Coastguard Agency (MAC) are looking to procure Helicopter SAR (search and rescue services) from the private sector. The government is also looking to replace the current fleet of Sea Kings helicopters and Sikorsky 61s.
Defence	Funded	540	Northwood Headquarters PPP Project	The project involves a £150m construction programme over a five-year period and a range of support services, worth around £440m over the contract period. Service delivery includes domestic services, estate management, document production and handling stores, transport and waste disposal.
Defence	In Finance	66	Royal School of Military Engineers, Phases I, II	Provision of accommodation and specialist training facilities.
Defence	In Finance	635	UK Military Flight Training System (UKMFTS)	Provision of a flight training system for tri-service aircrew needs.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	In Finance	2,096	Defence Training Review Rationalisation Programme	This is a programme to modernise, improve and concentrate military training and technology so as to give the MoD more flexibility. The project has a 25 year concession.
Defence	On Hold	149	Chelsea London Barracks Rationalisation	The project entails the rationalisation, redevelopment and provision of modern serviced barracks accommodation within inner London for a period of 25 years.
Defence	On Hold	N/A	Defence Stores Management Solution (DSMS)	The project concerns a single unified inventory management business process. The project will be procured in conjunction with the DRUMM project - Delivering the Requirement for Unit Material and Management.
Defence	On Hold	N/A	Delivering the Requirements for Unit Material & Management (DRUMM)	System to provide visibility of equipments, material and consumption in the army.
Defence	On Hold	N/A	Marchwood Military Port	The project involves the management of the port facilities and possible commercial exploitation.
Defence	Closed	1,556	Future Strategic Tanker Aircraft (FSTA)	The FSTA project is designed to modernise the RAF's air transport and air-to-air refuelling. This will be a 27-year PFI contract.
Defence	Closed	53	Devonport Support Services - ARMADA	The £35m project entails the provision of support services and fleet accommodation centre services under a 25-year concession.
Defence	Closed	448	Tri Service Airfield Support Services Project (ASSP)	The £350m project entails the provision of Airfield Support Services (ASS) to the Armed Forces for 25 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Defence	Closed	82	Corsham Development Project	Rationalisation and development of the MOD estate at Corsham, to provide new or refurbished office and operational facilities for the Directorate for Broadening Smart Acquisition (DBSA) and other key departments. Total costs over the 25-year period, including all FM services, will reach £690m.
Defence	Closed	1,281	Future Provision of Marine Services	The project entails the provision of tug and pilot boats. The 15-year ongoing port services and maintenance contract covers the UK's major Royal Navy ports at Portsmouth, Devonport and the Clyde.
Defence	Cancelled	1,098	Combined Aerial Target Service (CATS)	Provision to the UK armed forces of sub/supersonic aerial services. The contract will cover the provision of targets, operating staff, equipment and full support. The selected partner will own, operate and maintain the CATS equipment for the duration of the contract, which is 10 years with two five-year extensions.
Defence	Cancelled	1,281	Armoured Vehicle Training Service (AVTS)	The project involves a public private finance initiative contract to train the British Army's armoured fighting vehicle crews. The 30-year contract will include provision for the introduction into service of new vehicles. The Ministry has abandoned plans to fund the project through a PFI in favour of exploring traditional funding options.
Defence	Closed	750	Skynet 5	The project concerns a new military communications satellite.
Defence	Closed	539	Colchester Garrison	A project for the redevelopment, rebuilding and refurbishment of existing barracks to provide accommodation for 3,500 personnel and associated services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Pre-Approval	N/A	London Borough of Haringey BSF - WAVE 2	This project forms part of wave two of the DfES Building Schools for the Future Programme.
Education	Pre-Approval	183	Kingston Upon Hull BSF - WAVE 2	This project forms part of Wave Two of the DfES Building Schools for the Future Programme, described as a comprehensive investment strategy over the next six years to improve all the accommodation and facilities for the delivery of Hull's educational agenda.
Education	Pre-Approval	N/A	East Riding Schools Project	It was anticipated that funding for the four East Riding Schools, in the order of £60 million, could be drawn down in 2008/2009 and further funds, in the order of £200 million, on stream for the remaining East Riding Secondary Schools in 2011.
Education	Pre-Approval	N/A	Liverpool Central Library and Archive Redevelopment	Liverpool Central Library and Archive PFI redevelopment scheme. PFI credits are expected to be £49m for this Department of Culture Media and Sport endorsed project.
Education	Pre-Approval	126	North East Lincolnshire BSF	North East Lincolnshire Council has been granted provisional permission by the government to rebuild or refurbish all of the county's secondary schools. It is now drawing up detailed plans for the £100m scheme. It is so far unclear whether the scheme will involve any PFI although the council is known to be supportive of the method.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Pre-Approval	254	Kirklees Wave-6 BSF	Kirklees Council in West Yorkshire has launched its Schools for the Future programme, which will see an investment of £400m across the borough's primary and secondary schools. Financing for the project will involve a PFI element. Procurement will take the form of a competitive dialogue process, with tender advertisements on OJEU expected around the spring of 2009. Financial close has been earmarked for early 2011, with construction to commence shortly afterwards and conclude between 2012 and 2014.
Education	Pre-Approval	172	Blackpool BSF Wave 5	Blackpool Council has secured £143m of government funding for its proposed BSFm - Wave 5 scheme. How the scheme will be financed has not yet been decided upon, although PFI financing has not been ruled out. Planned construction work should commence in 2011.
Education	Pre-Approval	N/A	Portsmouth BSF	The council is mulling over plans for BSF project which is likely to have a value between £100m and £200m. The project will comprise a combination of new build and refurbishment, and will be procured via a PFI route and/or design-build.
Education	Pre-Approval	N/A	Suffolk BSF	The proposed £140m scheme will see four high schools in Ipswich converted into trusts and the Holywells school into an academy. The plans also document several potential school mergers

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Pre-Approval	N/A	St Helens BSF	The services sought include architectural, engineering, construction, technical, building, hard and soft FM and ICT, for a period of up to 15 years. The project will comprise a combination of new build and refurbishment and will be procured via a PFI route and/ or design-build.
Education	Pre-Approval	N/A	Kent BSF - Wave 5	To build and refurbish defined schools in the Kent area, including as a priority the 16 schools in Wave 5 of the BSF programme.
Education	Pre-Approval	N/A	Oldham BSF	Oldham Metropolitan Borough Council is seeking private sector partners to form a local education partnership (LEP) for its BSF programme. The project will comprise a combination of new build and refurbishment and will be procured via a PFI route and/ or design-build. The project has a total capital value ranging from £66m to £180m.
Education	Pre-Approval	177	Barking & Dagenham BSF	The winning bidder will form a local education partnership to rebuild or remodel every school in the borough through a mixture of PFI and design and build arrangements. Currently, there are nine secondary schools, one special school and a tuition centre in Barking and Dagenham.
Education	In Tender	297	London Borough of Lambeth BSF - WAVE 2	This project forms part of wave two of the DfES Building Schools for the Future Programme.
Education	In Tender	130	Cambridgeshire BSF	Cambridgeshire County Council is seeking a private sector partner to form a Local Education Partnership (LEP). The scheme will be worth approximately £100m, with subsequent BSF waves adding a further £600m. The concession period is ten years, with an option to increase this by a further five.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	463	Hull BSF	The procuring authority is seeking a private sector partner to form a local education partnership (LEP) with the council to rebuild and refurbish 19 of the city's secondary schools, special educational needs facilities and other educational and related facilities. The total capital value of the project is approximately £400m. The PFI contract will have a concession period of at least ten years and will include the provision of soft FM. Financial close is being targeted for March 2010.
Education	In Tender	1,464	Essex BSF	Owing to the scale of the project it is likely to be procured in two parts: One covering Waves 4–6 (schools in the south of Essex and roughly half of the new model special schools) and Waves 7–9 (schools in the west of the county and the remaining special schools); the other will cover schools in north and central Essex. The council has been granted £169m of PFI credits for the project.
Education	In Tender	110	Somerset BSF	Somerset County Council is seeking a private sector partner with which to form a local education partnership (LEP) to develop educational and community facilities over a ten year concession period. The project will take the form of a single PFI contract to design, build, finance and operate four secondary schools and two special schools. The estimated cost of the project is around £90m.
Education	In Tender	179	Stockton-on-Tees BSF	The £150m project will entail the construction of new school buildings, and remodelling or refurbishment of some other schools. Around half of the project's £150m value is likely to take the form of PFI funding.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	203	Liverpool Library PFI	Liverpool City Council has been granted £50m of PFI credits in order to refurbish its central library and records office. The scheme will see the council investing £8m in renovating the historic listed parts of the building, with private contractors taking responsibility for demolishing and rebuilding the rear sections of the library.
Education	In Tender	174	Blackburn & Bolton BSF	A private sector partner is being sought to participate in a Local Education Partnership vehicle to develop the council's educational facilities, other childrens' services facilities, community facilities, accommodation for adult education and social service facilities. The scheme will be a combination of new-build and refurbishment and will be delivered via PFI and design-build. Of the eight schools three are to be PFI financed. The predicted value of the first phase of projects is £45, with subsequent projects during the next two years amounting to around £150m.
Education	In Tender	208	Derby BSF	Derby City Council is seeking a private sector partner with which to form a local education partnership in order to develop the city's schools over a ten-year concession period, with the option to extend this by a further five. The project will comprise a combination of new build and refurbishment and will be procured via the PFI route and/ or design-build. The estimated capital value of the project is between £180m and £205m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	382	Coventry BSF	The £330m project will see the creation of two new special schools. The new-build element of the project will be PFI financed. The first three schools are expected to be operational by September 2012.
Education	In Tender	317	Ealing BSF	The London Borough of Ealing is seeking a private sector partner to form a local education partnership to develop the borough's secondary schools over a ten-year concession period, with the option to extend by a further five years. The first phase of the scheme will comprise one PFI and one design-build school with subsequent phases entailing a mix of both financing structures. The estimated capital value of the project is £275m.
Education	In Tender	328	Wolverhampton BSF	Wolverhampton City Council is seeking a private sector partner appointed to form an LEP with the council to develop and maintain a range of educational facilities across the city. The estimated capital value of the first phase of the project is around £70m, although subsequent phases could bring the value up to £320m.
Education	In Tender	220	Hertfordshire BSF	Hertfordshire County Council is seeking a private sector partner to form a local education partnership (LEP) for its BSF programme. The project will comprise a combination of new build and refurbishment, and will be procured via a PFI route and/or design-build. The procurement authority envisages a maximum of eight operators for the project.
Education	In Tender	180	Newcastle-upon-Tyne CC – BSF	Provision of 16 new and refurbished education facilities

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Tender	64	Worcestershire CC – Group Schools	New build and refurbishment of 7 schools in the Bromsgrove area.
Education	In Tender	50	Telford and the Wrekin – Hadley Learning and Community Village	Range of educational and community facilities all in one dedicated site.
Education	In Tender	17	Lambeth e-learning	ICT services at all Lambeth secondary schools.
Education	In Tender	15	Herefordshire Council – Whitecross High School	New build school plus provision of ICT.
Education	In Tender	23	Coventry CC – rebuild of Cauldon Castle School	Rebuild of Cauldon Castle School.
Education	In Tender	37	Derbyshire CC – Long Eaton and Newbold Community Schools	Rationalisation of two split-site schools
Education	In Tender	26	Croydon – Ashburton Learning Village	Provision of new school plus community learning facilities, library and council accommodation.
Education	In Finance	227	Greenwich BSF Project – WAVE 1 Pathfinder	The programme covers three waves of secondary school regeneration to include the complete stock of 13 secondary schools, with a capital value in excess of £290m. The first wave involves building three new secondary schools and refurbishing two others.
Education	In Finance	N/A	Derbyshire BSF – WAVE 3	The overall Derbyshire BSF scheme will cover 42 schools and it is estimated that it will cost £650m over 12 years. The initial capital value is anticipated to be in the region of £170m. Derbyshire County Council has disclosed that the financing for the programme will involve a PFI element of around £30m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	In Finance	60	Worcester Library and History Centre	Together Worcestershire County Council and the University of Worcester are offering the contract for a joint public and academic library.
Education	In Finance	230	Rochdale BSF	The project will entail the rebuilding of schools as well as major rebuilding and remodelling of several others. Four of the schools covered by the scheme are to be PFI financed. The total capital value of the project is around £200m. The contract will last 10 years with the option to extend by a further five.
Education	Funded	77	Oldham Secondary Schools PFI Scheme	The project involves the replacement of two existing split site secondary schools on two single sites. A secondary bid for a £1.8m athletic sprint hall at one of the schools, creating a combined multi-fitness and athletics complex, is also being considered and could come under the management of the PFI scheme. A third school is held in reserve, should one of the two selected schools not proceed with the scheme. The scheme has an estimated capital value of £100m.
Education	Funded	116	Waltham Forest BSF Schools Project – WAVE I	This project forms part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF) announced in March 2004. Wave I funding covers five mainstream schools and two special schools. The total value of the contract is £200m.
Education	Closed	125	Northamptonshire County Council Reorganisation of Schools	DBFO – Remodelling and refurbishment of 40 schools and construction of five new schools. Facilities management is expected for each school in the project.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	9	University of East Anglia School of Nursing and Midwifery	DBFO of a new school of nursing and midwifery, including provision of related facilities.
Education	Closed	58	Somerset College of Art and Technology	DBFO of approximately 18,200m <sup>2</sup> of new teaching accommodation. The scheme was eventually funded on a conventional basis.
Education	Closed	35	Sheffield City Council – Schools Phase II	Major redevelopment of two schools. The contract involves the provision of services including energy and utilities management, building/grounds/furniture repair and maintenance, cleaning and waste collection, caretaking, security, safety and catering.
Education	Closed	81	London Borough of Waltham Forest – Grouped Schools	Replacement and refurbishment of a group of primary and secondary schools in Waltham Forest. Facilities Management services are also included. Three consortia were selected in October 2002 and a preferred bidder was selected in August 2003. Financial close is expected by the end of 2003. Construction is to start in early 2004 with completion of the first school scheduled for May 2005. The whole project will be completed by April 2006.
Education	Closed	39	Calderdale MBC Schools Project	Replacement and refurbishment of schools in Halifax and Sowerby Bridge. Project involves the construction of one new primary school, refurbishment of two high schools and construction of two new high schools.
Education	Closed	36	Bedfordshire County Council – School Services & Accommodation	Schools project involves the expansion, refurbishment and redevelopment and provision of non-teaching services.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	71	North Swindon Schools	The project involves the design, build, financing and operation (DBFO) of seven new schools. Funding details remain undisclosed for the £90m project.
Education	Closed	19	York Schools PFI	Design, build, financing and operation of three replacement schools. The new build construction cost is estimated at £14.5m.
Education	Closed	45	London Borough of Bexley – Schools	The project involves the rebuild and refurbishment of the two largest secondary schools in the borough. Facilities management services include cleaning and waste management, catering, grounds and building maintenance and energy management.
Education	Closed	59	Rotherham Metropolitan Borough Council – Grouped Schools	DBFO rebuild and refurbishment of 17 schools, affecting 10,000 pupils.
Education	Closed	77	West Sussex County Council – Crawley Schools	To build a new secondary school in the Maidenbower area and completely rebuild two others.
Education	Closed	132	Sheffield City Council – Schools Phase III	The project involves the DBFO of four new schools in Sheffield. The project is valued at £97m.
Education	Closed	77	Sheffield City Council – Schools Phase I	Redevelopment and facilities management of school buildings on six separate sites.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	119	Kent County Council – Grouped Schools	Kent County Council is procuring on a PFI basis the design build, financing and operation of up to six separate secondary school sites and refurbishment, redesign and finance of existing buildings and facilities on some or all of the six sites. The project has a volume of £119. The Council has received £76.6m in PFI credit and received approval from the Projects Review Group of the DfES. The project includes FM and ICT, over a period of 28 years.
Education	Closed	75	Barking & Dagenham – Secondary Schools	The project involves the construction of a new secondary school and the extension and refurbishment of an existing secondary school.
Education	Closed	102	Devon County Council – Exeter Schools	Design, build, operation, maintenance and financing of five secondary schools and one primary school building within the city of Exeter. A consortium was appointed PB in July 2003 and is seeking planning permission to build new schools.
Education	Closed	54	Leeds City Council – Grouped Primary Schools	The project involves the DBFO of ten new primary schools with associated FM service provision, and has a capital value of around £40m.
Education	Closed	13	Nottingham Trent University – Gill Street Hall of Residence Contract	Design and build of a new hall of residence at Nottingham Trent University. The hall of residence facilities will include 430 bedrooms with en suite facilities, shared kitchens and conference facilities.
Education	Closed	29	Caludon Castle School PFI – Coventry City Council	Design, build, operation, maintenance and financing of a new school building for approximately 1,500 pupils. The new project will provide educational facilities as well as leisure and library facilities which may also be available for community use.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	78	Lewisham Grouped Schools Modernisation (PFI) Project	Design, build, operation, maintenance and financing of up to seven schools. This project was originally advertised in October 2002 and is now being re-advertised due to lack of initial industry response. The council has received PFI credits of around £60m from the DfES.
Education	Closed	48	Manchester City Council – Grouped Schools	Manchester City Council is procuring on a PFI basis the DBFO of Wright Robinson Sports College which will be completely re-built on the existing site.
Education	Closed	77	Bristol City Council – Grouped Schools Phase I	The project involves the new build and/or refurbishment of four secondary schools in Bristol. Provided services will include building and facilities management. The capital value of the project is £57.3m.
Education	Closed	71	Barnsley Schools PFI Project	The project involves the DBFO of 13 new primary schools. The refurbishment of a secondary school was dropped from the programme (May 04). The project has a capital value of £52m.
Education	Closed	60	Derby City Council – Grouped Schools	The project will comprise the DBFO of two secondary schools, the rebuilding of a primary school as well as the consolidation of four primary schools into two.
Education	Closed	22	South Tyneside Council – Boldon School/Village Community Learning Centre	DBFO of the new Boldon School in South Tyneside. The debt equity ratio is approximately 90:10 whilst the loan is to have a 25-year tenor.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	184	Bassetlaw Schools PFI	The project will involve four new build secondary schools, a new special school and two new centres for post-16 education in Retford and Worksop and a new secondary school in Tuxford. It will also create two new leisure centres for Bassetlaw District Council.
Education	Closed	N/A	Essex County Council – Clacton Secondary Schools	Refurbishment and upgrade of two secondary schools and new build of a third secondary school in the Clacton Area of Essex.
Education	Closed	95	Hadley Learning Community & Jigsaw	The projects involves the DBFO of various school and community buildings, split across two sites. The council has been awarded £70m PFI credits for this project.
Education	Closed	21	Warwickshire County Council – IT Learning Project	The project is one of four ICT Pathfinder projects supported by the Department of Education and Skills. The other pathfinders are for London Borough of Lambeth, Wolverhampton City Council/Worcestershire County Council and London Borough of Newham.
Education	Closed	63	Conwy County Borough Council Schools Project	Provision of three serviced secondary schools. One school involves a rebuild and refurbishment, another is a total new build and the third involves the rationalisation from two sites onto one.
Education	Closed	66	London Borough of Merton – Grouped Schools	Design, build, financing and operation (DBFO) of school facilities. The project involves the organisation of six 1,200-pupil schools in Merton into a two tier primary/secondary education system.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	32	North Tyneside Borough Council – Schools	DBFO of one secondary, two first schools and one primary school to include classrooms, ancillary rooms, offices, kitchen and catering facilities, playground, external sports areas and internal sports facilities, landscaping, car-parking, nursery facilities, community and other related services.
Education	Closed	119	London Borough of Tower Hamlets – Grouped Schools	DBFO of grouped schools. Project includes building improvement, maintenance and environment management for 27 schools.
Education	Closed	22	Tameside MBC Grouped Schools Project	Hattersley Schools project: DBFO of one secondary school and two primary schools.
Education	Closed	N/A	St Thomas More Catholic Comprehensive School Willenhall	Provision of a new secondary school for 1,400 pupils and playing fields.
Education	Closed	15	Bolton Metropolitan Borough Council – Castle Hill Primary School	Design, build, fitting out and financing of facilities on the Castle Hill site.
Education	Closed	N/A	Northamptonshire County Council – Learning Centre	DBFO of a centre for learning. The centre will include a primary school (210 places) and a secondary school (1,460 places).
Education	Closed	53	London Borough of Ealing Schools	DBFO of one high school and three primary schools, Facilities management and related services will also be provided but teaching/school administration and support services will not be included.
Education	Closed	15	Cheshire County Council – Ellesmere Port and Neston Schools	DBFO of schools in Ellesmere Port and Neston. The project involves the construction of four new primary schools and the refurbishment and extension of a secondary school.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	16	London Borough of Lambeth – Lilian Bayliss School	DBFO of new premises for a flagship technology secondary school with the provision for 600 pupils. The school was originally included as part of Lambeth’s proposed Project Vauxhall scheme, a larger joint housing and education project. The council re-tendered the Lilian Bayliss school project separately, following the rejection of Project Vauxhall by a tenant ballot in September 2000.
Education	Closed	N/A	London Borough of Enfield/London Borough of Newham – Schools	Design, build, operation, maintenance and financing of four new schools in Enfield and Newham, providing 3,400 student places.
Education	Closed	19	Salford City Council – Schools	Provision of fully serviced and maintained facilities on two new sites of three special educational needs schools. The Irwell Park High School will be built on a former hospital site and the New Croft High School and Oakwood High School will be co-located on a second site.
Education	Closed	N/A	Cornwall County Council – Grouped Schools	The project involves work on 17 schools in the Truro area including the new build of one secondary school (Richard Lander) and one primary school (Devoran) as replacements on existing sites as well as the refurbishment and extension of 15 primary schools.
Education	Closed	21	London Borough of Harrow – Special Needs Schools Project	DBFO of two new schools and the refurbishment of a third school which provide educational facilities for children with special needs.
Education	Closed	34	Kirklees Metropolitan Council – Special Schools Project	DBFO of a number of Special Educational Needs (SEN) schools for Kirklees Metropolitan Council. The deal includes provision of FM services. The whole life value of the scheme is estimated at £65m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	137	Leeds City Council – Grouped Schools IIC	The project involves the DBFO of three new secondary schools and amalgamation of four other schools onto two single sites, and includes FM services. Capital investment will amount to more than £100m.
Education	Closed	23	London Borough of Camden – Haverstock School	The project involves the DBFO redevelopment of Haverstock School, accommodating up to 1,200 pupils. The estimated capital value of the project is £18m and the estimated net present value of the unitary charge is £26m.
Education	Closed	210	Redcar and Cleveland Borough Council – Grouped Schools	The project involves the design, construction, financing and operation of six schools – two new build primaries; three new build secondaries as replacements; and one refurbished secondary. The successful bidder will also be required to provide FM services. The project has been awarded £48.9m in PFI credits and is expected to be worth around £145m over the life of the concession.
Education	Closed	81	London Borough of Ealing Grouped Schools	The project involves the new build of one primary school with nursery attached and two secondary schools.
Education	Closed	97	Birmingham Grouped Schools	The project involves the DBFO of thirteen new or refurbished schools within Birmingham. The project was allocated £53m in PFI credits. All property related services excluding ICT and catering are envisaged to be included in the contract.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	45	Slough Grouped Schools	The project involves the design, build, financing and operation of three replacement schools including classrooms and education spaces (including nursery facilities), ancillary spaces, playgrounds and sports provision for primary and secondary pupils and those with special needs. A tender for the appointment of financial, legal, technical and project management was issued in October 2003. This project has received £16.7m in credits from the DfES.
Education	Closed	164	Bristol BSF Schools Project – WAVE I Pathfinder	This is one of the four pathfinder projects for the Building Schools for the Future Programme (BSF), announced in March 2003. BSF aims to rebuild or revamp every secondary school in England. This £120m project is likely to comprise four PFI schools.
Education	Closed	241	Sheffield BSF Schools Project – WAVE I Pathfinder	This is one of the four pathfinder projects for the Building Schools for the Future Programme (BSF), announced in March 2003. The first phase of the project, valued at approximately £158m, will consist of three new build schools to be constructed as PFIs. No firm plans are currently in place for the scope of subsequent waves. However it is anticipated that there will be at least two more waves.
Education	Closed	102	Bradford BSF Schools Project – WAVE I Pathfinder	Total project cost is £400m. The scheme is split into phases. Completion is planned for August 2008.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	82	Bromsgrove Grouped Schools PFI	The project will see seven new schools built to replace existing schools in Bromsgrove, Worcestershire. Two new sites will be acquired; the remaining five schools will be rebuilt on their existing sites. Worcester County Council has been granted £60m in PFI credits for the project. Projected opening of school is 2007.
Education	Closed	214	Knowsley BSF Schools Project - WAVE I	This project forms part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF), announced in March 2004. The deal will see all 11 of the borough's existing secondary schools demolished and replaced with seven state of the art Learning Centres. The deal was originally going to be bond-financed, but this was ultimately not pursued.
Education	Closed	311	Leeds BSF Schools Project - WAVE I	£240m Leeds BSF Programme. Phase one of the Leeds BSF programme includes six schools, four of which are included in the PFI contract. Each of these secondary schools will be rebuilt. The ICT contract is not part of the PFI and has been subcontracted.
Education	Closed	162	Newcastle BSF Schools Project - WAVE I	This project forms part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF), announced in March 2004. The project involves 16 schools in all, with a mix of new build and refurbishment. Eight schools are to be funded through PFI, the others remaining in the LEP.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	200	London Borough of Newham BSF - WAVE I	The London Borough of Newham has been accepted onto the Department for Education and Skills (DfES) Building Schools for the Future Programme and is one of the 12 Authorities in Wave I of the programme. Four schools are to be completely rebuilt and nine others will be remodelled and refurbished in this £200m project.
Education	Closed	114	Solihull BSF Schools Project - WAVE I	The £83m Solihull scheme is one of the first wave BSF projects. The concession is for 27 years.
Education	Closed	214	South Tyneside and Gateshead (STAG) BSF - WAVE I	This is a BSF project, which involves construction of 13 new schools on 12 sites.
Education	Closed	320	Leicester City BSF Schools Project - WAVE I	Leicester City has been selected as part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF) which aims to rebuild or revamp every secondary school in England. The completion date for this phase is expected to be completed by September 2008.
Education	Closed	81	Norwich Area Schools PFI Scheme	The project involves the new build of five primary schools (four of which are amalgamations of existing schools) and the refurbishment of one secondary. Facilities management services will be required and some equipment provision is anticipated over 25 years.
Education	Closed	68	Plymouth Schools PFI Project	The project involves the design, build, operation, maintenance and financing of a joint education, special needs and community campus at Whitleigh for around 1,500 students. FM services will be included in the mandate for all facilities.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	41	Doncaster Schools PFI	The scheme will provide two new secondary schools in Edlington and Mexborough respectively. Both are due to be open in January 2009 and each will have capacity for 1,350 pupils.
Education	Closed	N/A	Rochdale Schools PFI	The project involves the DBFO of improvements to four school sites with associated FM service provision.
Education	Closed	N/A	Peterborough Grouped Schools	The project involves the new build of Voyager School, to replace North Bretton and Walton secondary schools which will provide places for 1,675 pupils.
Education	Closed	180	Birmingham BSF – WAVE 1	This project requires the rebuild or refurbishment of 76 schools and six special schools. It will be procured in six tranches over the next ten years.
Education	Closed	184	London Borough of Islington BSF – WAVE 2	The £140m scheme will be delivered in three phases commencing in early 2008, over a five-year period. The project involves the delivery of eight secondary schools and two pupil referral units.
Education	Closed	119	Nottingham BSF – WAVE 2	This project will cover eight schools and is being procured in two tranches.
Education	Closed	398	Barnsley BSF – WAVE 3	The nine schools to be developed are split into three tranches. The preferred bidder and Barnsley Council will form a Local Education Partnership (LEP), which will cover the PFI scheme management, development and procurement for 10 years, with a potential five-year extension.
Education	Closed	654	Durham BSF - WAVE 3	This project forms part of wave three of the DfES Building Schools for the Future Programme.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	314	Durham BSF - WAVE 3	This project forms part of wave three of the DfES Building Schools for the Future Programme. The programme will involve the refurbishment and rebuilding of all the secondary schools in the districts of Gravesham, Thanet and Swale as well as major investment in ICT and equipment.
Education	Closed	164	Sandwell BSF - WAVE 3	The council is seeking to form a local education partnership (LEP) with a private sector partner for the project, which may be a mixture of new build, remodelled and refurbished facilities to be delivered as a PFI and/or design and build arrangements.
Education	Closed	343	Tameside BSF - WAVE 3	The preferred bidder will refurbish and carry out reconstruction work at five schools, followed by a second wave of four schools (on three sites) and one special needs school.
Education	Closed	262	London Borough of Southwark BSF - WAVE 3	For this phase of the project there will be a combination of new build and refurbishment (through PFI and under design-build).
Education	Closed	54	Salford Schools PPP	The project involves the building of two secondary schools one for 900 pupils and the other for 1,200. Once the school buildings have been completed the project company will be responsible for facility management for a period of 25 years.
Education	Closed	281	Lewisham BSF	The entire Lewisham programme will have a contract concession period of 25 years. The contract involves major refurbishment or renewal of 12 secondary schools including three special needs schools.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	96	Hastings College PPP	The new state-of-the-art facilities for Hastings College will be built at Station Plaza, Hastings and at Ore Valley Rother. Construction work on the college has already begun and is expected to conclude by the end of 2009. The other sites should be completed by early 2012.
Education	Closed	280	Luton BSF – WAVE 3	The council is seeking a private sector partner to form a Local Education Partnership (LEP) over a 10-year concession period, with an option to extend this for a further five years.
Education	Closed	N/A	Cumbria BSF WAVE 7	To redevelop the secondary schools in the west of Cumbria's county under wave 7 of the BSF programme and to renovate four schools in West Cumbria and build a new school in Workington.
Education	Closed	177	Bradford BSF Phase 2	Phase 2 of Bradford BSF will involve new secondary special schools being co-located. Work is set to start in 2009 and the new schools are due to open in 2010/2011.
Education	Closed	47	Lancashire BSF WAVE 3	The third phase of Lancashire County Council's BSF scheme will cover the funding, design and construction of three schools. All the schools are in Burnley and will accommodate over 2,000 students.
Education	Cancelled	91	Norfolk Schools Grouped Project	Design, build, finance and operation (DBFO) of grouped schools. The project involves the construction of new schools and refurbishment involving 39 schools. It will include the linking up of ICT networks and FM.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Cancelled	N/A	Partnerships for Church of England Schools - Southern Region	Partnerships for Church of England Schools is a joint venture between the Church (the National Society) PUK and the DfES. The first wave of projects involves three local regions.
Education	Cancelled	36	London Borough of Hounslow - Heston Schools Project	A private sector partner is to design, build, finance, operate and maintain the replacement and/or refurbished facilities for schools in Hounslow, including Heston schools pursuant under a PFI contract.
Education	Cancelled	N/A	Manchester Phase I BSF Schools Project	This project forms part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF), announced in March 2004.
Education	Cancelled	N/A	Stoke on Trent BSF Schools Project – WAVE I	This project forms part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF) announced in March 2004. Phase I consists of the redevelopment of Sandon School, which will accommodate 750 pupils. Phase II will involve the procurement of 23 sites in one batch where two contractors will be appointed.
Education	Cancelled	244	Sunderland BSF Schools Project - WAVE I	This project forms part of the Approved Wave I pathfinder projects for the Building Schools for the Future Programme (BSF) announced in March 2004. The Sunderland BSF project involves the new build of ten secondary schools to replace existing buildings, and modernisation of several others. The project will be delivered in two phases.
Education	Cancelled	146	London Borough of Hackney BSF - WAVE 2	This project forms part of wave two of the DfES Building Schools for the Future Programme.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Cancelled	N/A	Liverpool BSF - WAVE 2	This project forms part of Wave Two of the DfES Building Schools for the Future Programme. Ten schools will be included in Wave Two costing around £140m. Wave Four of the scheme is expected to start in 2010 and be completed by 2016.
Education	Cancelled	N/A	Middlesbrough BSF - WAVE 2	This project forms part of wave two of the DfES Building Schools for the Future Programme.
Education	Cancelled	245	London Borough of Tower Hamlets BSF	The borough is seeking to form a Local Education Partnership (LEP) to design, build (and refurbish), finance maintain and operate schools.
Education	Cancelled	N/A	London Borough of Westminster BSF	This project forms part of wave three of the DfES Building Schools for the Future Programme. The scheme involves the rebuilding, remodelling or refurbishment of seven secondary schools in Westminster.
Healthcare	Pre-Approval	N/A	County Durham New Healthcare Buildings Project	County Durham and Darlington Priority Services NHS Trust is seeking to develop new health building(s) and/or Services. It is likely that any procured building(s)/services will be provided under the Private Finance Initiative.
Healthcare	Pre-Approval	N/A	Birmingham Medium Secure Mental Health Unit PFI	Birmingham and Solihull Mental Health NHS Trust is currently writing its outline business case (OBC) for a new medium secure mental health facility, which may be pursued via the PFI route, although alternative methods are also being considered. It is anticipated that the construction of the medium-security hospital facility will begin in the spring of 2008, lasting approximately four years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	N/A	Southampton University Hospitals NHS Trust	
Healthcare	Pre-Approval	N/A	Leeds Maternity & Childrens Hospital	This project is one of fifteen in Wave 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. Strategic outline cases (SOCs) were submitted in late April 2004.
Healthcare	Pre-Approval	N/A	Kensington & Chelsea LIFT - WAVE FOUR	This project forms part of Wave Four of the DoH LIFT programme. The project involves Kensington & Chelsea PCT, with a projected initial capital investment of £7m.
Healthcare	Pre-Approval	27	Bulwell Health Centre LIFT	The Bulwell Joint Service Centre development in Nottinghamshire will be developed on a 3.54 acre site on Main Street/ Coventry Road in a proposed regeneration area of the town. Services to be housed in the centre will include community, youth and play services, indoor and outdoor sports facilities, a library, community health services and two GP practices. It will be built and operated over a 25-year concession period under a PPP. Construction is set to commence in early 2009 and conclude in summer 2011.
Healthcare	Pre-Approval	30	Craven and Harrogate Redevelopment	The Craven redevelopment project is likely to include a new ambulatory clinical assessment centre on the Skipton Hospital site, linked closely to a primary care centre in Settle. The PCT wishes to re-provide buildings currently used for health care provision with new or new and substantially refurbished buildings. Construction is due to start in 2010.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	34	Mascalls Park/ Oldchurch Hospital PFI	The project involves the re-provision of a 138 bed hospital on the current Oldchurch Hospital site in the centre of Romford, transferring services from Mascalls Park Warley.
Healthcare	Pre-Approval	57	Barnet & Chase Farm Hospitals NHS Trust - Chase Farm Hospital	The Trust has received approval for a major new building at Chase Farm costing £42m and planning for this is currently underway.
Healthcare	Pre-Approval	68	The Acute Mental Health In-Patient Reprovision Project	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004. The project involves the re-provision of the Brandon Mental Health Centre. The trust is currently preparing an OBC for approval.
Healthcare	Pre-Approval	100	Taunton Surgical Centre	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004. The project involves the replacement of existing surgical services into a new building at Taunton and Somerset Hospital.
Healthcare	Pre-Approval	173	RNOH Stanmore Redevelopment	The project involves the redevelopment of Stanmore to deliver orthopaedics more efficiently with greater capacity for treating more patients. The £144m PFI hospital redevelopment involves the radical re-provision of services on the Stanmore Hospital site. This will include the new build of replacement facilities on the existing site, such as: - 218 beds - 9 operating theatres - 13 out-patient rooms - 7 imaging (X-ray) rooms.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	228	Heatherwood and Wexham Park Hospitals PFI	The project involves the redevelopment of facilities on the Heatherwood and Wexham Park Hospitals sites located in East Berkshire.
Healthcare	Pre-Approval	231	Mersey Care Mental Healthcare PFI	As part of the North Mersey Future Healthcare programme, the project involves the improvement of the Mersey Care facilities. As part of a new build the scheme will involve provision of five community based mental health resource centres & associated facilities. This will include a relocation of facilities currently both community based and in separate centres. So far one site in Southport has been confirmed, though additional sites have been located. The plan is to offer a batched procurement, with two exemplar schemes being procured first.
Healthcare	Pre-Approval	320	Hillingdon Hospital Redevelopment	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004. The Scheme for the Redevelopment of Hillingdon Hospital involves the complete rebuild of practically all of the acute accommodation on the existing site. The scheme will also include the provision of all hard FM services and the majority of the traditional soft FM services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	343	Whipps Cross University Hospital NHS Trust Redevelopment	A phased approach is being taken to the redevelopment. Phase one of two will see construction work begin in 2008, with the development of four buildings using purpose-built modular facilities. The first two of these are due to be completed four years later. The original project was worth £300m, of which capital construction value was around £250m, and involved the redevelopment of the entire 42-acre site at Whipps Cross hospital.
Healthcare	Pre-Approval	375	North Bristol and South Gloucestershire	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004. This project is worth approx £420m.
Healthcare	Pre-Approval	400	New Cross Hospital-Wolverhampton	The Trust has submitted an OBC to the Department of Health for a PFI redevelopment of the hospital and the tender is expected in early 2006.
Healthcare	Pre-Approval	425	Watford General Hospital Redevelopment PFI	A new acute PFI hospital. The plans are part of a £1bn regeneration plan for what will be known as Watford Health Campus. At this stage the hospital is estimated to have a capital value of around £250m. The proposed Health Campus will see the redevelopment of a 26.5 hectare site in West Watford with a brand new 510-bed major acute Hospital for the whole of West Hertfordshire at its heart. The plans also include a redeveloped stadium for Watford FC; a hotel and conference facility; new GP and other primary care health clinic facilities and more than 300 new homes both private and affordable.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Pre-Approval	440	Alder Hey Children's Hospital PFI	Part of the North Mersey Future Healthcare programme, the project involves the improvement of facilities at the Royal Liverpool Children's Hospital, Alder Hey. This involves the re-provision of Alder Hey and development of associated community children's facilities. Preferred option is to construct the new building on a park adjacent to the existing hospital site and then to demolish the hospital to create a new park on its site.
Healthcare	Pre-Approval	484	Sandwell & West Birmingham Acute Trust	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004. It will involve the construction of a hospital in Smethwick to replace City Hospital in Winson Green and Sandwell Hospital in West Bromwich.
Healthcare	Pre-Approval	553	Royal Liverpool & Broadgreen Hospital PFI	As part of the North Mersey Future Healthcare Project, the project involves the improvement of hospital facilities on the Royal Liverpool & Broadgreen Hospital site.
Healthcare	On Hold	366	Northampton General Hospital PFI	The value of the Northampton General Hospital PFI, which had been set at £274m, has been cut to £130m following a review of the project by the Northampton General Hospital NHS Trust. The Trust reviewed the scheme in light of the Government's white paper, "Changes in Funding", and its Foundation Trust (FT) application. The overall affordability envelope the Trust now has is £130m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	On Hold	395	Plymouth Hospitals NHS Trust - Vanguard Health Project	Vanguard is split into two main strands in a bid to separate planned and emergency care. The first strand will see a complete new build Planned Care Centre catering for routine surgery, diagnostics and outpatients and built on the existing International Business Park south of Derriford Hospital. The revised plan for the new Planned Care Centre has an operational date of Spring 2010 and a capital cost of £200m.
Healthcare	On Hold	399	Northwick Park and St Mark's Hospital Redevelopment	Northwest London Hospitals NHS Trust are proposing to rebuild Northwick Park Hospital. The North West London Hospitals NHS Trust and Brent and Harrow PCTs have had DoH approval for the re-development of Northwick Park and St Mark's Hospital in North Brent. This case includes an option to build a new 600 bed hospital at the back of the existing site, with a capital value of around £300m.
Healthcare	In Tender	N/A	Willwobrook Health Complex Proect	To develop a new hospital in Corby via a LIFT. The hospital is set to be operational by 2012.
Healthcare	In Tender	N/A	Ashford Health Centre	The project involves the DBFO of a fully serviced health centre, providing accommodation for approximately eight doctors and 16 other health care professionals, with a floor area of an estimated 1,500m <sup>2</sup> as well as a youth centre in Ashford, Kent.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	N/A	Birmingham Care Centres	Birmingham City Council (along with procurement partner Birmingham & Solihull LIFTCO) is seeking a private sector partner to design, build, finance and operate (DBFO) four separate care centres for the elderly over a 25-year concession period. The centres will cover an area of roughly 4,500m <sup>2</sup> - 4,700m <sup>2</sup> each. The project has already been granted £45m of PFI funding from the Department of Health.
Healthcare	In Tender	N/A	Express LIFT Framework	The Department of Health (DH) is seeking between 6 and 10 framework contractors to participate in its Express LIFT programme, which is intended to provide a fast-track procurement route for the English Primary Care Trusts (PCTs) not currently involved in the LIFT scheme. The advantage of the Express programme comes from the fact that it will not entail a design element, meaning PCTs can run abbreviated procurement competitions involving selected contractors from the framework, therefore taking several months rather than years to appoint a partner. The framework will initially be set up for two years but may be extended to four.
Healthcare	In Tender	11	Wiltshire & Swindon LIFT - WAVE FOUR	This project forms part of Wave Four of the DoH LIFT programme. The project covers South Wiltshire PCT, Kennet & North Wiltshire PCT, West Wiltshire PCT and Swindon PCT with a projected initial capital investment of £13m.
Healthcare	In Tender	15	Burton Hospitals NHS Trust	Delivery of ophthalmology & orthopaedic services.
Healthcare	In Tender	15	Burton Hospitals NHS Trust	Delivery of ophthalmology & orthopaedic services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	17	Sandwell NHS LIFT	Provision & management of new build & refurbished serviced community-based health & social care facilities
Healthcare	In Tender	24	Ealing Care Homes Project	Residential & care homes for the elderly.
Healthcare	In Tender	22	South East Essex LIFT - WAVE FOUR	This project forms part of Wave Four of the DoH LIFT programme. The project covers Southend PCT and Castle Point & Rochford PCT with a projected initial capital investment of £16.7m.
Healthcare	In Tender	27	Greater Nottingham NHS LIFT	Provision & management of new build & refurbished community-based health & social care facilities.
Healthcare	In Tender	29	New Forest PCT	New hospital to be constructed in Lymington.
Healthcare	In Tender	36	Brighton & Sussex University NHS Care Trust - Children's Hospital	DBFO of a new children's hospital.
Healthcare	In Tender	36	Brighton & Sussex University NHS Care Trust - Children's Hospital	DBFO of a new children's hospital.
Healthcare	In Tender	33	South Midlands LIFT- WAVE FOUR	This project forms part of Wave Four of the DoH LIFT programme. The project covers Northamptonshire Heartlands PCT, Northampton PCT, Melton, Rutland & Harborough PCT and Daventry & South Northants PCT. Projected initial capital investment is £37m.
Healthcare	In Tender	38	South East Midlands LIFT- WAVE FOUR	This project forms part of Wave Four of the DoH LIFT programme. The project covers Bedfordshire Heartlands PCT, Milton Keynes PCT, North Hertfordshire and Stevenage PCT and Bedford PCT. Projected initial capital investment is £19.5m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	42	Leeds CC Independent Living Project	DBFO of accommodation for those with learning difficulties or mental health needs.
Healthcare	In Tender	80	Cambridge University Hospitals Foundation NHS Trust - Care Centre	DBFO of a new Elective Care Centre.
Healthcare	In Tender	81	Northamptonshire Batched PFI Scheme	The project scope consists of community hospital builds in Market Harborough for the Milton, Rutland and Harborough PCT and for Hinkley and Bosworth PCT, with a combined capital value of £50-60m.
Healthcare	In Tender	230	Maidstone and Tunbridge Wells NHS Trust DBFO	DBFO of an acute hospital on the Trust's main site at Pembury.
Healthcare	In Finance	11	Littlehampton Community Hospital Facility	The project involves the design, construction and financing of a new community hospital facility providing intermediate and community care, supportive diagnostics, out-patient services and accommodation for community based services on the existing site of Littlehampton Community Hospital, together with the provision of certain hard facilities management services.
Healthcare	In Finance	22	Taunton and Somerset NHS Trust-Somerset Cancer Centre	To provide a new cancer centre, including haematology and oncology facilities and two linear accelerators for radiotherapy on the district hospital site at Musgrove Park in Somerset. In addition, the Centre will include an outpatients department, day ward for the administration of chemotherapy and supportive treatments, and an 18 bed in-patient ward.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Finance	25	Brent Harrow and Hillingdon NHS LIFT	Provision and management of new build and refurbished community health and social care facilities. The estimated capital value is £20m.
Healthcare	In Finance	25	Brentwood Community Hospital	The project involves the complete redevelopment (demolition and rebuilding) of Brentwood Community Hospital, including the provision of additional community hospital services such as antenatal maternity care, a child health clinic, endoscopy and possibly minor surgery. Soft and hard FM services are also to be provided as part of the contract. The estimated capital value of the project is £19m.
Healthcare	In Finance	252	Portsmouth Hospitals NHS Trust - New Hospital Buildings	DBFO of new hospital buildings and facilities with 1,200 beds. Renovation of existing buildings and FM at the Queen Alexandra Hospital site. The capital cost of the project is £192 million. The new hospital will replace existing facilities at three separate locations in Portsmouth.
Healthcare	In Finance	430	North Bristol Hospital	The £336m North Bristol NHS Trust's Southmead Hospital will be an acute hospital PFI scheme. The project is also being procured using a PFI structure. This means that significantly more design work will be put in place before the project is tendered. Following the appointment of a preferred bidder, a funding competition will be held.
Healthcare	In Finance	449	Greater Peterborough Health Investment Plan	The project involves the construction of three new healthcare facilities - an integrated care centre on the site of Fenland Wing at Peterborough District Hospital, as well as a new mental health unit and a new major acute hospital on the Edith Cavell Hospital site.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	N/A	Northamptonshire Healthcare NHS Trust - St. Mary's Hospital	DBFO of integrated a replacement adult acute mental illness in-patient and intensive care facility with approx. 45 beds at St. Mary's Hospital, Kettering.
Healthcare	Closed	N/A	Dudley South NHS LIFT	The project involves the provision of new community-based health and social care facilities at the Brierley Hill, Stourbridge and Ridge Hill.
Healthcare	Closed	N/A	Camden & Islington NHS LIFT	The LIFT scheme involves the provision of integrated care centres in the Camden and Islington area. Construction works over the first five years will total around £50m. Wave 1: Five primary care premises in Islington. Future Waves: Camden and Islington Lift has also identified 21 more medium to long term schemes which will include seven more integrated primary care centres, seven more large practices, four more core practices and three walk-in primary care centres.
Healthcare	Closed	N/A	Manchester Salford and Trafford (MAST) NHS LIFT	The project involves the building and operating of a range of healthcare facilities in Manchester, Salford and Trafford comprising 13 separate schemes. The first tranche will include four schemes and has a capital value of around £20m. The project is one of the first to be awarded under the Local Improvement Finance Trust (LIFT) framework. This is a long-term 25-year partnering arrangement between the public and private sector with the creation of a joint venture and a strategic partnering arrangement which is designed to encourage innovation and shared rewards.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	N/A	Royal Wolverhampton Hospitals NHS Trust - New Radiology Department	To develop a radiology department, including the construction of a new building complete with equipment and storage facilities. The project also includes provision maintenance and replacement of medical equipment over a thirty-year term.
Healthcare	Closed	10	Harrow Residential Day Care	The project involves the DBMO of community resource centres and houses for people with learning disabilities and mental illness on three sites. £10m of PFI credits have been allocated. Since the third site earmarked for development has become unavailable, London Borough of Harrow is currently discussing viable alternatives and considering whether or not to structure it as PFI/LIFT.
Healthcare	Closed	12	Barnsley Primary Care Trust NHS LIFT	The project involves the provision and management of new build and refurbished serviced community-based health and social care facilities. These may include - among other facilities - health centres, outpatient and diagnostic facilities, GP and dentists' accommodation and pharmacies. The estimated capital value is £10m.
Healthcare	Closed	16	Newcastle and North Tyneside NHS LIFT	Provision and management of up to 25 new build, refurbished community health and social care facilities, e.g. Health Centres, GP and Dentist accommodation and pharmacies. The capital value is estimated to be £15m.
Healthcare	Closed	18	Burnley Healthcare NHS Trust - Integrated Patient Care System	Provision of Integrated Patient Care System. This project now includes Blackburn, Hyndburn and Ribble Valley Healthcare NHS Trust, who released a separate OJEC: but the procurement will be joint between the two trusts.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	19	Ashton Leigh & Wigan NHS LIFT	Provision and management of new build, refurbished, community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The project may also include facilities management facilities. The estimated capital value is £15m.
Healthcare	Closed	19	Plymouth NHS LIFT	Provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value is £15m.
Healthcare	Closed	20	Salisbury Health Care NHS Trust - Extension	To provide new health care facilities by way of an extension to the existing hospital and related services. These are likely to include, but are not necessarily limited to: orthopaedic and care of the elderly wards, a burns unit with dedicated operating theatre, outpatients department, related reception and office accommodation and the related long term hard facilities management services.
Healthcare	Closed	21	Doncaster NHS LIFT	
Healthcare	Closed	21	Bradford & Airedale NHS LIFT	Provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value is £16m.
Healthcare	Closed	21	Oldham Primary Care Trust NHS LIFT	Provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value is £17m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	21	Sheffield NHS LIFT	Provision and management of new build, refurbished, community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The project may also include provision of facilities management. The capital value is expected to be £16m.
Healthcare	Closed	25	Medway Primary Care Trust NHS LIFT	Provision and management of new build and refurbished community health and social care facilities, such as Health Centres, GP and Dentist accommodation and pharmacies. The project may also include facilities management facilities. The capital value is estimated to be £22m.
Healthcare	Closed	23	Hull LIFT Programme	The project involves the building and refurbishment of social care and serviced community-based health facilities such as health centres, intermediate care facilities, walk-in and drop-in centres and dentist facilities. The first tranche of the Hull NHS Lift scheme is worth about £18 million.
Healthcare	Closed	26	Tees Valley NHS LIFT	Provision and management of new build and refurbished community health and social care facilities, such as Health Centres, GP and Dentist accommodation and pharmacies. The project may also include facilities management facilities. The capital value is estimated to be £21m.
Healthcare	Closed	26	Buckinghamshire Hospitals NHS Trust - Stoke Mandeville Hospital	The project involves partial redevelopment of the existing site. Stoke Mandeville Hospital NHS Trust has now merged with Buckinghamshire Hospitals NHS Trust.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	26	STaG LIFT Project	The underlying project will see the construction of a new health centre at Cleadon Park. The facility will accommodate a community resource centre for South Tyneside Council and a healthcare centre for South Tyneside Primary Care Trust.
Healthcare	Closed	27	Derby and Southern Derbyshire NHS LIFT	The project includes five individual developments in the Derbyshire area, involving the provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value is £21m. Total debt being provided is £35m but pricing is not being disclosed at present.
Healthcare	Closed	29	St. Helens Primary Care Trust NHS LIFT	Provision and management of new build and refurbished community health and social care facilities e.g. Health Centres GP and Dentist accommodation and pharmacies. The capital value is estimated to be £22m.
Healthcare	Closed	29	North Kirklees Primary Care Trust - Repair and Maintenance Services Related to Buildings	DBFO of four primary care facilities at Cleckheaton, Ravensthorpe, Savile Town and Dewsbury, with an intermediate care facility at Liversedge. In addition to these new build requirements, the extension and refurbishment of one existing building at Batley will be required in order to convert to primary care use.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	30	South West London NHS LIFT	Provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The project may also include facilities management facilities. The estimated capital value is £23m.
Healthcare	Closed	32	Newham Healthcare NHS Trust - Centralisation and Modernisation	The project involves the centralisation and modernisation of acute services at Newham General Hospital, Plaistow and re-provision of services from St. Andrews Hospital, Bromley-by-Bow.
Healthcare	Closed	33	Langbaugh (Redcar) Healthcare PFI	This PFI scheme involves the construction of a new community hospital and four GP surgeries for the Langbaugh PCT in Redcar and Cleveland (South Teesside).
Healthcare	Closed	34	Newcastle North Tyneside and Northumberland Mental Health NHS Trust - St. George's Psychiatric Hospital Morpeth	The project involves the development of a new 203-bed psychiatric hospital to replace the existing buildings at the St. George's site, Morpeth.
Healthcare	Closed	36	Kingston Hospital NHS Trust - Redevelopment	The project involves the construction of a new building on the Kingston Hospital site, including new 80-bed surgery and 20-bed gynaecology wards, education and training centre, physio department and dining room.
Healthcare	Closed	36	Leeds City NHS LIFT	The initial phase of LIFT - due to be completed in 2005 - will involve seven developments across the city.
Healthcare	Closed	41	North Nottinghamshire NHS LIFT	Provision and management of 7 new build Primary Care facilities including Health Centres, GP and Dentist accommodation and pharmacies.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	45	Northamptonshire Healthcare NHS Trust - Pendereds Hospital	The re-provision of acute in-patient mental health accommodation and associated services at Pendereds Hospital in Northamptonshire. The centre will have a capacity of 137 beds for adults and the elderly.
Healthcare	Closed	45	East London LIFT (Phase 1)	The project is the first phase in the provision of various healthcare facilities throughout East London via the new Local Improvement Finance Trust (LIFT) scheme. The London councils of Newham, Hackney and Tower Hamlets awarded a project which entails developing facilities and refurbishing existing centres in a programme.
Healthcare	Closed	47	South West Hampshire LIFT-Wave Four	The concession period will be 25 years. Work will be in two phases. The first will comprise a purpose built Primary Care Delivery Centre, a one-stop shop offering a variety of services and facilities with extended opening hours. The second scheme will replace the Adult Mental Health in-patient unit on the Royal South Hants Hospital site in Southampton.
Healthcare	Closed	51	Oxford City NHS LIFT	Provision and management of new build, refurbished, community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The project may also include facilities management facilities. The estimated capital value is £40m.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	54	East Hampshire Fareham and Gosport NHS LIFT	East Hampshire PCT and Fareham and Gosport PCT have been chosen as one of 24 projects in the third wave of the LIFT initiative to improve primary care facilities and services as part of the implementation of the NHS Plan. The project involves the provision and management of new build and refurbished community health and social care facilities, such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value of the first tranche of schemes is £40m.
Healthcare	Closed	54	Norfolk NHS LIFT	Provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value over the 25-year life of the partnership is expected to be in the region of £40m.
Healthcare	Closed	56	Coventry NHS LIFT	Provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. The estimated capital value is £43m.
Healthcare	Closed	62	Bristol NHS LIFT	Bristol NHS LIFT project calls for the provision and management of new build and refurbished community health and social care facilities such as Health Centres, GP and Dentist accommodation and pharmacies. A total of ten projects are to be procured in two tranches over seven years. The total capital investment is expected to amount to around £45m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	70	Bromley Bexley & Greenwich NHS LIFT	Provision and management of new build and refurbished serviced community-based health and social care facilities. These may include - among other facilities - health centres, outpatient and diagnostic facilities, GP and dentists' accommodation and pharmacies. The capital value is estimated to be £50m.
Healthcare	Closed	68	Leicester City NHS LIFT	Provision and management of new build and refurbished community health and social care facilities - Health Centres GP and Dentist accommodation and pharmacies. The estimated capital value is £50m.
Healthcare	Closed	78	Bury Tameside & Glossop LIFT - WAVE FOUR	The project is part of Wave Four of the DoH LIFT programme. Services which may be included are community nursing, GP services, minor surgery, minor A&E, dermatology, cardiology, diagnosis, podiatry, x-ray facilities, pathology services and ear, nose and throat treatment.
Healthcare	Closed	80	3 Shires Batch PFI - Derbyshire Leicestershire and Lincolnshire	The programme involves the batched procurement of PFI mental health, learning disabilities and community care facilities for Derbyshire Mental Health Services NHS Trust, Leicestershire Partnership NHS Trust and East Lincolnshire Primary Care Trust. The capital value of the batched projects currently totals £61.5m.
Healthcare	Closed	86	Castle Hill Hospital	The project involves the development of a new build oncology and haematology hospital on the Castle Hill Hospital, Cottingham site to replace the facilities at Princes Royal Hospital.
Healthcare	Closed	96	Tees, Esk and Wear Valleys NHS Trust - St Luke's PFI	The project involves construction of a 312-bed hospital for the provision of mental health and learning disability facilities in Middlesbrough.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	100	Addenbrooke's NHS Trust PFI	To design, build, finance and maintain elective care (non-emergency care - operations that are planned or booked following a referral by your GP to an outpatient clinic), diabetes and genetics centres on the hospital campus.
Healthcare	Closed	119	Blackburn Hospital Hyndburn and Ribble Valley Healthcare NHS Trust	The contract entails the redevelopment of Queen's Park Hospital. DBFO of a new acute hospital facilities at Queen's Park site to allow the relocation of all acute facilities currently provided at the Blackburn Royal Infirmary site to the Queen's Park site. The project will end the provision of services from Blackburn Royal Infirmary which provides Victorian accommodation and is not suitable for delivery of modern NHS services. The project was approved in July 1999 as part of the third wave of PFI hospital deals.
Healthcare	Closed	141	Walsall Manor Hospital Redevelopment	Redevelopment of Manor Hospital including extensive new facilities.
Healthcare	Closed	151	North Middlesex Hospitals NHS Trust PFI	As well as replacing half of the hospitals buildings the project includes replacing 150 beds and providing state-of-the-art facilities for accident and emergency services, diagnostics inpatients, operating theatres and endoscopy. Construction of the new buildings is expected to be completed by 2010.
Healthcare	Closed	169	Bolton Rochdale and Heywood & Middleton (BRAHM) LIFT - WAVE FOUR	This project forms part of Wave Four of the DoH LIFT programme. The project covers Heywood and Middleton PCT Bolton PCT and Rochdale PCT and its projected capital investment is £21m for the first tranche. The overall capital value of this LIFT project for Bolton, Rochdale and Heywood & Middleton is estimated at £120m plus.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	203	Dartford Gravesham & Swanley Primary Care Trust - Refinancing	DBFO in connection with the redevelopment or possible refurbishment of the Gravesham and north Kent Hospital site and the provision of facilities support services and certain equipment in connection with the operation of the hospital. The funds will refinance construction of the hospital that started in 1997 and was completed in 2000. Refinancing is made up of a 28-year bond signed at the end of March 2003.
Healthcare	Closed	205	Leeds Teaching Hospitals NHS Trust - Oncology wing	Design, build, finance and ongoing maintenance of a large new wing for medical and surgical oncology and associated services including building maintenance services. The supply and maintenance of equipment (including IT clinical treatment systems and PACS) will form an integral and substantial element of the project.
Healthcare	Closed	215	Mid Essex Hospital NHS Trust - Broomfield Hospital	The £163m project involves the building of a single-site district general hospital at the existing Broomfield Hospital in Chelmsford, Essex.
Healthcare	Closed	228	Pinderfields and Pontefract Hospitals Development Project	The project involves the redevelopment of the Pinderfields General Hospital site at Wakefield and a smaller development at Pontefract General Infirmary. Pinderfields will be developed into a major acute care centre for the district. Construction is expected to take about five years to complete.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	300	Newcastle upon Tyne Hospitals NHS Trust	To relocate the Northern Centre for Cancer Treatment (NCCT) to a purpose built centre at Freeman Hospital and the Renal and Dialysis Services from the Royal Victoria Infirmary to purpose built new accommodation at Freeman Hospital, and to redevelop the RVI.
Healthcare	Closed	288	St Helens & Knowsley Community Health NHS Trust	The project involves the modernisation of Whiston Hospital in Prescot, to the east of Liverpool, Newton Community Hospital in Newton-le-Willows, nearby St. Helens Hospital and four Primary Care Centres. The capital value of the project is £210m.
Healthcare	Closed	315	Barking Havering and Redbridge Hospitals NHS Trust	To centralise services at Harold Wood hospital and Oldchurch Hospital onto a single site hospital at Oldchurch Park, Romford.
Healthcare	Closed	328	Pembury Hospital PFI Redevelopment	£250m new PFI Hospital. 512 bed hospital and mental health unit which will be the first acute hospital in the country with 100% single rooms.
Healthcare	Closed	479	North Staffordshire Hospital - Teaching Hospitals	The project involves the design, build, financing operation and maintenance of a new acute hospital on the University Hospital of North Staffordshire's City General site and a new community hospital for North Stoke Primary Care Trust on the Haywood and Stanfield sites. The project also includes the provision of related office accommodation and may include the maintenance and service of on site education facilities.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	503	Southern Derbyshire Acute Hospitals NHS Trust	Design, construction, financing and operation of new and existing healthcare facilities in Derby. It is anticipated that the service provider will also be required to provide hard and soft facilities management services and may also be required to provide some equipment and IT infrastructure. Some services from Derby Royal Infirmary including accident and emergency will be transferred to the new hospital when completed in 2008.
Healthcare	Closed	568	Manchester NHS Trusts Joint Project	The project involves the DBFO replacement of Booth Hall and the Royal Manchester Children's Hospital with a new children's hospital, eye hospital, women's hospital and adult services by 2009. The capital cost of the project is £414 million.
Healthcare	Closed	692	Birmingham New Hospitals Project - University Hospital Birmingham/ Birmingham & Solihull Mental Health NHS Trust	The scheme is being jointly developed by the University Hospital Birmingham NHS Trust and Birmingham & Solihull Mental Health NHS Trust. The project will provide a new single-site hospital to replace the current Queen Elizabeth and Selly Oak acute hospital. Mental health facilities will be provided at the main site and 2 further locality sites in South Birmingham.
Healthcare	Closed	1098	Barts and the London NHS Trust - Hospital Redevelopment	The project calls for the development of an 800-bed facility at Whitechapel and a 350-bed hospital at Barts Hospital commissioned by the Barts & London Hospital Trust. The project also includes provision of services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Cancelled	N/A	South of Tyne and Wearside Mental Health NHS Trust	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004.
Healthcare	Cancelled	N/A	Aintree Hospital PFI	Part of the North Mersey Future Healthcare programme the project involves the new build and re-provision of Walton Hospital facilities. About £40m of PFI credits have been approved for the project.
Healthcare	Cancelled	32	Selby War Memorial Hospital PFI Redevelopment	This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. All have an estimated capital cost of £40m or more. Strategic outline cases (SOCs) were submitted in late April 2004. The project involves the DBFO of a community (non acute) hospital with expansion of inpatient care from 39 to 60 beds. The new hospital will be built on land owned by the PCT to the rear of the existing Selby War Memorial Hospital.
Healthcare	Cancelled	33	Sustainable Communities in Kent (LIFT) - WAVE FOUR	The project forms part of Wave Four of the DoH LIFT programme The project covers Dartford, Gravesham and Swanley PCT, Maidstone Weald PCT and Ashford PCT, and its projected initial capital investment is £25.5m.
Healthcare	Cancelled	41	St Clement's Hospital Ipswich	The project involves the replacement of St. Clement's Hospital in Ipswich with a new inpatients facility on the 18-acre St Clement's site or in the grounds of Ipswich Hospital. Project is to proceed under a SOP basis.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Cancelled	109	Southend Hospital Redevelopment	<p>This project is one of fifteen in WAVE 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. A strategic outline cases (SOC) was submitted in late April 2004. The strategy that has been developed for the project is divided into three stages, each impacting on the progress to the next: stage one will see the provision of a treatment centre on the site; stage two involves the re-provision of the services traditionally dealt out to the community by the hospital; stage three involves the major redevelopment of the Hospital. Stage three is intended to be procured on a PFI basis whilst it is likely that stage one will be done through traditional funding. A clearer timetable is likely to emerge following the commencement of works on stage one.</p>
Healthcare	Cancelled	172	Torbay Hospital Redevelopment	<p>South Devon Healthcare National Health Service Trust is seeking a private sector partner for the design, build, management and finance of Torbay Hospital. The Project will involve the redevelopment of the majority of the existing facilities at Torbay Hospital. It will combine all of the General Inpatient and Outpatient services except for Oncology.</p>



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Cancelled	173	Essex Rivers Healthcare NHS Trust - Colchester Hospital	The project involves the redevelopment of Colchester General Hospital on a DBFO basis. The project will involve the centralisation and re-configuration of acute health services currently provided at Colchester General Hospital, Essex County Hospital, Severalls Hospital and three other sites in Colchester. It is envisaged that services currently provided at the Essex County Hospital and Severalls Hospital will be transferred to a new facility at the Colchester General Hospital site. The project has an estimated capital value of £127m.
Healthcare	Cancelled	686	Hatfield Hospital PFI Redevelopment	This project is one of fifteen in Wave 7 of the Department of Health's (DoH) national prioritisation round of PFI schemes. The scheme will involve two major investments at Hatfield and Watford hospitals.
Healthcare	Cancelled	1,010	University Hospitals of Leicester PFI - Pathway	The project encompasses the refurbishment and modernisation of the three hospitals in Leicester (Leicester Royal Infirmary, Glenfield Hospital & Leicester General Hospital) by 2011. The project includes a new dedicated Women's and Perinatal Centre at Glenfield Hospital; state-of-the-art planned care and rehabilitation centre at Leicester General Hospital; redevelopment of Leicester Royal Infirmary; new multi-professional education and training centre in partnership with the University of Leicester School of Medicine and the De Montfort University School of Nursing & Midwifery.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
IT	Closed	677	National Roads Telecommunications Services Project	To support the Highways Agency's role as Network Operator, expressions of interest are being invited to revamp and unite its current traffic telecommunication systems, which serve roadside equipment such as variable message signs, emergency phones and CCTV cameras under a contract worth £400m over 10 years.
Leisure	Pre-Approval	32	Leeds Health Centre PFI	To build a well being centre in Holt Park, Leeds. The centre will include swimming pools, a gym, treatment and consulting rooms.
Light Rail	Pre-Approval	N/A	Nottingham Express Transit (NET)	13km light rail scheme linking Hucknall to Nottingham City Centre.
Light Rail	Pre-Approval	627	West London Tram Project	The proposed West London Tram route will run from Uxbridge to Shepherd's Bush. In total, the line will be 22km long and contain 40-45 stops. Private finance is being considered as a possible option for funding and operating part of the scheme. The estimated base capital cost of the scheme is £463m (excluding risk premium) at Q4 2002 base.
Light Rail	Pre-Approval	396	The Cross River Tram Scheme	The tram scheme will run from Kings Cross and Camden, via Euston and Waterloo, to Peckham and Brixton. The route is expected to be completed by 2011 and cost £300m. The role of private finance on a concession basis is one of the options for the procurement of the scheme. Project feasibility and route planning is under way.
Light Rail	Pre-Approval	N/A	TfL Tramlink Extensions Proposals	Tfl is considering a number of potential extensions to its current tram network.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Pre-Approval	238	DLR Barking Reach Extension	Project involves the extension of the DLR to Barking Reach. In February 2002, DLR Ltd appointed consultants to examine outline engineering corridors for a proposed extension of the DLR to Barking Reach. This work was completed in mid 2002. No construction method or approach has been established as there is a requirement for further planning of the route before any construction detail can be established.
Light Rail	Pre-Approval	92	Stratford International Extension	The project involves an extension of the DLR to serve the Stratford International Station on the Channel Tunnel Rail Link (CTRL). July 04 - DfT approves project: there will be four new stations. DLRL will upgrade the trackwork and power supply, construct the new stations and purchase new rolling stock at an estimated cost of £90m.
Light Rail	Pre-Approval	N/A	Newcastle Metro Upgrade Project	The Tyne and Wear Passenger Transport Executive (T/A Nexus) is undertaking upgrades to the Newcastle Metro. The upgrade is estimated to take 10 years to complete and will include renewal of the current fleet of 90 cars and upgrade of stations, including ticketing booths. The £450m project is being structured on a PPP basis.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Pre-Approval	524	Nottingham Express Transit Phase 2	The procuring authorities are seeking a private sector partner to extend the existing NET Line 1 with two further lines (known collectively as NET Phase 2) under a design, build, finance and operate (DBFO) contract. The winning bidder of this new contract will be responsible for the design and construction of the new lines, in addition to assuming responsibility for the maintenance and operation of the entire extended network.
Light Rail	Pre-Approval	N/A	London Underground Telecoms Project	Transport for London is considering a proposal to allow passengers travelling on the London Underground to use their mobile phones on the tube network.
Light Rail	On Hold	659	Manchester Metrolink Phase 3	The £515m project call for the extension to the Manchester Metrolink System (Phase 3). The requirements of the project are the design, build and operation of three defined extensions to the current network, together with the requirements for integration with and upgrade of the Phase 1 and 2. Construction is due to commence in 2004, with commercial operations beginning in 2007.
Light Rail	On Hold	782	Midland Metro Extension	Plans are being developed for the extension of the Birmingham metro, which could include an additional four lines. A public enquiry began on 3 December 2003 concerning the proposed extensions, with an Outline Business Case to be developed by Q1 2004. Possible funding structures, including PPP, are under consideration.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Light Rail	Closed	216	DLR Woolwich Arsenal Extension	This scheme involves the extension of the DLR London City Airport route under the Thames to Woolwich Arsenal. The construction will involve a tunnel and new DLR station at Woolwich Arsenal. The estimated capital cost of the 2.5km extension is £159 million.
Light Rail	Closed	N/A	London Underground Power Enhancement	TfL is currently assessing the power requirements of the London Underground with current contractor Seaboard Power Link. Discussion on the structure and financing of the project is to take place later in the year.
Other	Pre-Approval	N/A	Forensic Science Service PPP	This is a PPP to convert the FSS into a private sector classified PPP entity. Advisors have been appointed and an outline business case is being developed.
Other	Pre-Approval	N/A	Supply of Protective Clothing - Fire Service	Project involves the provision the supply of protective and other clothing, which will benefit 30 brigades across the country.
Ports	Pre-Approval	N/A	Associated British Ports Holding	Takeover of Associated British Ports Holdings (ABP).
Prisons	Pre-Approval	N/A	Prison - North West England	Outline planning permission has been granted for a new prison in NW England. Treasury is currently assessing funding options although PFI is the expected mode of financing.
Prisons	Pre-Approval	N/A	Prison - South East London	Outline planning permission has been granted for a new prison in SE London. Treasury is currently assessing funding options although PFI is the expected mode of financing.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Prisons	Pre-Approval	N/A	Titan Prisons	The proposed project will see the development of up to three prisons, providing around 2,500 places each, located in London, the West Midlands and the North-West. The project may also see judicial courts co-located with the new prisons. The MoJ has said the project may be procured via the PFI route, although other procurement options are being considered.
Prisons	In Finance	104	Maghull Prison PFI	Planning permission has been granted for the site at Maghull, which is expected to deliver 600 new places by 2010. The two prisons are expected to be built under what the Home Office is calling a DCMF (Design, Construct, Manage, Finance) contract with the private sector.
Prisons	In Finance	110	Belmarsh West Prison PFI	Belmarsh West is adjacent to HMP Belmarsh. The two prisons are expected to be built under what the Home Office is calling a DCMF (Design, Construct, Manage, Finance) contract with the private sector.
Rail	Pre-Approval	3,204	Thameslink 2000	Project involves line upgrades to facilitate an improved line capacity to 24 trains per hour and the operation of 12-car trains. The original project plan estimated that around £565m capital would be required to finance the project but the estimated costs are now judged to be in the region of £1.7bn or more. In June 2000, London Transport produced a report into the impact of the project. A second study was carried out in late 2002 by TfL. No recommendations arising out of this study can be pursued, pending the final decision of the ODPM on the planning aspects of the project.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	In Tender	13,733	Crossrail	Cross London Rail Links (Crossrail) is a 50/50 joint venture company formed by Transport for London (TfL) and the Department for Transport to promote and develop two new routes through London. Crossrail presented its interim business case to the UK Government in Spring 2003 on the feasibility costs and financing of options for the route of Crossrail line 1 route. A more detailed business case was presented in July 2003. Following this, the Secretary of State asked for consultations on what is now the preferred route.
Rail	In Tender	1,739	Thameslink	The £1.5bn project will see the winning bidder provide 1,100 carriages for use along the cross-London Thameslink route. After being put through a testing period, the trains will enter service in 2012 in order to meet the increased demands on the London rail network from the Olympic Games.
Rail	In Tender	549	Canary Wharf Crossrail Station	The procuring authority is seeking a partner to develop and operate the new Crossrail station at Canary Wharf.
Rail	In Finance	N/A	Intercity Express Programme (IEP)	The Intercity Express Programme (IEP) covers the introduction of new intercity trains, plus supporting infrastructure, onto the UK rail network. The DfT is initiating the process of procuring train provision and associated services on behalf of the franchised train operating companies (TOCs). The financing is to be based on a 30-35 year payment stream. The project is estimated to have a capital value of between £500m and £2bn.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Rail	Cancelled	6,408	UK- France Freight Line	The project entails modernising and operating approximately 650km (400 miles) of railway between Liverpool and a terminal in Northern France, via the Channel Tunnel. The SRA and Department of Transport have assessed the route. Finance will be derived from the private sector with no public sector support. 25/03/04: Government decides not to support legislation to build the railway, citing concerns about financing the project and the pressure that backing the Bill would put on the Government to intervene if financing problems arose.
Roads	Pre-Approval	2,627	UK Highways Agency - Widening of the M1	The proposed project involves the widening of the M1. The £1.9bn scheme is to widen the M1 between junctions 21 and 30. The Highways Agency is awaiting ministerial approval for the project to go ahead which could involve hard tolling. Project will come to market after M-25 PPP deal.
Roads	Pre-Approval	N/A	Birmingham - Manchester Tolloed Expressway	The project involves the construction of a high-quality tolled dual-lane expressway north from Birmingham to Manchester. This forms an extension of the existing M6 toll road (opened December 2003). The scheme is currently at the consultation stage.
Roads	Pre-Approval	532	Isle of Wight Roads Maintenance Scheme	Isle of Wight Council is seeking to develop and procure a PFI roads maintenance project which will see over 800km of the island's roads maintained by a private sector consortium on a PFI basis. The deal has a whole life value of approximately £400m and an initial £150m would be required to be invested in the first five years by the private sector.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Pre-Approval	557	Hounslow Highways PFI	The procuring authority is seeking a private sector partner to design, build, finance and operate a variety of highways-related services over a 25-year concession period. The capital value of the project is currently estimated to be between £358m and £517m. The project has been granted £198m of PFI credits by the Department for Transport.
Roads	Pre-Approval	411	Mersey Gateway	The project involves the construction of a new bridge across the River Mersey. The new crossing will be a three-lane dual carriageway.
Roads	On Hold	552	Lincolnshire County Council PFI Roads Maintenance	Lincolnshire County Council submitted plans to the Department of Transport for a PFI roads maintenance scheme with a request for PFI credits funding. However, it has since emerged that Government is not considering further roads maintenance PFI projects until it has finished reviewing whether the Birmingham and Portsmouth schemes offer value for money.
Roads	In Tender	N/A	Sheffield Highway PFI	Sheffield City Council's proposed highway maintenance PFI project is set to benefit from £663.8m of PFI funding. The appointment of a preferred bidder has been earmarked for February 2011, with financial close scheduled for May 2011 and work to commence in August of that year. The concession period of the project is 25 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	In Tender	540	The Thames Gateway Bridge (TGB) Project	The DBFMO scheme is intended to be part of the regeneration and improvements to accessibility in East London. The project will be procured as a DBFMO, with an eventual handover, and through the PFI model. The project will be funded through a mixture of real toll and availability payments, with the private sector taking the risk.
Roads	In Finance	2,700	Birmingham Highway Management: Street Services PPP	Street Services PPP involves the improvement and ongoing maintenance of 2,488km of Birmingham's highway network. The scheme proposes an initial capital investment of £170m and ongoing service costs of £2.2bn in the road network over the 25-year period of a PFI contract. The scheme will involve the total replacement of the street lighting stock over the course of the contract, with 58,000 of the oldest lighting columns being replaced within the first five years. An additional 34,000 lighting columns will also be installed over the course of the 25 year contract.
Roads	Closed	96	A249 Road Scheme Kent	Design, build, finance and operate the A249 trunk road for a total length of 17km. The £75m Project includes the construction of the 5km long A249 Iwade Bypass to Queenborough Improvement which will provide a new high level fixed link crossing of The Swale and will extend the dual carriageway to Queenborough.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Roads	Closed	689	Portsmouth City Council - Highway Management and Maintenance	This project addresses the need to rehabilitate 26 miles of Principal Road Network (PRN). The council hopes to award a contract for maintaining and managing the entire Portsmouth road network for a 25 year period plus an indicative programme of works. The capital cost of the project is £500m. An independent review group is reviewing the value for money of this project and a favourable announcement is expected in the first quarter of 2004.
Roads	Closed	210	Carlisle Northern Development Route (CNDR)	The £155m project is for a 30-year contract, which involves building a five mile route that will run from the A595 to the south of Carlisle to Junction 44 of the M6 at Greymoorhill. It also includes maintenance of the route and approximately 110km of nearby principal roads.
Roads	Closed	2,059	M25 Widening Scheme	The Highways Agency intends to widen sections of the M25 under one £1.5b contract on a DBFO basis. While initially intended to be procured as four individual projects, the Highways Agency is launching one contract for the UK's largest PPP road transaction for better cost effectiveness.
Roads	Closed	336	New Tyne Crossing	Following completion of the procurement process, construction will begin in 2008. The new tunnel will take around 42 months to finish, opening to traffic in late 2010 or early 2011. The project is to finance, design, build and operate a second vehicle tunnel.
Social Housing	Pre-Approval	N/A	Lambeth Social Housing PFI	This project forms part of the third round of the ODPM's social housing PFI programme.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Pre-Approval	20	Derby Social Housing PFI	This project forms part of the third round of the ODPM's social housing PFI programme. Scope of the project is likely to cover 175 new rental housing units, 50 of which are likely to be refurbished with the remainder to be rebuilt.
Social Housing	Pre-Approval	N/A	Birmingham Decent Homes Project	The Council housing stock represents some 25% of the city's housing. 38% of the city's suburbs are among the most deprived areas of the country. Phase 1 - options appraisal/appointment of ITAs; Phase 2 - community consultation; Phase 3 - DoH approved plan to be tendered.
Social Housing	Pre-Approval	135	Salford Social Housing Project	The project involves a potential PFI contract which will cover 2,000 dwellings in the Pendleton area of Salford. The project is estimated to have a capital value of about £100m.
Social Housing	Pre-Approval	N/A	Oldham HRA Project	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which also include Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme.
Social Housing	Pre-Approval	N/A	Lewisham HRA Project	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which also include Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Pre-Approval	N/A	Manchester HRA Project	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which also include Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme.
Social Housing	Pre-Approval	N/A	Weymouth and Portland Social Rented Housing PFI	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which also include Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme.
Social Housing	Pre-Approval	N/A	Woking Social Rented Housing PFI	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which also include Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme. £43m credits sought to build 430 affordable homes.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Pre-Approval	N/A	Guildford Social Rented Housing PFI	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which include also Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme. £40m credits sought to build 500 affordable homes.
Social Housing	Pre-Approval	N/A	Medway Extra Care Housing PFI	Part of the ODPM's Sustainable Communities Plan to provide all social housing tenants with decent homes by 2010. PFI has been selected from the three options for delivering decent homes which include also Arms Length Management Organisation (ALMO) and stock transfer. £1.22bn PFI credits were made available in the 2004 Spending Review for the programme.
Social Housing	Pre-Approval	N/A	Nottingham Social Housing PFI	To renovate council homes in the Meadows area of the city. The proposed project would see the refurbishment of around 1,400 council homes, in addition to the demolition and rebuilding of further houses and the construction of new roads. The concession period of the project is likely to be 30 years.
Social Housing	Pre-Approval	N/A	Stoke-on-Trent Elderly Housing PFI	To develop 390 properties for rent and 170 for sale or shared ownership across three sites in Stoke-on-Trent. The extra care homes will offer self-contained accommodation, in addition to on-site care and support. Construction on the project is targeted to begin in 2011, with the homes opening for residents in 2014.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Pre-Approval	N/A	West Norwood Community Centre PFI	To build a new customer service centre, swimming pool, gym, dance studio and space for community meetings as well as access to health services. Some £14.2m of PFI credits towards facilities and services at Norwood Hall have been endorsed by the Government.
Social Housing	Pre-Approval	79	Myatts Field Social Housing	The project will involve the replacement and refurbishment of 305 homes on housing estate. A further 172 homes have already received investment but will still need refurbishment to meet the Decent Homes Standard.
Social Housing	Pre-Approval	N/A	Leicester Social Housing PFI	Leicester City Council is preparing to bid for £100m of PFI funding to develop its social housing stock.
Social Housing	Pre-Approval	N/A	Newcastle Social Housing PFI	Newcastle City Council is looking to develop the city's Byker estate, which is currently home to around 4,500 people. Work is targeted to begin in 2013 and conclude in 2018. The contract would see the council's private sector partner take responsibility for repairs and maintenance for a 25-year concession period after construction is complete.
Social Housing	Pre-Approval	N/A	Stoke Social Housing PFI	Stoke-on-Trent Council is looking to develop its social housing stock via a PFI.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	On Hold	N/A	North East Derbyshire - PRC Stock II	This project forms part of the second round of funding for PFI Social Housing projects. This is a follow on from the pathfinder NE Derbyshire project, which is currently at the preferred bidder stage. After the council was granted PFI credits, the government put in place a requirement for councils to undertake an option appraisal for meeting housing needs, meaning that the council has to explore all its options and then decide which is the best route to follow. The options appraisal has to be completed by 2005.
Social Housing	On Hold	N/A	Collyhurst Social Housing PFI Manchester	This project forms part of the third round of the ODPM's social housing PFI programme. The project is a combination of refurbishment and demolition with re-provision. Ahead of tender launch an extensive stock survey is to be undertaken.
Social Housing	In Tender	128	Little London (Leeds) PFI	The scheme entails selective demolition, improvement of homes and shops, safety improvements, energy efficiency improvements and potential leasing of some tower blocks, coupled with on-going management and maintenance services. Shops and facilities in the area will also benefit.
Social Housing	In Tender	128	Kirklees Social Housing PFI	The £100m project involves the construction and maintenance of 550 new rented housing units and provision of services to the accommodation over a probable 25 years service contract.
Social Housing	In Tender	91	West Wiltshire Social Housing PFI	The £76m project involves the design, build, financing and maintenance of a minimum of 400 new houses split between five Wiltshire towns and some of the larger villages in the area. The concession period is 30 years.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	In Tender	161	Gateways to Oldham Social Housing PFI	The Gateways to Oldham project is round four of Oldham's social housing PFI. The Council's Outline Business Case has been granted £131m in PFI credits. The project will involve the selective demolition and replacement/ refurbishment of council housing on three estates located on routes into Oldham over a 25-year (or less) concession period. The chosen contractor will be required to provide on-going maintenance to all or some of the properties for a contract period of around 25 years or less.
Social Housing	In Tender	N/A	North Tyneside Older People Homes for the Future PFI	This project involves the new build and comprehensive refurbishment with continuous ownership through PFI for-33 sheltered accommodation units, 4 residential care homes and one intermediate care facility. The estimated capital value of the project is between £200m and £350m.
Social Housing	In Tender	N/A	Pendleton Social Housing Salford	Salford Council intends to refurbish approximately 1,200 homes, build and re-provision over 600 affordable new homes and make improvements to community facilities in Pendleton. The council was awarded £200m in PFI funds to be shared with North Tyneside council. The funds are part of round five of the Government's Housing PFI allocation to bring council housing up to the Government's Decent Homes Standard.
Social Housing	In Tender	404	Brunswick Neighbourhood Regeneration Project	The scheme will see around 1,000 units of council housing included in the contract. The Brunswick Neighbourhood Regeneration Project will contract a private sector partner for 25 years with a maximum of four consortia invited to participate in the procurement process.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	In Tender	N/A	Woking Social Housing PFI	Woking Borough Council is looking to appoint a private sector partner to act as a landlord for around 190 new homes for social let to be provided under the scheme, with responsibilities including maintenance and management of the properties over a 25-year concession period. The government has granted the project £44m of PFI credits.
Social Housing	In Finance	75	London Borough of Newham - Canning Town	The project involves refurbishing more than 1,200 council houses and flats in Canning Town and improving them to the Government's new Decent Homes Standard. The PFI contractor will manage and maintain the properties for 30 years. The Canning Town PFI improvement scheme is expected to start in mid 2004. The project has experienced numerous delays - mainly due to legal questions over the subcontracting of housing management functions.
Social Housing	Closed	193	London Borough of Camden - Chalcots Estate	DBFO of major refurbishment works and on-going works of 5 tower blocks. This project falls into the first round of social housing funding. £30m in PFI credits was received for a project affecting 700 units.
Social Housing	Closed	48	Reading Borough Council Property Management	Refurbishment and remodelling on mainly pre-war homes in North Whitley. 1550 properties will benefit from refurbishment, management and maintenance with investment in maintenance and management of the local estate included.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Closed	33	Sandwell Metropolitan Borough Council - Wednesbury South	Refurbishment, management and maintenance services to approximately 1,700 council owned properties in the Wednesday South area, from which the council may select a number of unviable properties for demolition and clearance.
Social Housing	Closed	100	London Borough of Lewisham - Brockley	The scheme has a 20-year concession and involves the refurbishment of 1,366 council homes and 486 owner-occupied properties in south-east London, as well as the provision of housing management and maintenance services.
Social Housing	Closed	N/A	Leeds City Council - Swarcliffe Social Housing PFI Project	Refurbishment and ongoing maintenance of a local authority estate and its residential properties, together with partial demolition of a social housing project within the city boundary. The project is part of the first round of social housing PFI projects. The capital value of the refurbishment works is put at £43m.
Social Housing	Closed	98	Ashford Borough Council Stanhope Housing Estate	Physical regeneration of the Stanhope housing estate in order to create and maintain a sustainable community. The project is part of the second round of social housing projects. The scope of services will cover the initial refurbishment/remodelling of the housing units within the Stanhope estate and their ongoing maintenance to a stated performance specification.
Social Housing	Closed	20	Hammersmith and Fulham London Borough - Elderly Accommodation	The project involves the construction of two new nursing homes for the frail and elderly holding 92 and 66 beds as well as a 32-flat extra care sheltered housing facility. The contract also involves the provision of care services.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Closed	26	Warrington Borough Council - Anson Close & Blenheim Close	The design, build, finance and ongoing maintenance and management of residential properties for rent. 192 new homes (105 for renting and 87 for sale) will be built on the available space freed up by demolition on the Anson and Blenheim estate. The scheme also includes a further 90 homes to be built elsewhere in the borough.
Social Housing	Closed	94	Islington - Street Properties II	This project forms part of the second round of funding for PFI social housing projects in the London Borough of Islington. PFI credits of £165m have been approved. The PFI II Street Property Scheme involves the refurbishment, maintenance and management of about 3,700 tenanted flats and houses and over 1,200 leaseholders' homes.
Social Housing	Closed	123	London Borough of Brent - Homeless Households	Brent has applied for PFI credits to provide accommodation for homeless households and adults with learning disabilities. The council awaits approval of its OBC. This is a non-HRA PFI, with the council providing new social housing through a housing association.
Social Housing	Closed	128	Manchester Miles Platting Social Housing PFI	The Miles Platting PFI area includes parts of Ancoats and Collyhurst. It is a large area of council housing, mostly built in the sixties and seventies. Total PFI credits have risen to £100m-plus since £56m were first awarded to the council in March 2002.
Social Housing	Closed	N/A	Oldham Sheltered Housing	The scheme entails repairs, renovation and maintenance of the borough's most popular sheltered and warden supported accommodation. Total contract value is £300m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Closed	25	Selby Social Housing PFI	This project will provide up to 250 affordable homes in the urban and rural areas of Selby district, abutting Leeds and York. The development period is expected to be five years.
Social Housing	Closed	51	London Borough of Croydon Social Housing PFI	This project forms part of the third round of the ODPM's social housing PFI programme. The project involves the new build of 40 units for extra care sheltered housing units for the elderly. Capital value of the project is £38m.
Social Housing	Closed	86	Kent Social Housing PFI	This project forms part of the third round of the ODPM's social housing PFI programme. West Kent Housing Association has issued a tender for financial advisors for a housing PFI. The Council and its partners have prepared a shadow financial model on the basis of local technical information and recent extra care sheltered schemes procured through PFI.
Social Housing	Closed	N/A	Manchester City Housing - Plymouth Grove	The Plymouth Grove scheme was chosen as one of eight social housing PFI pathfinder projects in 1999. The project is valued at £100m (£44m refurbishment; £20m new build; £30m FM; £6m housing management).
Social Housing	Closed	73	Leeds Independent Living Scheme	The project involves the DBFO of several buildings and facilities across Leeds City for use as accommodation by people with learning disabilities or mental health needs. This social housing PFI has a capital value of £60m. Part of Round 3 funding for social housing PFI projects.
Social Housing	Closed	88	Cheshire Care Villages	Five purpose built care villages for the elderly are to be build in Cheshire. Target date for completion is 2009/10.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Social Housing	Cancelled	46	London Borough of Camden - Maiden Lane	Refurbishment and maintenance services to 479 residential units in the Camden Town area. The project is part of the second round of PFI Social Housing Projects. The successful bidder will be required to design and finance the major refurbishment works and operate ongoing services, including repair/ maintenance services. £34m of PFI credits have been allocated for the project. Camden is deciding on the best way to take this project forward and is not just looking at PFI.
Social Housing	Cancelled	N/A	Islington - Social Housing PFI III	This project forms part of the third round of the ODPM's social housing PFI programme.
Street Lighting	Pre-Approval	103	Sheffield Street Lighting PFI	The project involves the replacement of around 67,000 new street columns; and also of illuminated signs bollards and beacons throughout Sheffield. This initiative would 'fast-track' the replacement programme over a five-year period, using funding from the Department for Transport (DfT) through Private Finance Initiative (PFI) credits worth £76.6m.
Street Lighting	Pre-Approval	29	Winchester Street Lighting PFI	The project will entail the maintenance of street lighting, illuminated signs and associated electrical apparatus in the county of Hampshire.
Street Lighting	Pre-Approval	38	Knowsley Streetlights PFI	The Metropolitan Borough Council of Knowsley in Merseyside has been awarded £30m of PFI credits by the Department for Transport (DfT) to upgrade the borough's streetlights. The concession period is 25 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Street Lighting	Pre-Approval	191	Cambridgeshire and Northamptonshire Streetlighting PFI	Northamptonshire and Cambridgeshire County Councils are set to pursue a joint project to upgrade a total of 98,000 streetlights in addition to the installation of 14,000 new lighting columns over a 25-year concession period. The commencement of the contract has been scheduled for late 2009 or early 2010. The councils have been awarded a combined £145.8m of PFI funding by the DfT.
Street Lighting	In Tender	40	Blackpool Street Lighting PFI	As part of the £141m project, the council is looking to appoint a private contractor to maintain, upgrade and replace the Borough's street lighting, traffic signalling and illuminated signs. The DfT granted the scheme £31.9m of PFI credits in October 2007.
Street Lighting	In Tender	N/A	English Street Lighting PFI	The Public Private Partnerships Programme (4Ps) has issued a tender for street lighting services on behalf of 15 English councils. Estimates of capital value for each contract range from £20m to £230m and total values from £50m to £530m. Concessions will be 20 to 30 years in duration. 4Ps will only take part in the prequalification stage of procurement, the rest is up to the councils. Currently a total of 10 separate contracts are expected since some authorities will be procuring jointly.
Street Lighting	In Tender	192	Northern Streetlighting PPP	The councils of Blackpool (£31.9m), Nottingham (£44.6m), Rochdale and Oldham (£67m combined) have been granted PFI credits by the Department for Transport (DfT) to upgrade the cities' ageing streetlight networks.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Street Lighting	In Tender	97	Croydon and Lewisham Streetlighting PFI	The councils of Croydon and Lewisham have been awarded £79.5m of PFI credits from the DfT for a joint scheme to upgrade and maintain 44,000 streetlights over a 25-year concession period.
Street Lighting	In Tender	83	Coventry Street Lighting PFI	Coventry City Council has been awarded £64.3m of PFI credits from the DfT for its street lighting project, which has a 25-year concession period.
Street Lighting	In Finance	96	Surrey Street Lighting PFI	The project involves the replacement of street lighting across the county of Surrey. The scheme has been awarded £65.6m in PFI credits.
Street Lighting	In Finance	286	South Coast Street Lighting PFI	The Department for Transport (DfT) has provisionally accepted the joint bid for £174m in PFI credits on February 8. Southampton is asking for £22m in PFI credits, West Sussex £68m and Hampshire £84m. The contract for the joint bid is for 25 years and involves the replacement of all street lighting columns over 15 years old in the first five years, followed by their maintenance. The scheme is part of a tranche of street lighting improvements which includes 15 councils, with the Public Private Partnership Programme (4Ps) acting as an agent for all the authorities in the first stage of procurement.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Street Lighting	In Finance	80	Rochdale and Oldham Street Lighting PFI	Rochdale and Oldham Metropolitan Borough Councils are engaged in the joint procurement of street lighting improvements in conjunction with Rochdale's Impact Partnership, a local regeneration project. The scheme is part of the tranche of street lighting improvements which includes 15 councils, with Public Private Partnership Programme (4Ps) acting as an agent for all the authorities in the first stage of procurement.
Street Lighting	Closed	177	City of Wakefield Metropolitan District Council Street Lighting	Total procurement for the estimated council stock of 40,649 lighting columns and bracket units and 4,900 illuminated traffic signs, bollards and beacons. These will be either maintained, repaired or replaced by the service provider over a period of 25 years.
Street Lighting	Closed	119	Sunderland Street Lighting and Highway Signs	The scheme involves the replacement of 70% of Sunderland's street lights and the installation of new highways signs with maintenance and other services.
Street Lighting	Closed	86	Borough of South Tyneside - Street Lighting & Traffic Signs PFI Scheme	The Council of the Borough of South Tyneside is seeking a private sector partner to invest in, manage and maintain its public lighting and traffic sign stock on a PFI basis. The appointed private sector provider will assume responsibility for the provision, maintenance and energy supply to the public lighting and traffic signs in South Tyneside.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Street Lighting	Closed	78	London Borough of Ealing - Street Lighting and Illuminated Traffic Signs	The project involves the provision of public lighting services to specified output standards under a contract that will provide for the design, build, operation (including procurement of energy) and maintenance and financing of new, refurbished and existing public lighting, associated equipment and apparatus.
Street Lighting	Closed	109	Leeds City Council PFI Street Lighting Scheme	The £120m project involves the design and implementation, renewal and upgrade of its street lighting stock.
Street Lighting	Closed	47	Dorset County Council PFI Street Lighting Scheme	The project involves the design, build, operation and maintenance and financing of new, refurbished and existing public lighting. The project's net present value is estimated to be worth £74.5m.
Street Lighting	Closed	46	Derby PFI Street Lighting Scheme	The £36m, 25-year contract covers Derby's street lighting and highway signs.
Street Lighting	Closed	70	London Borough of Barnet & Enfield PFI Street Lighting Scheme	The contract involves the replacement of 25,000 columns in Barnet and 16,000 lighting units in Enfield.
Street Lighting	Closed	226	Manchester Street Lighting PFI	The contract is designed to renew and upgrade street lighting across Manchester, including management, design, installation and ongoing repair and maintenance. Under the terms of the contract, the consortium will replace or upgrade 56,000 streetlights.
Street Lighting	Closed	337	Newcastle/North Tyneside Street Lighting PFI	This PFI project, being procured jointly by Newcastle City Council and North Tyneside Council, will see 80% of the lights in Newcastle and North Tyneside replaced over the next five years. The project has a capital value of around £250m.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Street Lighting	Closed	62	Redcar and Cleveland Street Lighting PFI Scheme	The project involves investment in, management of and maintenance of its public lighting and illuminated traffic sign stock. The appointed private sector provider will assume responsibility for the replacement, provision, maintenance and energy supply to the public lighting and illuminated traffic signs over a contract period of at least 25 years.
Street Lighting	Closed	41.5	Norfolk Council Streetlighting PFI	The council has received £38.1m of PFI credits for its PFI street lighting scheme. The project will cover around 50,000 street lights.
Waste Management	Pre-Approval	274	Essex Waste PFI	Essex County Council is to hold a public consultation on a possible 25-30 year waste management project. The council would be looking for £75m in PFI credits. The county's draft plan suggests greater priority should be given to recycling and biological treatment of waste.
Waste Management	Pre-Approval	N/A	Devon Waste Management Scheme	Devon County Council is considering PFI as a funding option for future waste management. Currently dealing with 400,000 tonnes of waste, Devon Waste Management's contract is up for re-tendering.
Waste Management	Pre-Approval	N/A	Solihull, Warwickshire & Coventry Joint Waste PFI	The three local authorities are looking to procure a new energy-from-waste facility with combined heat and power to handle around 350,000 tonnes of waste each year in order to reach a 50% recycling target by 2020. The DBFO project, which is targeted to begin in 2015, will have a 25-year concession period.
Waste Management	Pre-Approval	N/A	Southampton City Council PPP Waste	Anaerobic waste digestion facility PPP under consideration.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	Pre-Approval	N/A	Milton Keynes Waste Management	Waste management scheme to divert waste from landfill and meet recycling targets. The authority may procure the contract through PFI, PPP or Prudential borrowing strategies, and it may be procured in conjunction with another authority.
Waste Management	Pre-Approval	N/A	North Lincolnshire Waste Management	This project will be performed through two contracts. One for recycling, collections and treatment for 7 years and the other for the treatment of residual waste over 20-30 years.
Waste Management	Pre-Approval	54	Plymouth City Council Waste Treatment Facilities	Plymouth City Council is to request government funding for new waste treatment facilities. The waste amenities are scheduled to function until 2030 and the project is estimated to cost between £60m and £110m.
Waste Management	Pre-Approval	131	Warwickshire Waste PFI	Proposed Energy from Waste (EfW) facility in Warwickshire. May be procured via PFI route.
Waste Management	Pre-Approval	3,497	North London Waste PFI	NLWA is made up of the London boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest. The project, which will have a concession period of between 25 and 30 years, forms part of the authority's efforts to recycle half of its waste by 2020.
Waste Management	In Tender	120	Merseyside Waste PFI	Merseyside Waste Disposal Authority, in partnership with the five District Councils are developing and implementing a long term joint municipal waste management strategy to achieve, or exceed, the required recycling recovery and diversion targets established for the Authority.
Waste Management	In Tender	92	Gloucestershire Waste PFI	A 25-30 year concession to develop various residual waste treatment facilities.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	In Tender	91	Norwich Waste PFI	To design, build, operate and finance of a main treatment facility over a concession period of 25-30 years.
Waste Management	In Tender	1,339	Cheshire Waste Management Scheme	The project will involve the design, build, finance and operation of a mechanical biological treatment (MBT) plant to produce refuse derived fuel (RDF) from Cheshire's 250-300,000 tonnes of annual residual waste.
Waste Management	In Tender	N/A	North Yorkshire and York City Joint Waste PFI	Project is likely to include the provision of the following: Waste Treatment and disposal services; Recycling services (including MRSA); Residual Waste treatment and disposal; Maintenance of household waste treatment plants.
Waste Management	In Tender	N/A	Telford Waste Treatment Plant	The DBFO contract will involve the treatment of 50,000 to 60,000 tonnes of residual waste for an initial term of 20 to 30 years, subject to contract negotiations.
Waste Management	In Tender	766	Staffordshire Waste Management PFI	The project is intended to divert waste from landfills to treatment facilities.
Waste Management	In Tender	N/A	Leicestershire Waste Management PFI	Leicestershire County Council is seeking a private sector partner to provide a residual waste treatment solution to divert around 180,000 tonnes of residual waste generated in the county each year. The concession period is 25 years. A preferred bidder should be selected by spring 2010, with the new facilities set to commence operation by 2015.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	In Tender	N/A	Aylesbury Waste Treatment Plant	A waste treatment plant is to be procured either through a DBFO contract or a prudential borrowing funded DBO. The plant, with a capacity of 210,000 tonnes, will apply thermal treatment to Buckinghamshire's residual municipal solid waste (MSW), including biodegradable material to be diverted from landfill. Bulk haulage is included in the project and combined heat and power (CHP) provision is a possibility.
Waste Management	In Tender	N/A	Oxford Waste Treatment Facilities	The project sponsor will design, build, finance and operate a plant(s) for the treatment of residual waste over a concession period of approximately 25 years. The contract will also include haulage and disposal.
Waste Management	In Tender	12	Kettering Household Waste Recycling Centre	The project will be based on a design, build, finance and operate (DBFO) contract and is expected to cost between £10m and £12m. The concession period is anticipated to be 20 to 25 years.
Waste Management	In Tender	713	Suffolk Waste Incinerator PFI	The procuring authority is seeking a private sector partner to design, build and operate (DBO) a new waste incinerator over a 28-year concession period. The council intends to appoint a preferred bidder by March 2010 with operations set to commence in 2014.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	In Tender	N/A	South Tyne and Wear Waste Management Project	The councils of Gateshead, South Tyneside and Sunderland have teamed up in forming the South Tyne and Wear Waste Management Partnership (STWWMP). Defra has awarded the project £73.5m of PFI funding. The procuring authority is seeking a private sector partner to design, build, finance and operate a new waste management system over a 25-year concession period.
Waste Management	In Tender	851	Plymouth Torbay and Devon Waste Management Project	This will be a waste management project aimed at providing residual waste treatment and disposal services and related infrastructure to meet or exceed EU statutory recycling and landfill directive targets.
Waste Management	In Tender	N/A	Northants & Milton Keynes Waste PFI	Northamptonshire County Council and Milton Keynes Council are applying together for £129m of PFI credits for the project to procure waste treatment and disposal facilities.
Waste Management	In Tender	N/A	South Yorkshire Waste Treatment PFI	This is a PFI contract to manage the treatment and disposal of residual waste from municipal and commercial waste in order to divert the quantity of biodegradable waste sent to landfill. The project will have a concession period of 25 years. Defra has granted the project £77.4m of PFI credits.
Waste Management	In Tender	N/A	Leeds Waste Treatment PFI	This project requires the design, build, finance and operation (DBFO) of a new treatment facility to process around 182 000 tonnes of residual municipal waste per year in the city.
Waste Management	In Tender	861	Bradford Waste Treatment PFI	Bradford District Council has secured £62.1m of PFI funding from Defra for its 25-year project, which will also cover the treatment of household waste generated in neighbouring Calderdale.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	In Tender	N/A	Hertfordshire Waste PFI	The project is for the design, build, testing, commissioning, financing, operation and maintenance of a new waste facility (or facilities) to process around 400,000 tonnes of residual municipal waste annually. The estimated capital value of the project is between £1.5bn and £2bn.
Waste Management	In Tender	N/A	West of England Waste PFI	This project requires the private partner to develop waste treatment facilities which should be in place by 2011. The partnership has applied to Defra for £160m of PFI.
Water/Wastewater	In Tender	N/A	South London Waste PFI	The contract is for the management, treatment and disposal of residual waste in order to divert waste from landfill. The aim is to treat up to 200 000 tonnes by 2023.
Waste Management	In Tender	N/A	Derbyshire Waste Treatment PPP	To design, build and operate a new, state-of-art waste treatment facility at Sinfin Lane in Derby. The plant will employ a clean-burn process known as gasification and will be capable of handling 190,000 tonnes of Derbyshire's and Derby city's waste annually.
Waste Management	In Finance	46	Shrewsbury Integrated Waste Management Scheme	This is a contract for municipal waste collection, recycling, recovery and disposal. The capital value of the scheme is expected to be £35.7m.
Waste Management	In Finance	80	Norfolk Waste PFI	This scheme is to be procured in two phases. The aim is to treat 150,000 tonnes of household waste per year using mechanical biological treatment (MBT) and anaerobic digestion (AD).
Waste Management	In Finance	N/A	Bedfordshire Waste PFI	A group of five English councils is looking to procure new residual waste treatment facilities, in the form of a 25-year DBFO contract.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	On Hold	N/A	Dorset and Bournemouth Waste PFI	This contract is for building and operating a facility to treat residual waste that is currently going to landfill.
Waste Management	On Hold	N/A	Northampton Waste PFI	Northamptonshire County Council seeking to find a bidder to provide facilities and services for a semi-integrated waste treatment and disposal contract, supported by £40m PFI credits.
Waste Management	Closed	N/A	West Berkshire Waste Management	The 25 year contract will provide West Berkshire with collection, disposal and street cleaning services. The project has been allocated £28.49m in PFI credits.
Waste Management	Closed	894	Wakefield Waste Management PPP	The Council has obtained £33m of PFI credits for major development of waste infrastructure. The contract will include management and operation of the Household Waste Recycling Centres and the design, build, finance and operation (DBFO) of new facilities.
Waste Management	Closed	411	Greater Manchester Waste Management Project	The project involves the disposal of up to 1,483,323 tonnes of waste created in the Greater Manchester area per annum. The Greater Manchester Waste Disposal Authority (GMWDA) has received £100m in PFI credits from the Department for the Environment Food and Rural Affairs. The value of the contract is estimated to be approximately £2.5 billion over a period of 25-30 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	Closed	182	Cambridgeshire Waste PFI	The £135m (cap-ex total contract value is £750m) project involves the design, build and management of new mechanical biological treatment (MBT). The new contract will also include additional facilities for the composting of kerbside collected kitchen and garden waste.
Waste Management	Closed	533	Belvedere Waste-to-Energy Plant	The proposal involves the burning of household rubbish to generate electricity. This is a 30-year contract.
Waste Management	Closed	400	Cumbria Waste Disposal Partnership	Concession includes treatment of residual waste and management of household waste centre.
Waste Management	Closed	93	Southwark Integrated Waste Management Solutions	An integrated waste management contract including recycling, treatment and disposal.
Waste Management	Closed	46	Cumbria CC Waste Management Project	25 year concession for treatment of residual waste and management of household waste centre.
Waste Management	Cancelled	88	Derbyshire Waste Management PFI	Derby and Derbyshire councils are bidding for £65 million in PFI support for a long-term waste recycling and disposal contract. Proposals include two £20m-£25m waste treatment plants.
Waste Management	Cancelled	N/A	Buckinghamshire Waste PFI	This is a contract for long-term waste management. The authority may procure the contract through PFI or prudential borrowing strategies.
Waste Management	Cancelled	N/A	West Sussex County Council Materials Resource Management PPP	This is a long-term waste management contract for the prevention, reception, reuse, recycling, recovery, transport, treatment and disposal of waste. The contract does not include the collection of waste.

# NORTHERN IRELAND

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	183	County Tyrone Police Training College	The project involves the new build of an academy on a 270-acre site.
Accommodation	Cancelled	404	Northern Ireland Civil Service Buildings PFI	The contract involves the provision of refurbishment and FM services for buildings currently belonging to the Northern Ireland Civil Services (NICS).
Education	In Tender	11	North Eastern Education & Library Board - Coleraine College	The project involves the refurbishment of Coleraine College for around 800 pupils.
Education	In Tender	28	South Eastern Education & Library Board - Lagan College and Tor Bank School	This project involves the DBFO and maintenance of school accommodation and ancillary sports facilities.
Education	In Tender	N/A	Jordanstown Campus Ulster University	The project involves the provision of 600 replacement bed spaces and renovation of existing accommodation, as well as facilities management of accommodation.
Education	In Tender	57	Belfast Institute of Further and Higher Education PFI	The project involves the DBFMO of further and higher education accommodation and associated services. Services may include buildings and grounds maintenance, catering, caretaking, cleaning, security, utilities and waste and energy management.
Education	Closed	38	Bangor Academy and Comber School	This is a DBFO project for a range of school accommodation.
Education	Closed	67.5	East Down and Lisburn Institutes PPP Project	This project involves the design, construction, finance, maintenance and operation of further and higher education accommodation and associated services for East Down and Lisburn Institutes.
Education	Closed	29	St Macnissis Educational Trust – Down and Connor Diocese Schools	This project will comprise the provision of accommodation and related services. The concession period will run for 25 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	39	Derry Diocese Schools PPP Project	The project involves the provision of accommodation and related services for two secondary schools.
Education	Closed	135	Belfast Education and Library Board	The project involves the long-term service, management and modernisation of the Belfast Education and Library Board.
Education	Closed	27	Holy Cross College Strabane PPP Project	The project includes the provision of accommodation and related services. The successful contractor will be required to organise, manage and pay for any decant requirements associated with the construction and refurbishment. The project has a concession period of 25 years.
Education	Closed	54	East Down and Lisburn Institutes PPP Project	The project involves the DBFO of new buildings, providing teaching accommodation and services for 10,000 and 8,000 students respectively.
Education	Closed	91	Down and Connor De La Salle Schools PPP Project	The £70m scheme comprises the DBFM of four schools in Counties Down and Antrim which will cater for a total of 2,650 pupils. Services included in the contract are security, waste management, portorage, site maintenance and energy management.
Education	Cancelled	N/A	BIFHE - Springvale Campus	The project involves the provision of facilities, including centres for applied research and community outreach.
Healthcare	Pre-Approval	464	Ulster Hospital Redevelopment	The project is expected to provide around 600 beds in total, as well as new emergency, imaging and outpatient departments and a children's unit.
Healthcare	In Tender	457	Royal Victoria Group - Women and Children's Hospitals (BELFAST)	The Hospital Health & Social Services Trust (HSST) is seeking an architect-led, multi-disciplinary, design team to design and build for the project.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	In Tender	192	Omagh Hospital PPP	This project concerns a new hospital which would provide local hospital services, mental health facilities, including acute mental health, and a health and care centre.
Healthcare	Closed	270	New Acute Hospital for the South West - Enniskillen	The project involves a new build on a greenfield site and will provide 315 new beds. Soft services will be included.
Healthcare	Closed	N/A	Northern Ireland Department of Health, Social Services & Public Safety - Northern Ireland Picture Archiving & Communications System & Radiology Information System Project (NIPACS)	The project involves the provision of picture archiving and communications system (PACS) / radiology information system (RIS) and associated supplies and services.
Leisure	Pre-Approval	N/A	Maze Prison Development	The 360 acre Maze/Long Kesh site is to be turned into an “iconic mixed use development”. Proposed facilities include a 42,000 spectator multi-use stadium and an International Centre for Conflict Transformation.
Light Rail	Pre-Approval	91	Rapid Transit Pilot Project	Rapid Transit Pilot Project is being considered as a future PPP project by the SIB.
Roads	Closed	132	M1/Westlink PPP Road Scheme (DBFO PACKAGE 1)	The DBFO project includes widening of the M1 and Westlink to three lanes. It will also entail the provision of underpasses and on-slips.
Roads	Closed	343	A1/A4/A5 Highway Project (DBFO PACKAGE 2)	The project involves the DBFO of several improvements to the motorway/ trunk road network between Belfast and Derry. The concession period will run for 30 years.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	Pre-Approval	N/A	NI Bundled Waste Scheme	This is a project to design, build, operate, maintain and/or finance mechanical biological treatment facilities and an energy-from-waste plant.
Waste Management	In Tender	576	Northern Ireland Waste Treatment PPP	ARC 21, made up of a collective of Northern Irish local authorities, is seeking a private sector partner to design ,build, operate, maintain and/or finance mechanical biological treatment facilities and an energy-from-waste plant.
Water/ Wastewater	In Finance	207	Project Omega	Project Omega entails the design, construction, operation, maintenance and financing of wastewater treatment services and sludge disposal services at Belfast.
Water/ Wastewater	In Finance	154	Project Alpha	Northern Ireland Water Service project for DBFO of new facilities at existing water treatment sites across Northern Ireland.

# SCOTLAND

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	In Tender	N/A	Queen Margaret University College Student Accommodation	The successful contractor will provide approx. 800 units of student accommodation and will also be required to provide FM services and lifecycle maintenance over the operating period.
Defence	Closed	1,000	Future Provision of Marine Services (FPMS)	Replacement of marine service vessels at HM naval bases.
Education	Pre-Approval	63	Western Isles (Eilean Siar) Schools PPP	The project will likely involve one new build school and the refurbishment of three others.
Education	Pre-Approval	67	Orkney PPP	The Scottish Executive intends to support the Orkney Islands Council in a £50m PPP project of redevelopment.
Education	In Tender	68	Moray Schools PPP	The project includes the refurbishment and servicing of one secondary school and one primary school. The 30-year design, build, finance, manage and maintain project will have a capital value of £40m and will involve the use of a non-profit distributing model.
Education	Closed	100	Clackmannanshire Council - Schools	The £79m project involves the complete rebuild of an existing secondary school estate.
Education	Closed	102	Argyll & Bute School Project	The £90m project entails the establishment and implementation of schools accommodation. The contract will be for approximately 30 years.
Education	Closed	265	South Lanarkshire Grouped Schools	The project entails the design, build and renovation/remodelling of a number of secondary schools within South Lanarkshire.
Education	Closed	184	North Lanarkshire Schools - 'Education 2010'	The project involves the design, build, finance and operation of 15 new facilities for 21 schools, in addition to providing FM services in North Lanarkshire.
Education	Closed	131	Dumfries and Galloway Grouped Schools PPP	The project involves the modernisation, construction and refurbishment of 128 schools.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Education	Closed	75	Forfar and Carnoustie Group Schools PPP Project	The project is to rationalise and upgrade school accommodation and is valued at around £55m.
Education	Closed	146	East Dunbartonshire Schools PPP	The project involves the regeneration a 47-school estate.
Education	Closed	91	Scottish Borders 3 High Schools PPP	This project will involve either extension or replacement of existing building on the existing sites. The estimated investment value in the project is £50m.
Education	Closed	137	West Dunbartonshire PPP	The contract is to provide four new-build, replacement schools and operate them over a 30-year concession period.
Education	Closed	150	3Rs Project (Aberdeen Education PFI)	The project involves the provision of 10 schools within the city of Aberdeen. The estimated capital value of the scheme is £85m.
Education	Cancelled	102	Inverclyde Schools	The project entails the provision of new schools and the refurbishment and modernisation of existing schools.
Healthcare	In Finance	127	Tayside Mental Health Unit	The £100m mental health PPP will include design, building, funding and, where appropriate, non-clinical FM. Soft FM is not part of the contract.
Healthcare	Closed	44	Fife NHS Board - St Andrews Hospital	The project involves the DBFO of a new hospital and health centre premises on a Greenfield site.
Healthcare	Closed	211	Fife - General Hospitals & Maternity Services Project	The project involves a substantial new build at Victoria Hospital Kirkcaldy.
Healthcare	Closed	439	Forth Valley Hospital	The project involves the building of a new acute hospital valued at £330m. This new build project is for a 750-800 bed hospital to be built on a cleared brownfield site.



Sector	Status	Estimated Project Value € million	Project Name	Project Details
Healthcare	Closed	332	Glasgow Ambulatory Care and Diagnostic (ACAD) Hospitals	The project involves two ACAD hospitals being constructed under one package on the same site in the Greater Glasgow area. The project is valued at £250m.
Healthcare	Closed	27	Alloa Health Centre	The project include services related to the design, build, finance and maintenance of a new community hospital facility with 45 beds and health centre, including accommodation for 3 GPs.
Healthcare	Cancelled	N/A	Shetland NHS New Hospital	The estimated capital value of the scheme is £45m.
Healthcare	Cancelled	68	Carstairs State Hospital PPP	The project involves a new build of a £50m state hospital in Carstairs. It is the sole provider of special secure mental health services for Scotland and Northern Ireland.
Healthcare	Cancelled	869	South Glasgow Hospitals PFI Project	The PPP/PFI scheme, with an estimated capital value of £700m, will comprise a new adult acute hospital, a new children's hospital and a new laboratory block. The project sponsor will design, build, finance and manage the new facilities.
Light Rail	Pre-Approval	N/A	Glasgow Light Rail	The project involves the construction of a light rail transport network in Glasgow and the Clyde Corridor area.
Light Rail	In Tender	411	Edinburgh Tram Project	Transport Initiatives Edinburgh (TIE), on behalf of the City of Edinburgh Council, is leading the procurement to develop a network of tram lines in Edinburgh.
Prisons	Pre-Approval	N/A	Low Moss Prison PPP	It is likely that the existing site will be redeveloped and will house approximately 700 inmates.
Prisons	Funded	117	Addiewell New Prison Project	The project involves the design, construction, management and finance of a new 700-cell prison with facility for a further 96 prisoner.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Prisons	Cancelled	134	Low Moss Prison East Dunbartonshire	Plans call for a new PFI prison development at the HMP Low Moss site in East Dunbartonshire. The project sponsor will design, build, finance and maintain a 700-cell prison over a 25-year concession period.
Rail	Pre-Approval	1,611	Glasgow - Edinburgh High Speed Rail Link	Glasgow and Edinburgh council leaders are backing a proposed new 30 year PFI/PPP rail link to connect the two cities. The project is estimated to have a capital value of between £1.2bn and £1.7bn.
Roads	Pre-Approval	407	Aberdeen Bypass	The road is proposed as a dual two-lane carriageway with grade separated (flyover or underpass) junctions at main intersections. Local junctions will be bridged over or under the Route. The estimated cost is £395-£495m.
Roads	Pre-Approval	878	Forth Road Bridge	The new suspension bridge being proposed to replace the 40-year old crossing of the Forth would form part of the A90 Edinburgh - Dundee corridor.
Roads	Closed	274	M80 Steps to Hags	Project involves DBFO, PFI scheme to construct 18km of dual two/three lane motorway. The contract will also include associated slip roads, side roads, junctions, structures, culverts and associated.
Roads	Cancelled	457	M74 Motorway	The project involves building a missing stretch of the M74 on a traditional design and build contract or on a DBFO basis.
Waste Management	Pre-Approval	183	Midlothian Council - Dalkeith Waste Management Project	The project involves the provision of an integrated waste management facility. The estimated capital value of the project is £120-150m with a total value of in excess of £1bn over the concession period.

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Waste Management	On Hold	128	Highland Council - Integrated Waste Management	The contract involves the provision of waste acceptance, handling, transportation, recovery, treatment, disposal and other related services in connection with a potential PPP over 25 years.
Waste Management	In Tender	N/A	Kilmarnock Waste PPP	To design, build, finance and operate a main waste treatment facility containing a thermal element for the processing of 25% of its residual municipal waste that is currently consigned to landfill.

# WALES

Sector	Status	Estimated Project Value € million	Project Name	Project Details
Accommodation	Pre-Approval	33	Gwent Magistrates' Court	To procure the provision of suitable serviced courthouse accommodation over the next 20 to 30 years. The project is valued at around £25-30m.
Education	In Tender	38	Bangor University Student Accommodation	The project involves the DBFO of approximately 1,080 units of student accommodation on the campus of the University of Wales, Bangor.
Education	Closed	N/A	Newport Borough Council School	The existing Durham Road Infant and Junior schools are to be relocated to a new site in Newport for 700 pupils. Additionally, development of the existing site and other land will be included in the PFI contract.
Roads	In Tender	N/A	Cardiff Congestion Charge Scheme	The project concerns the introduction of a road user charging scheme such as the London Congestion Charge.
Roads	Cancelled	404	M4 Magor to Castleton Project	The project involves the construction of an M4 relief road. Real tolls will be levied.
Waste Management	Closed	N/A	Wrexham Recycling Plant PFI	The scheme will include the building and operation of a new recycling plant, containing materials recycling facilities, in-vessel composting, a residual waste transfer station and a visitors centre.

# ABBREVIATIONS

<b>£</b>	Pounds sterling, the currency of the United Kingdom	UK
<b>€</b>	Euros, the currency in the eurozone	
<b>4Ps</b>	Public Private Partnerships Programme (former body regulating PPPs in local authorities)	UK
<b>ACEA</b>	Azienda-Comunale-Energia-Ambiente - the largest municipal utility in Italy	Italy
<b>ACM</b>	Comunidades Autónomas (Autonomous Community) of Madrid	Spain
<b>AENA</b>	Aeropuertos Españoles y Navegación Aérea (Spanish Airports and Air Navigation)	Spain
<b>AGUA</b>	Actuaciones para la Gestión y la Utilización del Agua (Actions for the Management and Utilisation of Water)	Spain
<b>AMOTMS</b>	L'Agence de Maîtrise d'Ouvrage des Travaux du Ministère de la Justice	France
<b>ANAS</b>	Italian highways agency	Italy
<b>AOT/LOA</b>	Autorisation d'Occupation Temporaire Assortie d'une Location avec Option d'Achat (Temporary Lease with Option to Buy)	France
<b>ASFINAG</b>	Die Autobahnen und Schnellstrassen Finanzierungs Aktiengesellschaft (Motorway and High-Speed Carriageway Finance Company)	Austria
<b>BAFO</b>	Best and Final Offer	
<b>BDB</b>	Bulgarian Development Bank	Bulgaria
<b>BEA</b>	Baux Emphytéotiques Administratifs (Long term concession lease)	France
<b>BEH</b>	Baux Emphytéotiques Hospitaliers (long term hospital lease)	France
<b>BGN</b>	Lev, the currency of Bulgaria	Bulgaria
<b>BO</b>	Build, operate	
<b>BOOT</b>	Build, own, operate, transfer	
<b>BOT</b>	Build, own, transfer	
<b>BSF</b>	Building Schools for the Future	UK
<b>BSFI</b>	Building Schools for the Future Investments LLP	UK
<b>CCI</b>	Chambres de Commerce et d'Industrie (Chamber of Commerce and Industry)	France
<b>CDC</b>	Caisse des Dépôts et Consignations	France
<b>CDP</b>	Cassa Depositi e Prestiti's	Italy
<b>CDU</b>	Christlich Demokratische Union (Christian Democratic Union)	Germany
<b>CIPE</b>	Inter Ministerial Committee for Economic Planning	Italy
<b>CNDR</b>	Carlisle Northern Development Route	UK
<b>CPMA</b>	Central Projects Management Agency	Lithuania

<b>CRSF</b>	Concessions and Real Sector Financing Directorate	Bulgaria
<b>CZK</b>	Czech Koruna, the currency of the Czech Republic	Czech Republic
<b>DBFMO</b>	Design, build, finance, maintain and operate	
<b>DBFO</b>	Design, build, finance and operate	
<b>DBO</b>	Design Build Operate	
<b>DCMF</b>	Design, construct, manage and finance	
<b>DCSF</b>	Department for Children, Schools and Families	UK
<b>DE&amp;S</b>	Defence, Equipment and Support	UK
<b>DfT</b>	Department for Transport	UK
<b>DGA</b>	Direction Général de l'Armement (General Directorate for Armament)	France
<b>DKK</b>	Danish Krone, the currency of Denmark	Denmark
<b>DTR</b>	Defence Training Review	UK
<b>EBRD</b>	European Bank for Reconstruction and Development	
<b>EC</b>	European Communities	
<b>EFW</b>	Energy from Waste	UK
<b>EIB</b>	European Investment Bank	
<b>EIF</b>	European Infrastructure Fund	
<b>EP</b>	Estradas de Portugal (Portuguese Road Agency)	Portugal
<b>EPEC</b>	European PPP Expertise Centre	
<b>ERDF</b>	European Regional Development Fund	
<b>ETT</b>	Early Training Transformation	UK
<b>EU</b>	European Union	
<b>FDP</b>	Freie Demokratische Partei (Free Democratic Party)	Germany
<b>FIDEPPP</b>	Fond d'Investissement et de Développement des Partenariats Public Privé (Investment Fund for PPP Development)	France
<b>FIDESZ</b>	Fiatal Demokraták Szövetsége (Alliance of Young Democrats)	Hungary
<b>Finnra</b>	Finnish Road Agency	Finland
<b>GDP</b>	Gross Domestic Product	
<b>HCA</b>	Homes and Communities Agency	UK
<b>HGV</b>	Heavy Goods Vehicles	
<b>HM Treasury</b>	Her Majesty's Treasury	UK

<b>HSR</b>	High Speed Rail	
<b>HUF</b>	Hungarian Forint, the currency of Hungary	Hungary
<b>ICC</b>	International Chamber of Commerce	
<b>ICT</b>	Information and communication technology	
<b>IFC</b>	International Finance Corporation	
<b>IFIs</b>	International financial institutions	
<b>IMF</b>	International Monetary Fund	
<b>IMPPPC</b>	Inter-ministerial PPP Committee	Hungary
<b>IRR</b>	Internal rate of return	
<b>ISPA</b>	Instrument for Structural Policies for Pre-Accession	EU
<b>Istat</b>	National Statistical Institute	Italy
<b>ISTC</b>	Independent Sector Treatment Centres	UK
<b>JASPERS</b>	Joint Assistance in Supporting Projects in European Regions	
<b>JESSICA</b>	Joint European Support for sustainable Investment in City Areas	EU
<b>JMATS</b>	Joint Military Air Traffic Systems	UK
<b>KED</b>	Hellenic Public Real Estate Corporation	Greece
<b>KfW</b>	Kreditanstalt für Wiederaufbau	Germany
<b>KSH</b>	Central Statistical Office (Központi Statisztikai Hivatal)	Hungary
<b>LEP</b>	Local Education Partnerships	UK
<b>LGTT</b>	Loan Guarantee for TEN - Transport	EIB
<b>LIDA</b>	Latvian Investment and Development Agency	Latvia
<b>LIDA</b>	Latvian Investment and Development Agency	Latvia
<b>LIFT</b>	Local Improvement Finance Trust	UK
<b>LVL</b>	Latvian lat, the currency of Latvia	Latvia
<b>MAPPF</b>	La Mission d'Appui aux Partenariats Public-Privé (French PPP Taskforce)	France
<b>MEC</b>	Ministry of Education and Culture	Hungary
<b>MNV Zrt</b>	Hungarian State Asset Manager	Hungary
<b>MP</b>	Member of Parliament	UK
<b>MRD</b>	Ministry of Regional Development	Poland
<b>MRDPW</b>	Ministry of Regional Development and Public Works	Bulgaria
<b>MSME</b>	Micro, small and medium enterprises	

<b>N/A</b>	Not applicable or not available (as the context requires)	
<b>NAO</b>	National Audit Office	UK
<b>NDFA</b>	National Development Finance Agency	Ireland
<b>NIB</b>	Nordic Investment Bank	Finland
<b>NOK</b>	Norwegian Krone - the currency of Norway	Norway
<b>NPV</b>	Net present value	
<b>NRA</b>	National Roads Authority	Ireland
<b>OBC</b>	Outline business case	
<b>OGC</b>	Office of Government Commerce	UK
<b>OJEU</b>	Official Journal of the European Union	
<b>OLTH</b>	Thessaloniki Port Authority	Greece
<b>ÖPP</b>	Öffentlich-Private Partnerschaft (Public Private Partnership)	Germany
<b>OPW</b>	Office of Public Works	Ireland
<b>OSK</b>	Organisation of School Buildings	Greece
<b>OTF</b>	Operational Task Force	UK
<b>PATHE</b>	Patras-Athens-Thessaloniki-Evzoni	Greece
<b>PCT</b>	Primary Care Trust	UK
<b>PFI</b>	Private Finance Initiative	
<b>PfS</b>	Partnership for Schools	UK
<b>PKP</b>	Polish State Railways (Polskie Koleje Państwowe)	Poland
<b>PLN</b>	Złoty - the currency of Poland	Poland
<b>PPC</b>	Public Private Comparator	Netherlands
<b>PPP</b>	Public Private Partnership	
<b>PUK</b>	Partnerships UK	UK
<b>RFF</b>	Réseau Ferré de France (French Railway Network)	France
<b>RUB</b>	Russian roubles, the currency of the Russian Federation	Russia
<b>SDP</b>	Sozialdemokratische Partei (Social Democratic Party)	Germany
<b>SEK</b>	Swedish Krona, the currency of Sweden	Sweden
<b>SFF</b>	Structured Finance Facility	EIB
<b>SFRS</b>	Latvian State Fire and Rescue Service	Latvia



<b>SFT</b>	Scottish Futures Trust	UK
<b>SIB</b>	Strategic Investment Board	UK
<b>SIF</b>	State Investment Fund	Russia
<b>SITP</b>	Strategic Infrastructure and Transport Plan	Spain
<b>SMEs</b>	Small and medium enterprises	
<b>SOPC4</b>	Standardisation of PFI Contracts version 4	UK
<b>SPV</b>	Special purpose vehicle	
<b>TEM</b>	Trans-European Motorway	
<b>TEN-T</b>	Trans-European Network - Transport	
<b>the Bank</b>	European Investment Bank	
<b>TIFU</b>	Treasury Infrastructure Funding Unit	GB
<b>TRY</b>	Turkish Lira, the currency of Turkey	Turkey
<b>TØI</b>	Transport Economics Institute (Transportøkonomisk institutt)	Norway
<b>TOR</b>	Transfer of Operation Rights	Turkey
<b>UAN</b>	Ukrainian Grivna, the currency of Ukraine	Ukraine
<b>UAH</b>	Hyrvnia, the currency of Ukraine	Ukraine
<b>UEFA</b>	Union of European Football Associations	
<b>UNESCO</b>	United National Educational, Scientific and Cultural Organisation	
<b>USD</b>	United States dollars, the currency of the USA	USA
<b>UTFP</b>	Unità Tecnica Finanza di Progetto – the Italian PPP Task Force	Italy
<b>VAT</b>	Value Added Tax	
<b>VEB</b>	Vnesheconombank ( The State Lender)	Russia
<b>WHSD</b>	Western High Speed Diameter expressway	Russia
<b>WIDP</b>	Waste Infrastructure Delivery Programme	UK

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