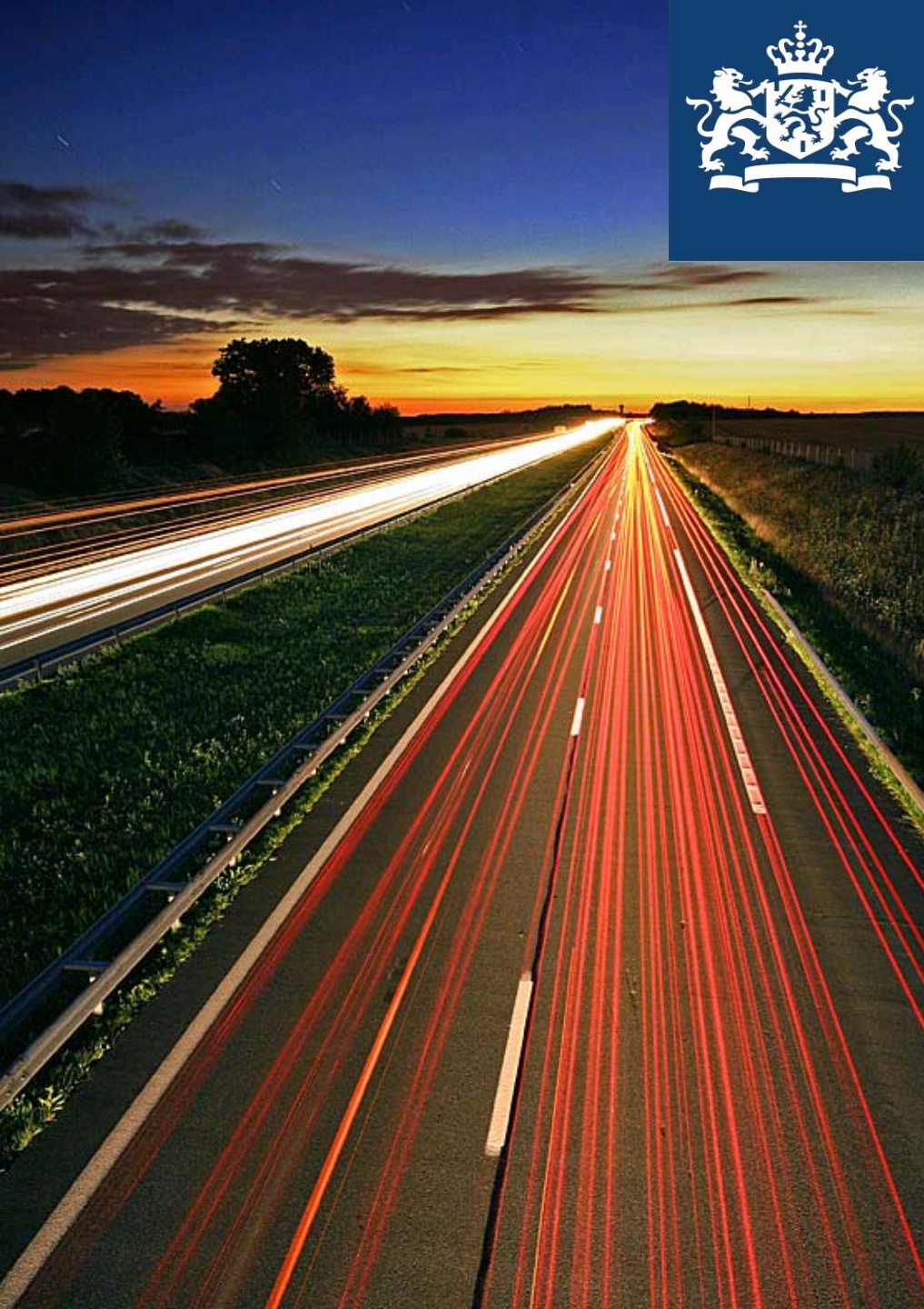




Rijkswaterstaat
Ministerie van Verkeer en Waterstaat

PPPs

Jan van Schoonhoven
Director PPP Ministry of Transport





Introduction

Jan van Schoonhoven

Ministry for Infrastructure and Environment

Ministry of Transport (Rijkswaterstaat)

2005-2011

PPP Policy advisor to RWS and Minister

PPP Information officer toward Parliament

Head of the PPP Unit of RWS (22 fte Project finance experts, Legal and Financial)

- Chairman of the UN PPP Organisation
- Member of the board of IPFA Netherlands
- Independent direct PPP Centre Kazakhstan



Contents:

- PPP in general:
 - What, why and how
- PPP international
 - How, what how much
- PPP Successful?
 - Some rules over thumb



PPP's in general

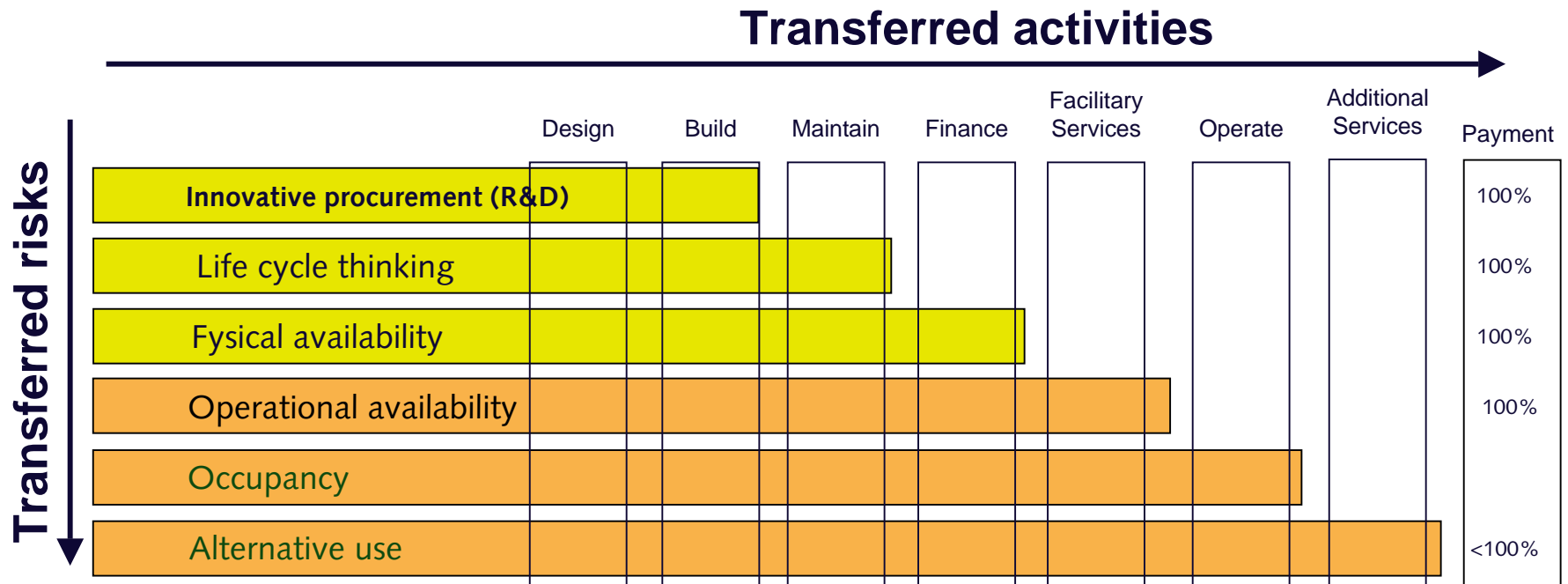


What do we mean with PPP?

- **The EU describes PPP as follows:**
 - *"forms of cooperation between the public and private sectors for the funding, construction, renovation, management or maintenance of an infrastructure or the provision of a service"*
- **The UN:**
 - *23 different PPP types, one name different tastes*
- **In NL PPP is seen as of procurement:**
 - Focused on demanded output by government (performance vs. product)
 - Long term relation
 - Sound risk-allocation between all partners
 - With a (serious) element of (private) project finance in it, preferable much



Scope contracts enlarged





Key Features of PPP – what are PPP

Types of PPP contracts

- BOT - Build, Operate, Transfer
- BOO – Build, Own, Operate
- BOOT – Build, Own, Operate, Transfer
- DBFO – Design, Build, Finance, Operate
- DBFM – Design, Build, Finance, Maintain
- DBO – Design, Build and Operate
- Management Contract
- Delegated service → concession

Main element:

private sector designs, builds, maintains and operate the infrastructure

Private sector invests (or completely pays) for this system

Private sector has a return of investment by:



PPP in Infrastructure

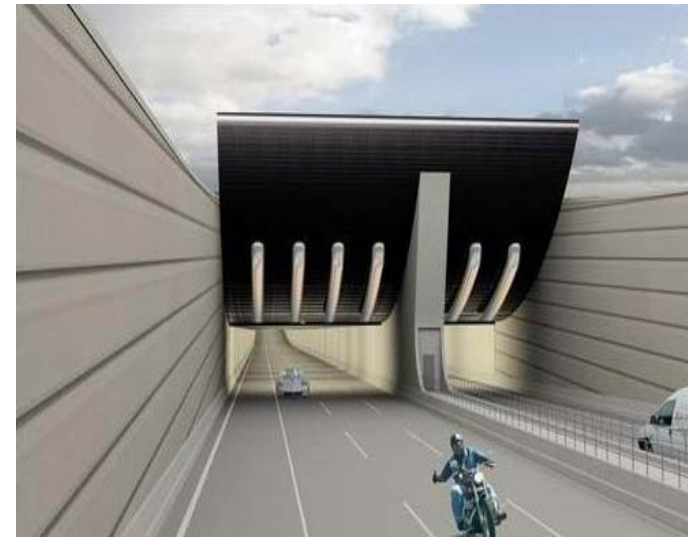
Main element:

- private sector designs, builds, maintains and operate the infrastructure
- Private sector invests (or completely pays) for this system
- Private sector has a return of investment by:
 - availability payment
 - external revenue's (toll)
 - Residual value at the end of contract
 - Ownership of the infrastructure at the end of contract
 - Combinations of the above mentioned



DUTCH PPS-Projects (Awarded)

- ▶ **Awarded projects (PFI/DBFM if not stated)**
 - ▶ HSL (High speed Rail)
 - ▶ A59 (Provincial)
 - ▶ 2nd Coentunnel near Amsterdam
 - ▶ N31
 - ▶ A12 Lunette – Veenendaal
 - ▶ A15 Mava
 - ▶ Second Harbour of Rotterdam (PPP)
 - ▶ A2 Maastricht (Alliance)
 - ▶ A2 Hooggelegen (Alliance)
 - ▶ Sijtwende (Infra and spatial development)
 - ▶ DBFM Light (Eelde- Airfield)





DUTCH PPP Projects (Awarded non-infra)

- ▶ Montaigne college (school)
- ▶ Ministry of Finance - Building
- ▶ General Kromhout Military barracks
- ▶ Military Museum
- ▶ Tax Office Doetinchem
- ▶ Jail Detention Centre Schiphol
- ▶ Jail / Detention centre Zaanstad
- ▶ Jail / Detention centre Noorderbocht
- ▶ Student Loan Office Building
- ▶ Harnaspolder (Water waste facility)





DUTCH PPS-Projects (Allegeable for future PPP)

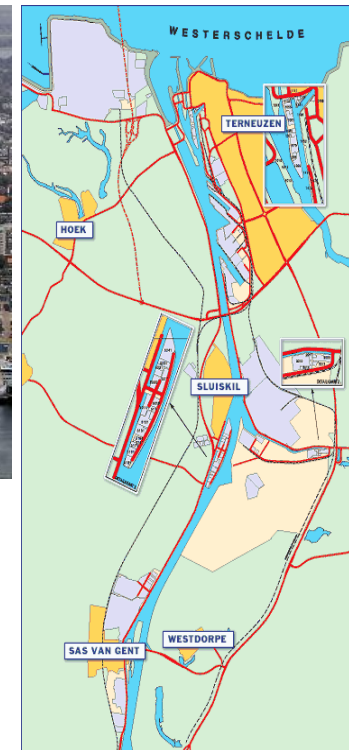
► 2011/2012

- N33 Assen I(now tendering)
- Ring Road Amsterdam (4000 Meuro / 4 DBFM) (now tendering)
 - A1Diemen / A9 Gaaspdammerweg / A9 Amstelveen / A6
- Driehoek Utrecht –Hilversum - Amersfoort
- A12 Ede – Grijsoord
- N18 Varsseveld - Ede
- A12/A15 doortrekking (VIA A15 / TOLL)
- 13 / A6/ A 20 Rotterdam (TOLL?)
- A27 Lunetten-Hooipolder
- Light Rail Groningen (City of Groningen) (contract close)
- NWO (Ring road Rotterdam / TOLL)



DUTCH PPS-Projects (Future, Water Infra)

- ▶ Kanaalzone Gent-Terneuzen
- ▶ Volkeraksluizen (locks)
- ▶ Keersluis Limmel (Maaswerken)
- ▶ Zeetoegang IJmond (Sea lock)
- ▶ Lekkanaal/3e kolk Beatrix
- ▶ Twentekanaal/ Eefde





PPP Spatial Development

- **Kampen Harbour Zuiderzee)**
- **Grensmaas PPP**
- **Train Area City of Utrecht**
- **Nieuw Crooswijk Rotterdam**
- **Meerstad Groningen**
- **Almere Poort**
- **Den Oever Citu development**
- **Alkmaar Overstad**
- **Food Center Amsterdam**
- **De Poort van Heusden**



Key Features of PPP – PPP Drivers

PPP Main Drivers

- Need for private investment in public services
- Scarcity of public sector capital
- Reluctance to raise funding through increased taxation
- Better quality of service
- Involvement of external expertise and innovation
- Transfer the right risks to private sector for manage them
- Better availability for road users

They all together are called: Value for Money (VfM)



Value for money more and more visible

- **National Audit Office (UK) investigation into PFI**
 - More than 75% realised in time or earlier
 - No cost excess in public sector
- **2003 PFI: meeting the investment challenge (61 signed projects)**
 - 89% realised in time or earlier
 - 77% of public sector managers is convinced that project targets are realised
- **2006 PFI: strengthening long-term partnerships**
 - Research under 100+ operational contracts
 - Culture of stimulus in PFI contracts works!



PPP (probably 20 flavours)

- **Governments point of view**

- Project but no public funding
- Project but not enough public funding
- Projects and public funding

Concessions

Toll

BOT/DBFM

Shadow Toll

DBFM

Value for money

- **Netherlands Policy**

- Projects and Public Money

DBFM

VfM

- **VfM Testing**

All projects > 60 Million Euro (roads – 25 Meuro Building) do VfM test

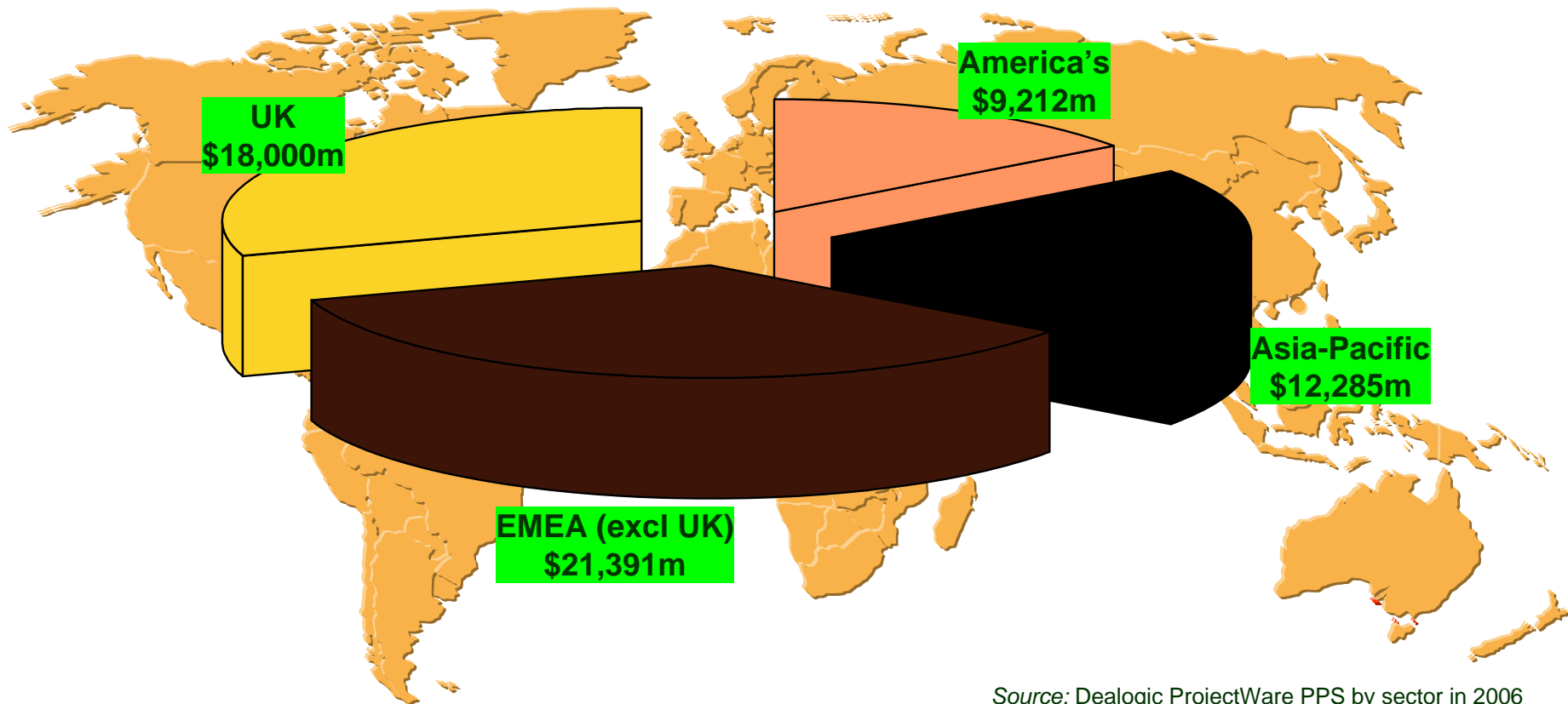


True or False

Project	PPC	Financial close	remark
HSL-Zuid Infraprovider	n.a.	5%	On time
A59 Rosmalen-Geffen	ca. 10%	14%	On time
N31 Nijega – Hemriksein	7%	31%	6 months earlier
Tweede Coentunnel	5%	10%	In progress
Ministerie van Financiën	ca. 9%	15%	On time
Montaigne College	ca. 9%	16%	6 months earlier
MaVa A15	Ca. 4%	20%	In progress
A12	Ca. 3%	15%	In progress
Eelde Airport	Ca. 6%	15%	Maintenance phase



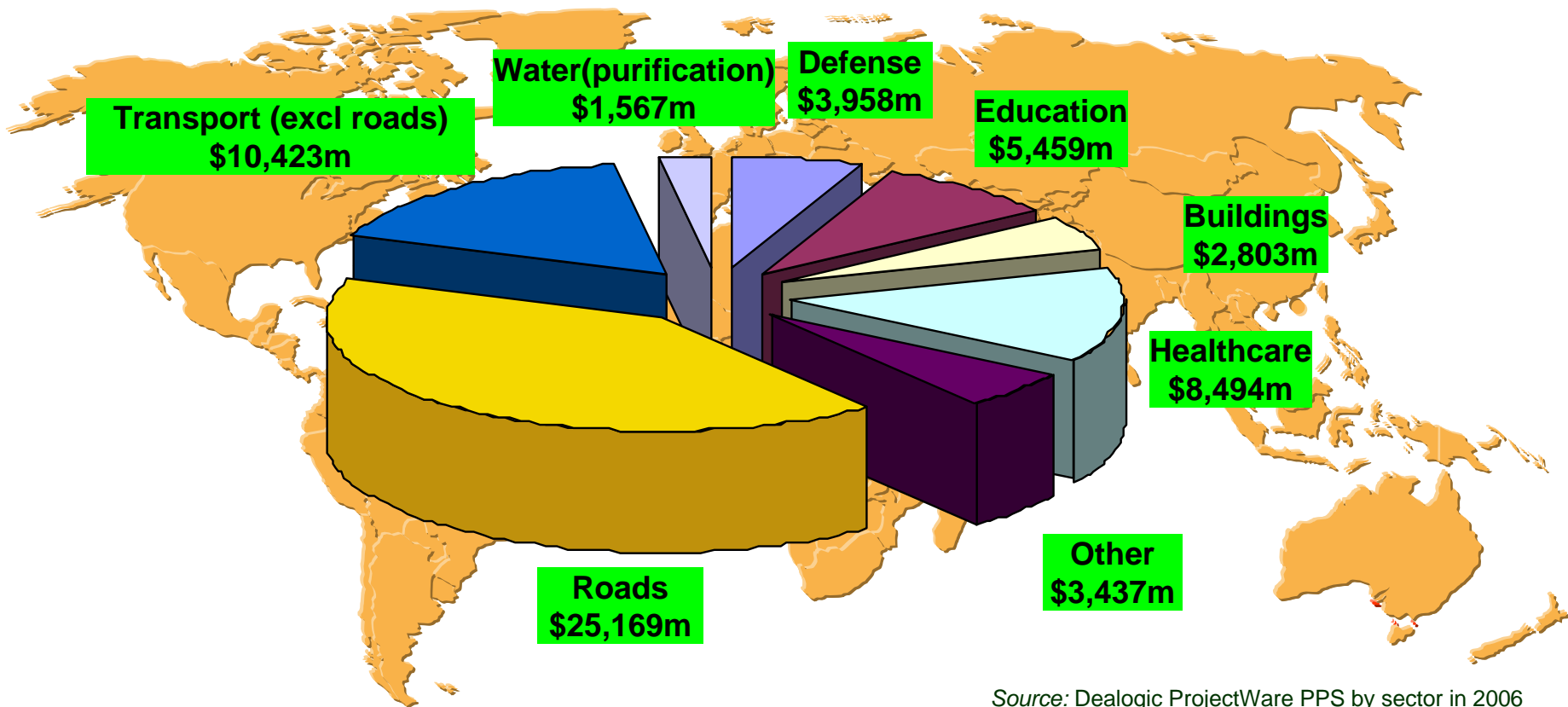
Area's PPPs?



Source: Dealogic ProjectWare PPS by sector in 2006



Were PPPs?



Source: Dealogic ProjectWare PPS by sector in 2006



PPP, where is the road to success?

The private sector:

designs, builds, maintains and operate the infrastructure, invests (or completely pays) for this system and has to have a return of investment.

The public sector:

Find a balance between the ROI of the private sector and the public tasks by

- A good governance with a A proven legal system
- A understandable and consistent contract for both parties
- A common ground, no "political party movement"
- A few civil servant who understand PPP and guard these rules and protect the interest of the government and the public
- A consistent policy and a deal flow of projects



THANK YOU!

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Questions?