



VNESHECONOMBANK

STATE CORPORATION "BANK FOR DEVELOPMENT AND FOREIGN ECONOMIC AFFAIRS (VNESHECONOMBANK)"



OVERVIEW OF RUSSIAN PPP PROJECTS MARKET

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PPP IN RUSSIA IN BRIEF

- **Federal legislation (Budget code, Concession law, Civil code, Land code, Public procurement law, Law on competition, draft PPP “acceleration” law)**
- **Regional PPP legislation (~70/83 regional PPP laws)**
- **Sources of Funding (International financial institutions, development institutions, state commercial banks, pension funds)**
- **State support (Vnesheconombank, guarantees, RF Investment Fund)**
- **PPP models (BTO, LCC, BOT, BOLT)**
- **PPP institutions**
- **More than 900 PPP projects**
- **Up to 5% of public procurement p.a.**





PPP SECTORS

Transport

- roads, bridges, tunnels
- LRT, trams
- railways
- airports
- ports

Environment

- solid waste management
- water and waste water

Energy efficiency

- district heating
- street lighting
- publicly owned stock of real estate

Territorial development

infrastructure for social housing and industrial development

Social infrastructure

- healthcare
- education
- sport and tourism
- culture

IT & Government

- multifunctional administrative centers
- e-government
- broadband Internet access



EXAMPLES OF PPP PROJECTS IN RUSSIA

Transport

Airports: Pulkovo (BOT), Domodedovo, Koltsovo etc.

Highways: Moscow-St.-Petersburg highway (BTO, LCC) and M4 (BTO)

Bridges: Nizhniy Novgorod (LCC), Yakutsk (BTO), Kambarka-Buj (BTO)

Environment

Water: BOTs in Moscow and St.-Petersburg (terminated), >30 long term lease and investment contracts in various cities, BTO in Nizhny Novgorod, Krasnodar & Voronezh regions, Chelyabinsk & Yaroslavl regions (BOLT, preparation)

Waste management: Yanino (BOT), N.Novgorod, Murmansk, Volgograd (BTO), Saratov

Social infrastructure

Sport: Nizhny Novgorod sport centers (BTO)

Education: 2 schools & 3 kindergartens in St.-Petersburg (BOT), 31 kindergartens in Astrakhan region (BOLT, financial close), kindergartens, Moscow (terminated)

Healthcare: Reconstruction of hospital, Moscow (BTO)

Territorial development

Project co-financed by the Russian Investment Fund, industrial parks in Kaluga region

Energy efficiency

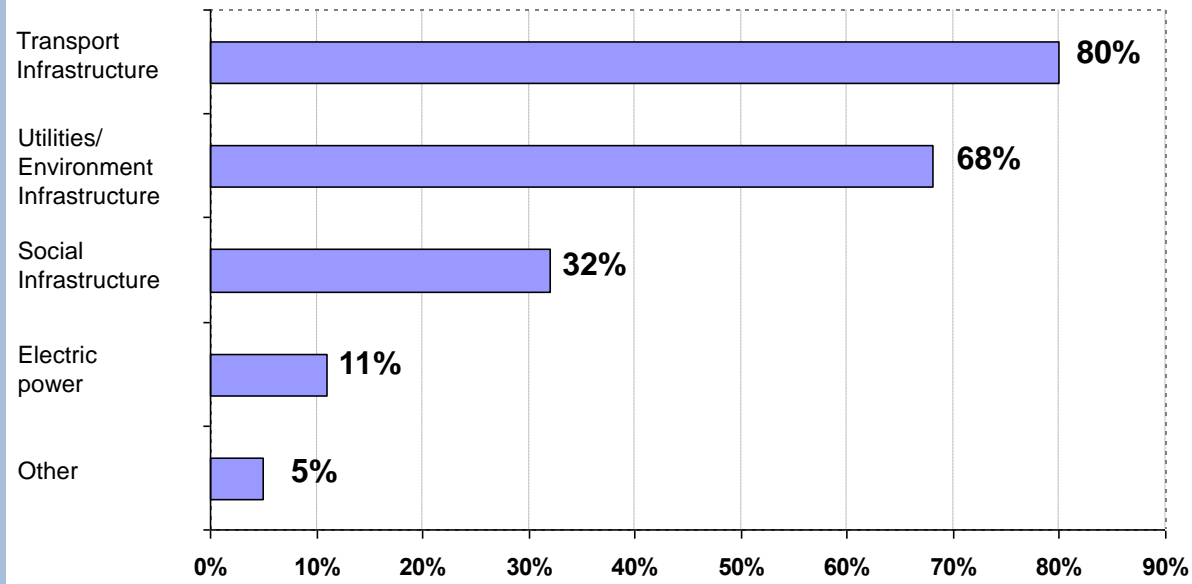
District heating
Irkutsk (BTO), >600 BTO municipal heating plants projects

IT & Government

No projects

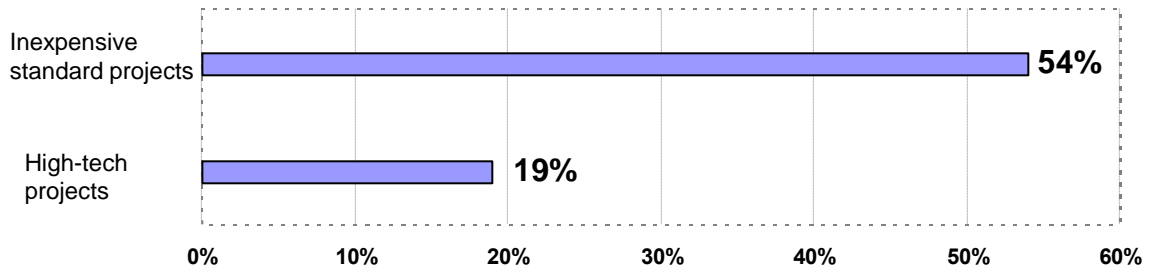


PPP IN RUSSIA INDUSTRY APPEAL*



Assessment of the industry demand of PPPs in Russia in the next 5 to 10 years

Evaluation of promising types of projects in the Russian regions



* - experts conclusion based on Ernst&Young market research



PPP IN RUSSIA BUSINESS POINT OF VIEW

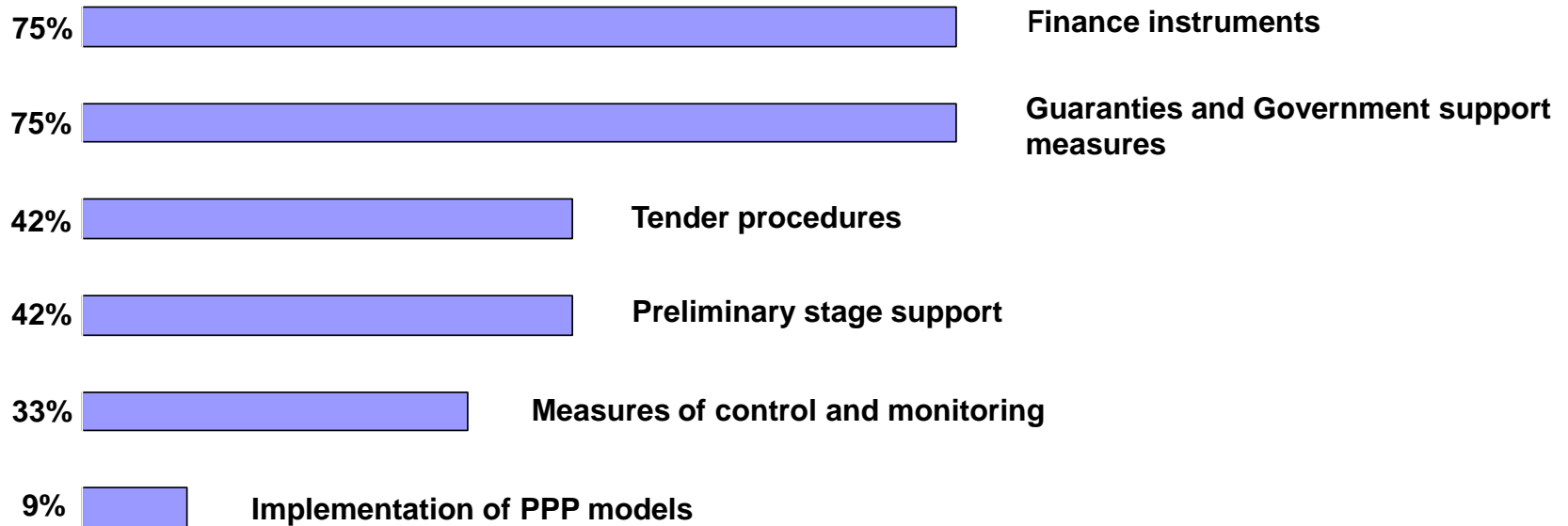
Proposals from private partners:

- **Foundation PPP business community**
- **Regular meetings (conferences, round tables) with foreign PPP investors focused on experience exchange**
- **More active role of private business in the development of PPP legislation**
- **The creation unified PPP proposals database**
- **Transparent tender procedure**
- **Balanced risk allocation**
- **Implementation of new PPP models and adopting necessary changes in legislation in order to make it more attractive for private sector**
- **Special education programs for all PPP market participants**



PPP IN RUSSIA BUSINESS POINT OF VIEW

Preferable forms of government activities for implementation in Russia from private standpoint :





PPP IN RUSSIA CURRENT SITUATION

Other negative factors:

- “Expensive, Long time, Ineffective (no investors)”
- Low regional and municipal activity focused on development of announced PPP initiatives
- Insufficient provision of government funds for regional and municipal activity for PPP project development (consulting services, documents preparation, tender etc)



VNESHECONOMBANK AND ITS SUBSIDIARY TASK-ORIENTED DEVELOPMENT INSTITUTIONS



VNESHECONOMBANK

- Loans
- Equity investment
- Guaranties
- Investment consulting



Public entities investment advisory services

FCPF
Federal Centre
For Project
Finance

Pre-project development equity finance



THE EAST OF RUSSIA
DEVELOPMENT FUND
TRANSPARENCY, RELIABILITY, PROGRESS

Far East development projects equity finance



The North Caucasus development projects equity finance



VEB INNOVATION

Skolkovo projects venture finance



FINANCIAL UNIVERSITY
UNDER THE GOVERNMENT
OF THE RUSSIAN FEDERATION

Training of public staff



VNESHECONOMBANK'S PARTICIPATION IN PPP INFRASTRUCTURE PROJECTS

EXAMPLES (2007-2011)

CONSTRUCTION OF MOSCOW-SAINT-PETERSBURG HIGHWAY (15-58 KM)

Region:
Moscow

Total project value:
RUB 72.0 bn

VEB's commitment:
RUB 14.6 bn

RECONSTRUCTION OF THE INTERNATIONAL AIRPORT «PULKOVO» (STAGE I)

Region:
Saint-Petersburg

Total project value:
EURO 1.20 bn

VEB's commitment:
EURO 0.235 bn

INFRASTRUCTURE DEVELOPMENT OF AN INDUSTRIAL PARK

Region:
Kaluga

Total project value:
RUB 9.299 bn

VEB's commitment:
RUB 7.375 bn

COMPREHENSIVE PROGRAM OF BUILDING AND RECONSTRUCTION OF WATER SUPPLY AND WATER DRAINAGE FACILITIES

Region:
Rostov-on-Don

Total project value:
RUB 14 bn

VEB's commitment:
RUB 4.180 bn



VNESHECONOMBANK'S ASSISTANCE FOR PROJECT DEVELOPMENT

Investment Consulting

- **Development of a financial model**
- **Preparation of contract and tender documentation with engagement of specialist engineering, economic, legal and other consultants**
- **Projects marketing**
- **Support for**
 - arrangement of a tender,
 - negotiations with the winner,
 - signing of the PPP contract,
 - financial closing.

Financial Assistance to Region and Municipal Project Development (FARMPD)

- **Provision of financial assistance to public authorities on preparation of investment projects for the solution of problems of regional and urban development on the PPP terms.**
- **The operator of FARMPD – Vnesheconombank subsidiary JSC “Federal Center for Project Finance” (“FCPF”).**
- **FARMPD program amount in 2011-2015 is \$350 mln.**

Training

- **Professional development of participants in the market of PPP projects, on arrangement and procurement of attractive investment projects designed to develop public infrastructure.**
- **In 2012, the PPP Chair arranged specialist training for more than 300 people, including representatives of CIS countries.**



FARMPD PIPELINE

