

# Slovak PPP Motorway Programme

## Presentation Day

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**DEDÁK & PARTNERS**

# Slovak PPP Motorway Programme

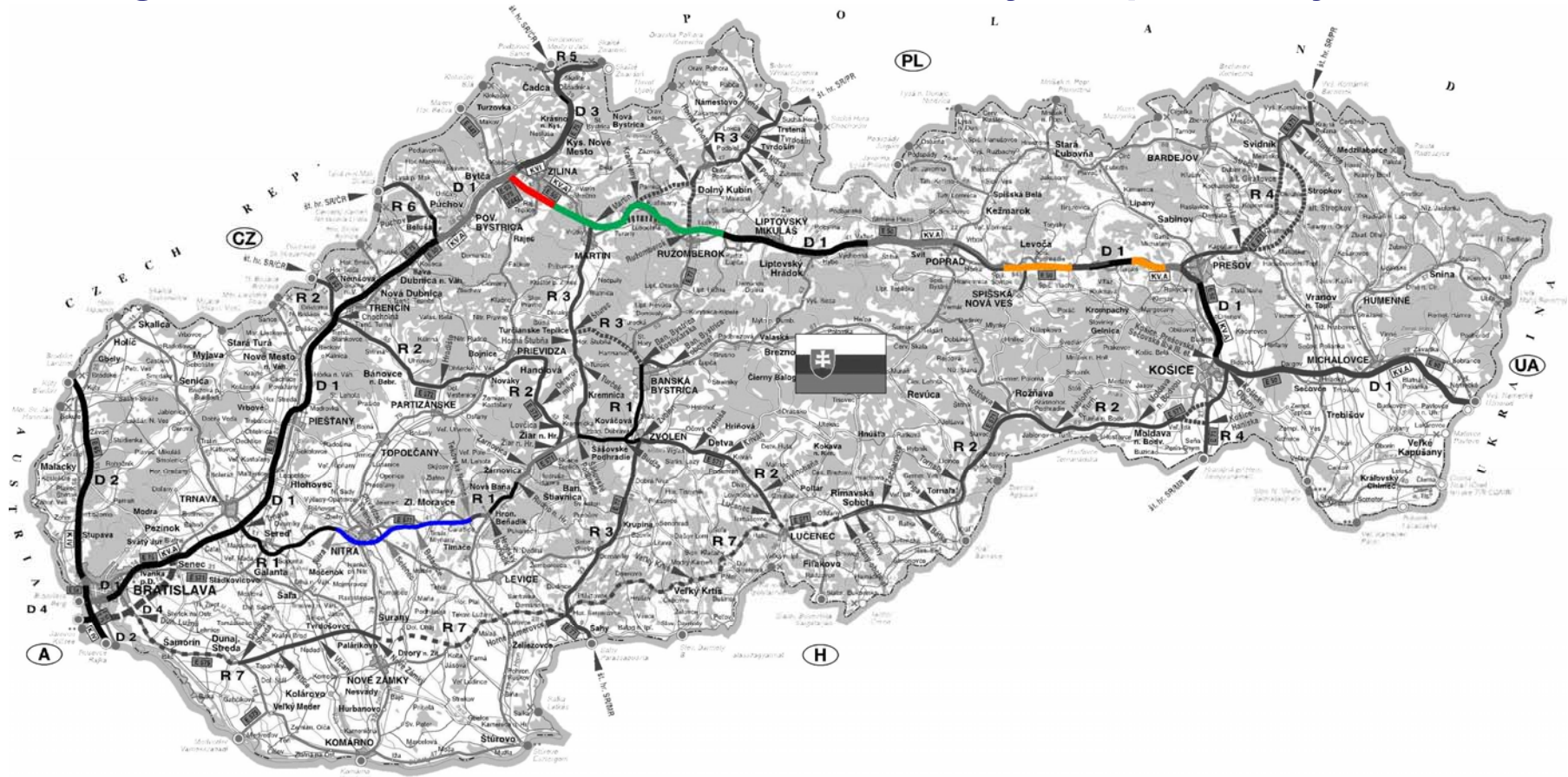
## Agenda

- Programme Sections
- Packaging & Programme
- Project Legal Structure
- Proposed Risk Allocation
- Financing Considerations



# Slovak PPP Motorway Programme

## Programme Sections in context of Motorway / Expressway Network



Nitra - Selenc  
Selenc - Hronský Beňadik

Visnové - Dubná Skala  
Dubná Skala - Turany  
Turany - Hubová  
Hubová - Ivachnová

Jánovce - Jablonov  
Fričovce Svinia

Hricovske Podhradie - Lietavska Lucka  
Lietavska Lucka - Visnove

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## Sections included under the PPP Programme – D1 Motorway

Section	Road	Length (km)	Tunnels		Bridges		Estimated construction costs, excl. VAT (EURm)
			Number	Length (m)	Number	Length (m)	
Hričovské Podhradie – Lietavská Lúčka	D1	11.3	2	3,054	11	3,589	310 – 390
Lietavská Lúčka – Višňové	D1	5.4	-	-	8	2,558	170 – 210
Višňové – Dubná Skala	D1	8.2	1	7,460	1	159	480 – 600
Dubná Skala – Turany	D1	16.3	-	-	27	3,556	170 – 210
Turany – Hubová	D1	16.5	4	4,932	22	4,100	470 – 590
Hubová – Ivachnová	D1	15.3	1	1,967	24	4,951	340 – 430
Jánovce – Jablonov	D1	18.5	1	616	22	3,861	260 – 330
Fričovce – Svinia	D1	10.9	-	-	16	2,774	150 – 180
<b>TOTAL (motorways)</b>		<b>102.4</b>	<b>9</b>	<b>18,029</b>	<b>131</b>	<b>25,548</b>	<b>2,350 – 2,940</b>

Source: MDPT

# Slovak PPP Motorway Programme

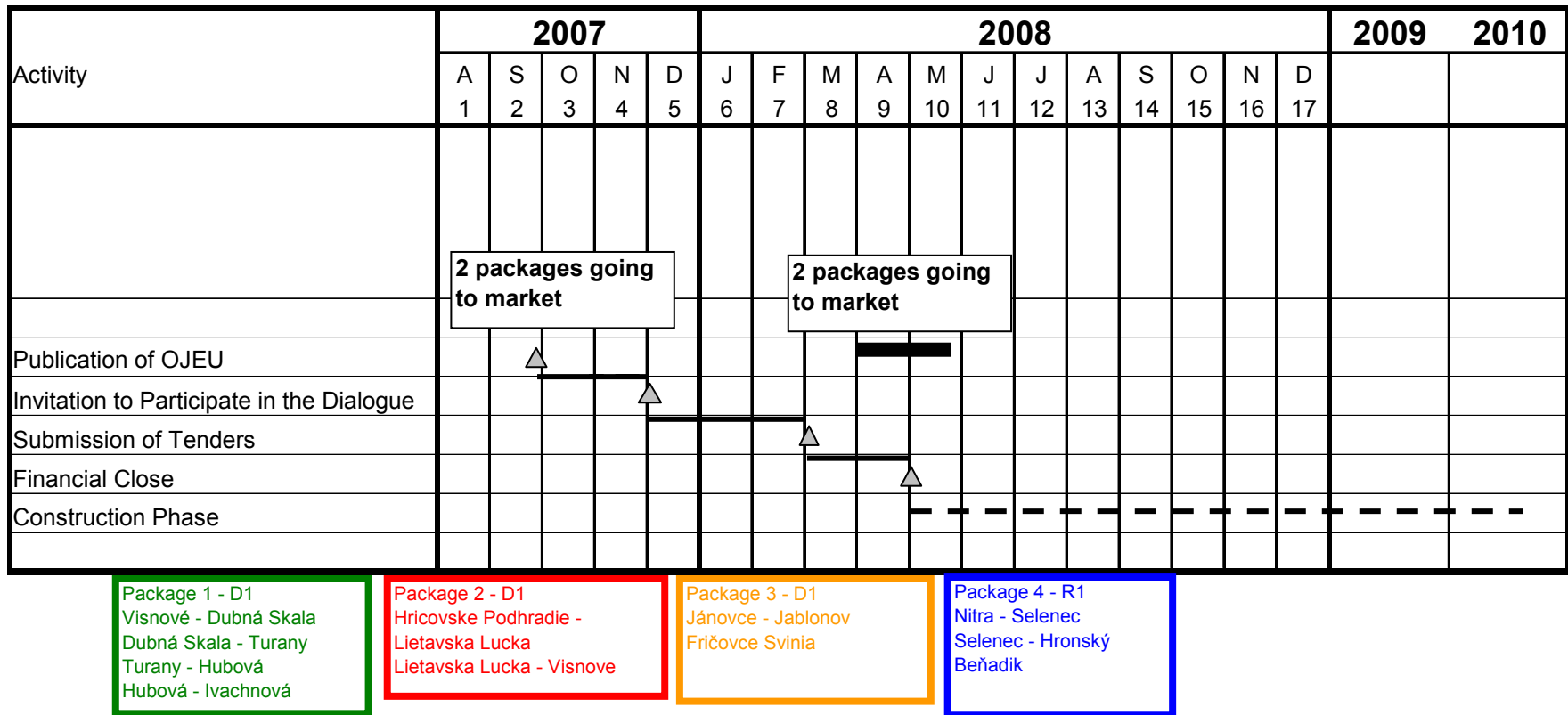
## Sections included under the PPP Programme – R1 Expressway

Section	Road	Length (km)	Tunnels		Bridges		Estimated construction costs, excl. VAT (EURm)
			Number	Length (m)	Number	Length (m)	
Nitra západ (west) – Selenec	R1	13.0	-	-	10	792	110 – 140
Selenec – Hronský Beňadik	R1	30.3	-	-	38	2,084	390 – 490
<b>TOTAL (expressways)</b>		<b>43.3</b>			<b>48</b>	<b>2,876</b>	<b>500 – 630</b>

Source: MDPT

# Slovak PPP Motorway Programme

## PPP Programme Timetable



# Slovak PPP Motorway Programme

## Package 1 on D1 Motorway

Route	Name	Total length (km)	Tunnels (No./m)		Bridges (No./m)		Estimated construction cost, excl. VAT (EURm)
			No.	m	No.	m	
D1	Visnove – Dubna Skala	8.2	1	7,460	1	159	480 – 600
D1	Dubná Skala – Turany	16.3	-	-	27	3,556	170 – 210
D1	Turany – Hubová	16.5	4	4,932	22	4,100	470 – 590
D1	Hubová – Ivachnová	15.3	1	1,967	24	4,951	340 – 430
<b>TOTAL PACKAGE 1</b>		<b>56.3</b>	<b>6</b>	<b>14,359</b>	<b>74</b>	<b>12,766</b>	<b>1,460 – 1,830</b>

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## Package 2 on D1 Motorway

Route	Name	Total length (km)	Tunnels (No./m)		Bridges (No./m)		Estimated construction cost, excl. VAT (EURm)
D1	Hricovske Podhradie - Lietavska Lucka	11.3	2	3,054	11	3,589	310 – 390
D1	Lietavska Lucka - Visnove	5.4	-	-	8	2,558	170 – 210
<b>TOTAL PACKAGE 2</b>		<b>16.7</b>	<b>2</b>	<b>3,054</b>	<b>19</b>	<b>6,147</b>	<b>480 - 600</b>



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## Package 3 on D1 Motorway

Route	Name	Total length (km)	Tunnels (No./m)		Bridges (No./m)		Estimated construction cost, excl. VAT (EURm)
			No.	m	No.	m	
D1	Jánovce - Jablonov	18.5	1	616	22	3,861	260 – 330
D1	Fričovce - Svinia	10.9	-	-	16	2,774	150 – 180
<b>TOTAL PACKAGE 3</b>		<b>29.4</b>	<b>1</b>	<b>616</b>	<b>38</b>	<b>6,635</b>	<b>410 – 510</b>

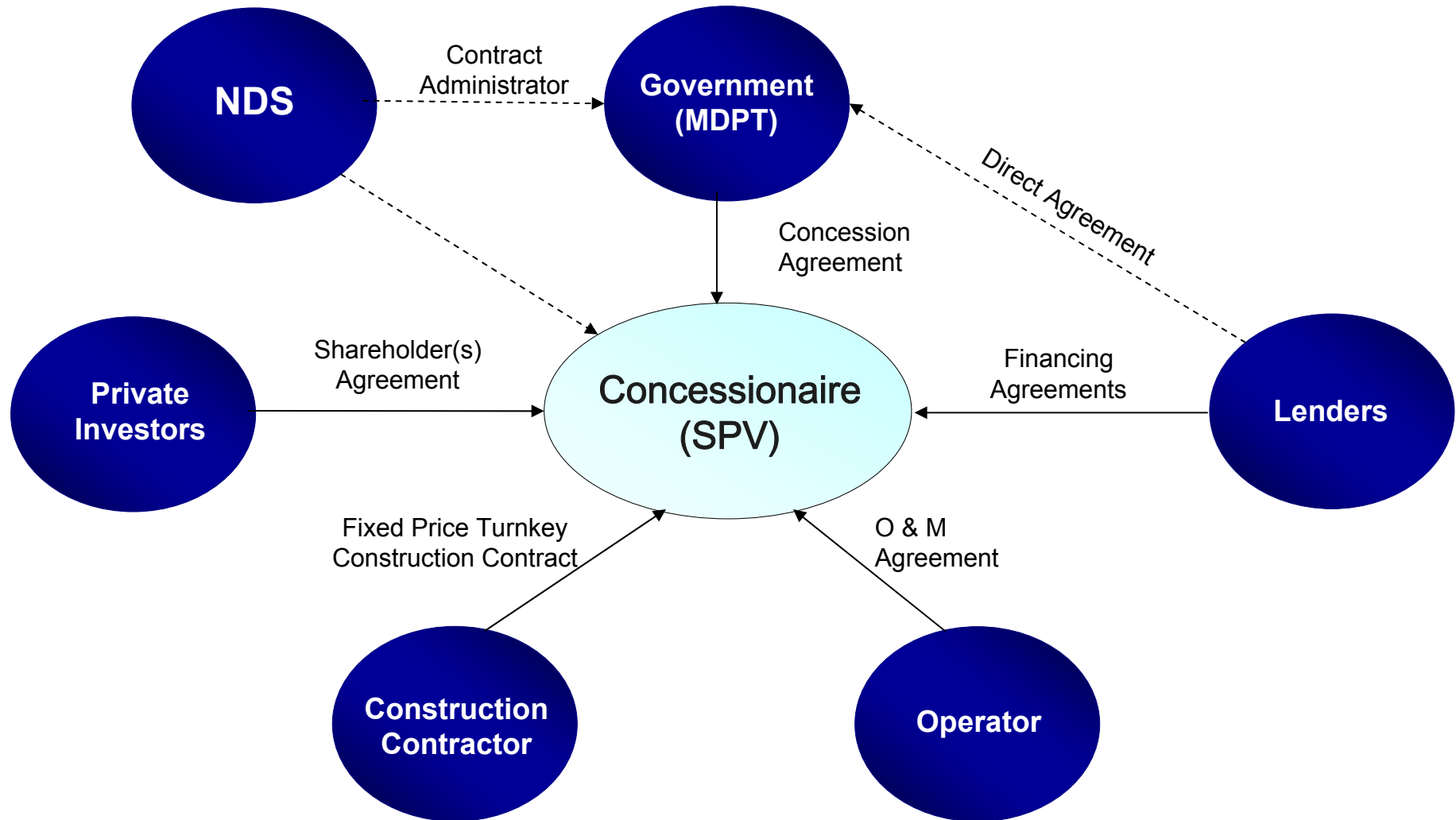
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## Package 4 on R1 Expressway

Route	Name	Total length (km)	Tunnels (No./m)		Bridges (No./m)		Estimated construction cost, excl. VAT EURm
R1	Nitra - Selenec	13.0	-	-	10	894	110 – 140
R1	Selenec - Hronský Beňadik	30.3	-	-	38	2,084	390 – 490
<b>TOTAL PACKAGE 4</b>		<b>43.3</b>			<b>48</b>	<b>2,978</b>	<b>500 – 630</b>

# Slovak PPP Motorway Programme

## Project (Legal) Structure



## Changes to the legislation

- Implementation of the Project Legal Structure requires certain changes to current legislation
- Government is ready to adopt the necessary changes to the legislation
- The aim is to have a legal framework enabling the successful implementation of the project and timely delivery of the contributions to be made to the project by the State
- Legislative changes to be effective from 1 January 2008

## Public Procurement

- MDPT to be the concession grantor and the contracting authority
- OJEU notice publication in September 2007
- Competitive Dialogue procedure
- Standard prequalification process
- Up to 4 pre-qualified candidates to be shortlisted
- Tender stage to last 3 months
- Tender process to be finalised April 2008
- Length of concession of 25 – 30 years

## Proposed Risk Allocation

- Key Government's objective is that the Programme achieves off balance sheet status under ESA 95 rules
- DBFO structure
  - Availability Payment as basis for revenue for proposed projects
  - Right of tolling reserved for the State/NDS
- Proposed Risk Allocation
  - Construction and Availability risks to be transferred to private sector
  - Demand risk to be retained by the Government

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## Proposed Risk Allocation

Major Risk	Borne by Government	Borne by Concessionaire	Shared
Land Permit	✓		
Land Acquisition	✓		
Final Design & Building Permit		✓	
Ground Risks			✓
Construction		✓	
Operation & Maintenance		✓	
Defects (New Works)		✓	
Defects (Existing Roads)	<b>Latent Defects</b>	<b>Patent Defects</b>	
Demand (Traffic)	✓		
Financing		✓	
Contract Termination			✓

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## Payment Mechanism

- Availability based payments
  - No availability, no payment
  - Partial availability, reduced payments
- Service points regime
  - Deductions for non-performance/poor performance
  - Regime tailored to fit the relevant sections
- O&M portion of unitary charge subject to indexation
- Annual Payment – a maximum
- EURO based payment stream expected



## Financing Considerations

- Financial closing expected shortly after Contract signing (subject to conditions precedent)
- Competitive financing structure expected
- EURO based financing to match the concession period
- Debt and/or bond financing acceptable

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Q & A

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