

# SKANSKA

Infrastructure  
Development

Creating value through partnership

# Basic Principles for PPP

Private Sector services for the Public Sector

- Provision of a service
- Longterm commitment
- Design, Financing, Construction, Operation & Maintenance
- Payment during operation for provided service
- Handover of facilities at the end of concession time

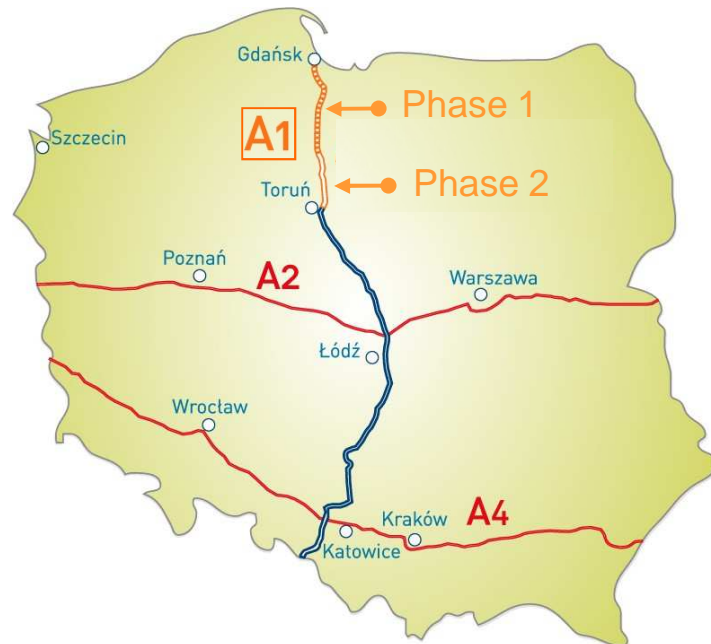
## Basic Advantages of PPP

- Guaranteed costs/completion time and future quality
- Shorter construction time money saving through lifecycle costs
- Transfer of main risks from public to private sector
- Handover of facilities at the end of concession time
- Consequences to state budget evaluation

# PPP project requirements

- ❑ **Understanding** the PPP concept
- ❑ **Realistic** expectations
- ❑ Legal, tax and accounting **rules in place**
- ❑ Stability **long term**
- ❑ **Partnership** with confidence and openness, real cooperation
- ❑ High demands on **early planning**
- ❑ **Equity** in project company gives incentive
- ❑ **Not all projects suitable for PPP**

# The A1 Motorway



- Part of the TEN priority network from Baltic Sea to Vienna
- Links ports of Gdynia and Gdansk with Central Poland (Gdansk to Torun in current concession)
- Promotes the Pomeranian region Improved infrastructure necessary to attract investors
- Promotes road safety
- Phase 1: 90 km stretch of motorway between Rusocin and Nowe Marzy near Grudziądz. Completion – 10/2008
- Phase 2: 62 km stretch of motorway between Nowe Marzy and Czerniewice near Toruń. Completion – 12/2011

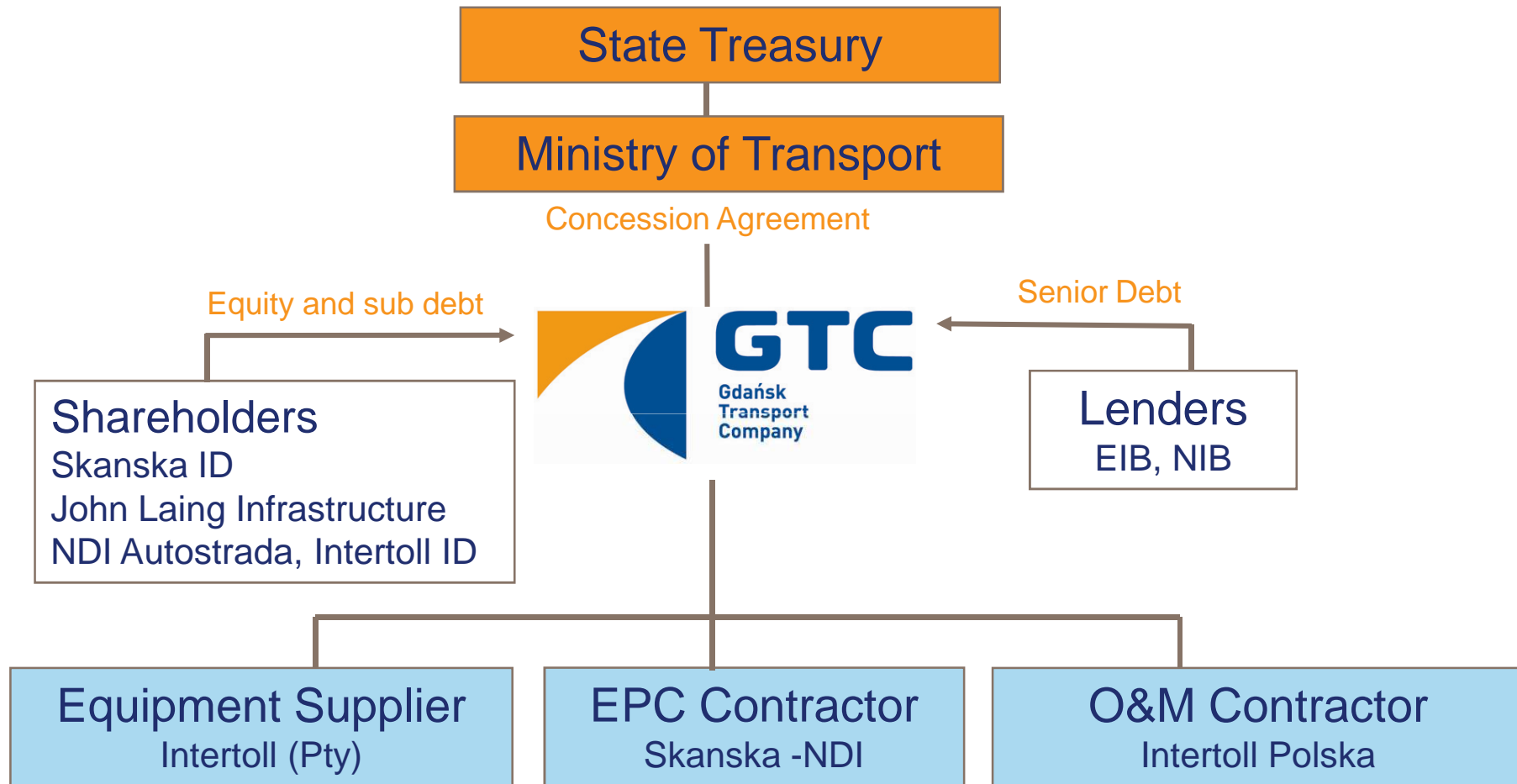
# Facts and Figures

- 89.5 km dual carriageway (Phase I)  
Total CAPEX Euro 675 million
- 62.5 km dual carriageway (Phase II)  
Total CAPEX Euro 900 million
- Concession for both ending 2039
- Financing by banks with GoP guaranteeing Availability Payments
- EIB, NIB (1st.phase) and EIB,NIB,SEK(2nd.phase) on board
- Debt/equity 95:5

# Payment Model

- Availability Payment
  - Covers fixed costs, tax and debt service
  - Defined in both EUR and PLN, escalated with inflation
  - Subject to deductions depending on availability and performance
- Shadow Tolls
  - Covers variable costs depending on traffic
  - Defined in PLN and escalated with inflation

# Contract Structure



# Why we did finally succeed?

- Committed government
- Important project for regional development
- Committed and professional negotiating teams
- Competent advisors were engaged on both sides
- Real co-operation between all parties
- Consortium with strong
  - local presence
  - construction competence
  - O&M competence
  - financial competence
- Value for money





Private Sector services for the Public Sector

PPP

[www.skanska.com/id](http://www.skanska.com/id)

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