

UTAP

Unidade Técnica de Acompanhamento de Projetos

**The Portuguese PPP sector: development,
portfolio and project pipeline**

Istanbul PPP Week'16

November 2nd, 2016

- 1) UTAP brief presentation
- 2) The Portuguese PPP portfolio
- 3) Historical development of PPP
- 4) PPP project selection criteria
- 5) Project pipeline

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The Ministry of Finance technical support unit for PPP projects

- A result of the Economic and Financial Support agreement signed by Portugal in 2011
- Established by the 2012 legislation (Decree-Law 111/2012) as part of a comprehensive PPP sector reform
- Fully operational since January 2013
- Currently 10 full time technical staff (a maximum of 13)
- Involvement throughout all stages of project lifecycle
- A close partner of all line ministries with PPP contracts: planning and infrastructures, healthcare, internal affairs and environment
- Provides technical support in other large scale projects implemented under other public procurement figures

The Ministry of Finance technical support unit for PPP projects

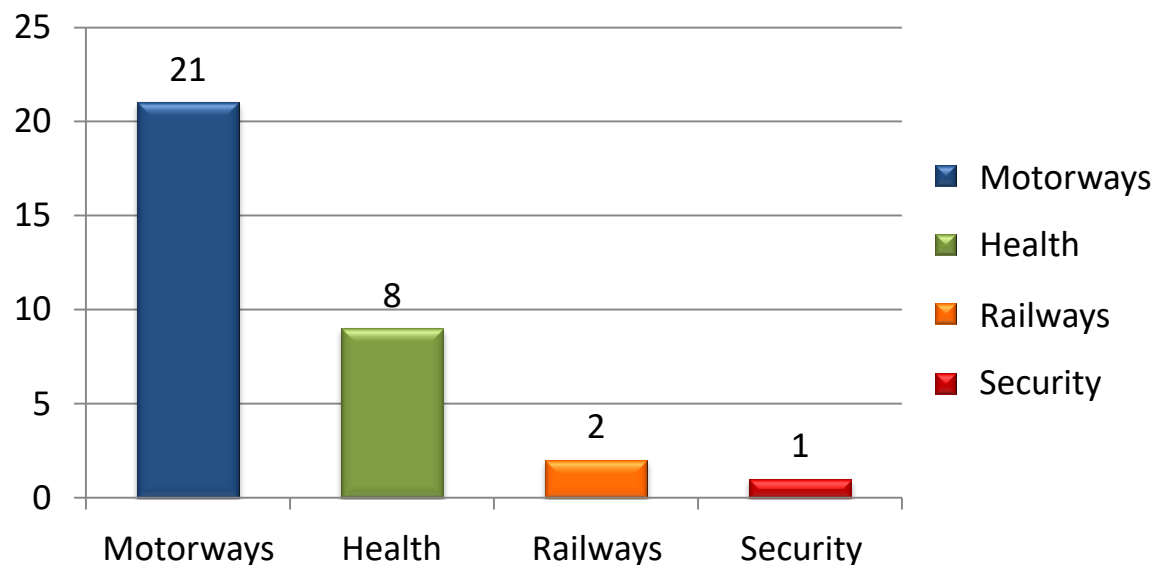
- Responsibilities:
 - Oversee of PPP contracts on behalf of the Ministry of Finance
 - Project appraisal, structuring and tendering
 - Reporting system on PPP and concessions
 - Contract renegotiation
 - Legal and financial technical support to the Ministry of Finance and other ministries and public institutions
 - Budget process support
 - PPP know-how management
 - External representation of Portugal

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UTAP's mandate: Central Government PPP

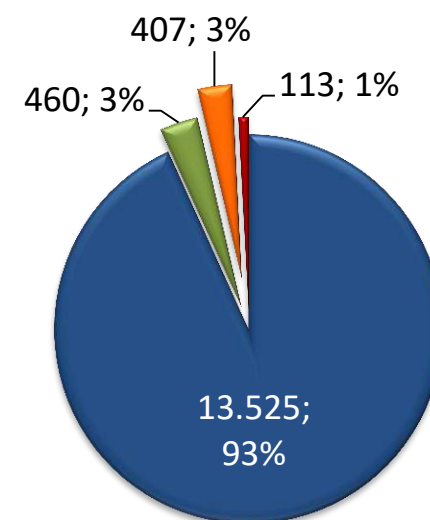
- 32 contracts in 4 sectors
- Cumulative investment of 14.505 million € (December 2015 data)

Portfolio composition



Source: UTAP

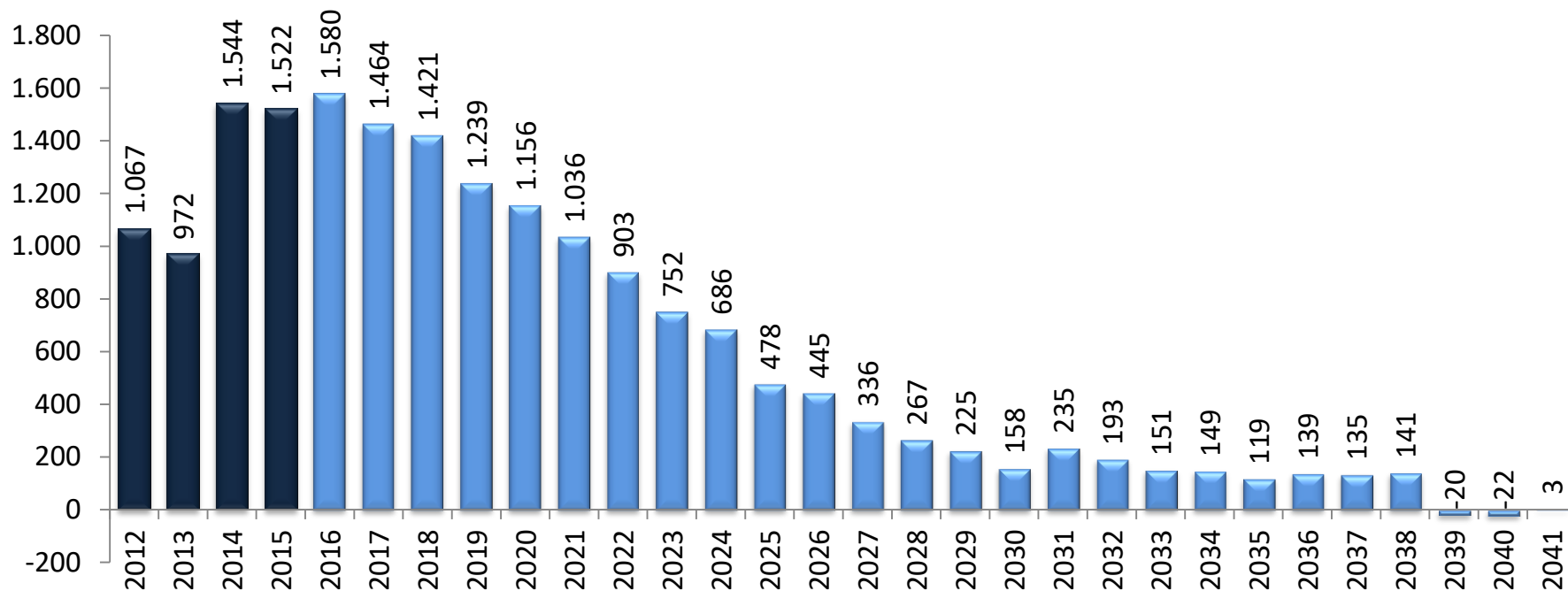
Cumulative investment



Central Government PPP expenses

- Total lifecycle net expenses forecast (32 contracts): 13.400 million €

Central Government PPP net expenses (million €)

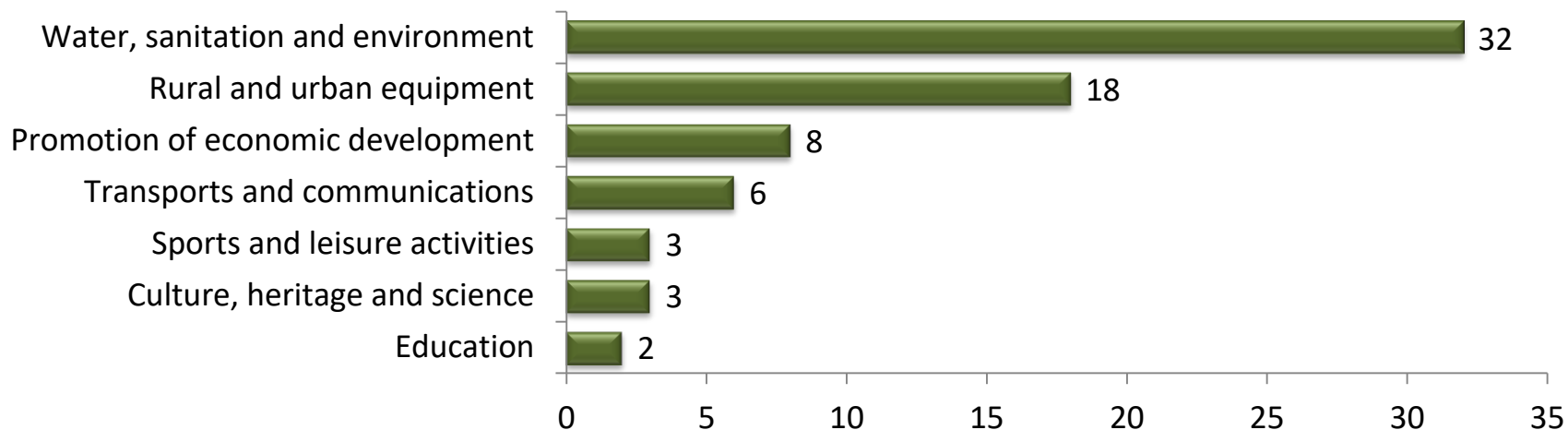


Source: UTAP

PPP projects developed by Regions and Municipalities

- Autonomous Regions: 2 motorway PPP in Madeira and 1 motorway and 1 hospital PPP in Azores
- Municipalities: 72 active PPP operations in 7 sectors

Municipal PPP operations by activity sector

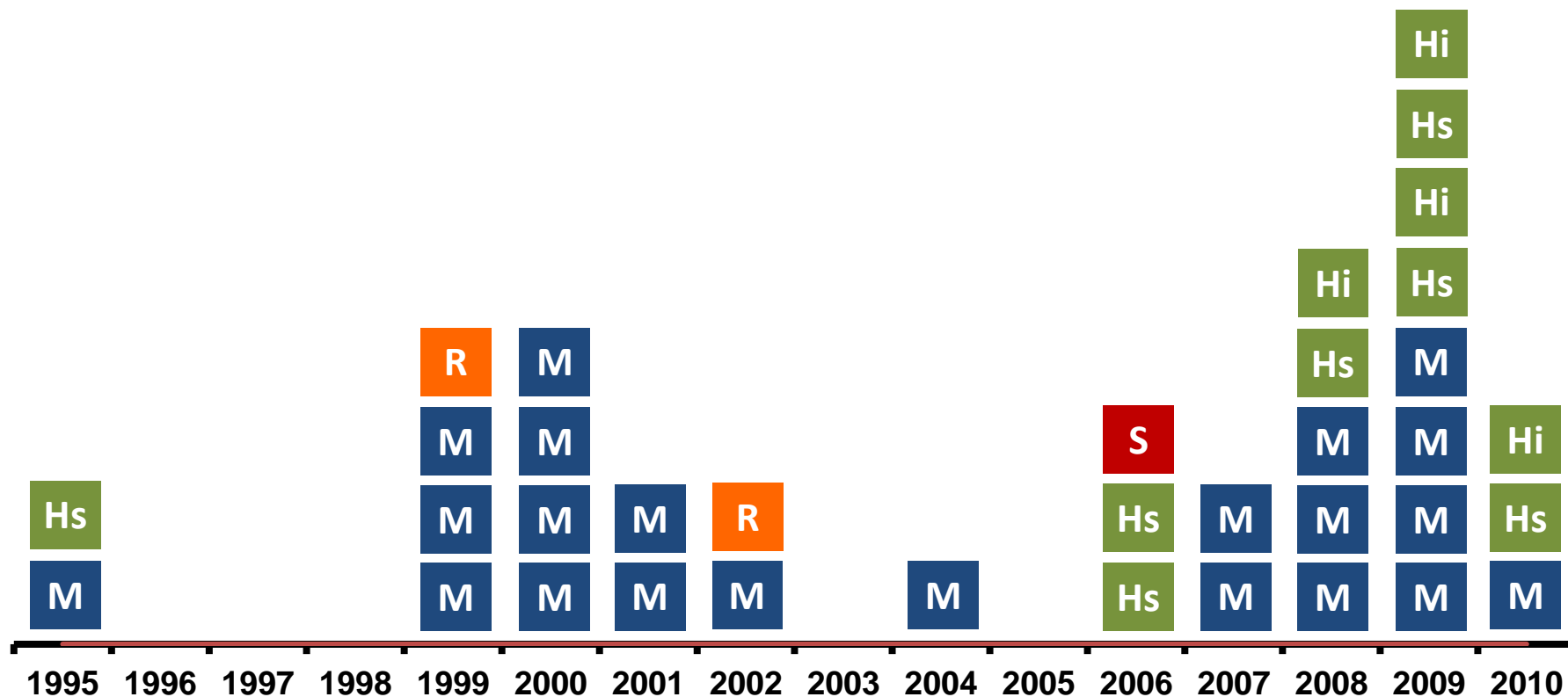


Source: DGAL, Directorate-General for Municipalities

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PPP portfolio evolution

- Evolution of PPP contracts signed: motorways (M), health care services (Hs), health care infrastructure (Hi), railways (R) and security (S)

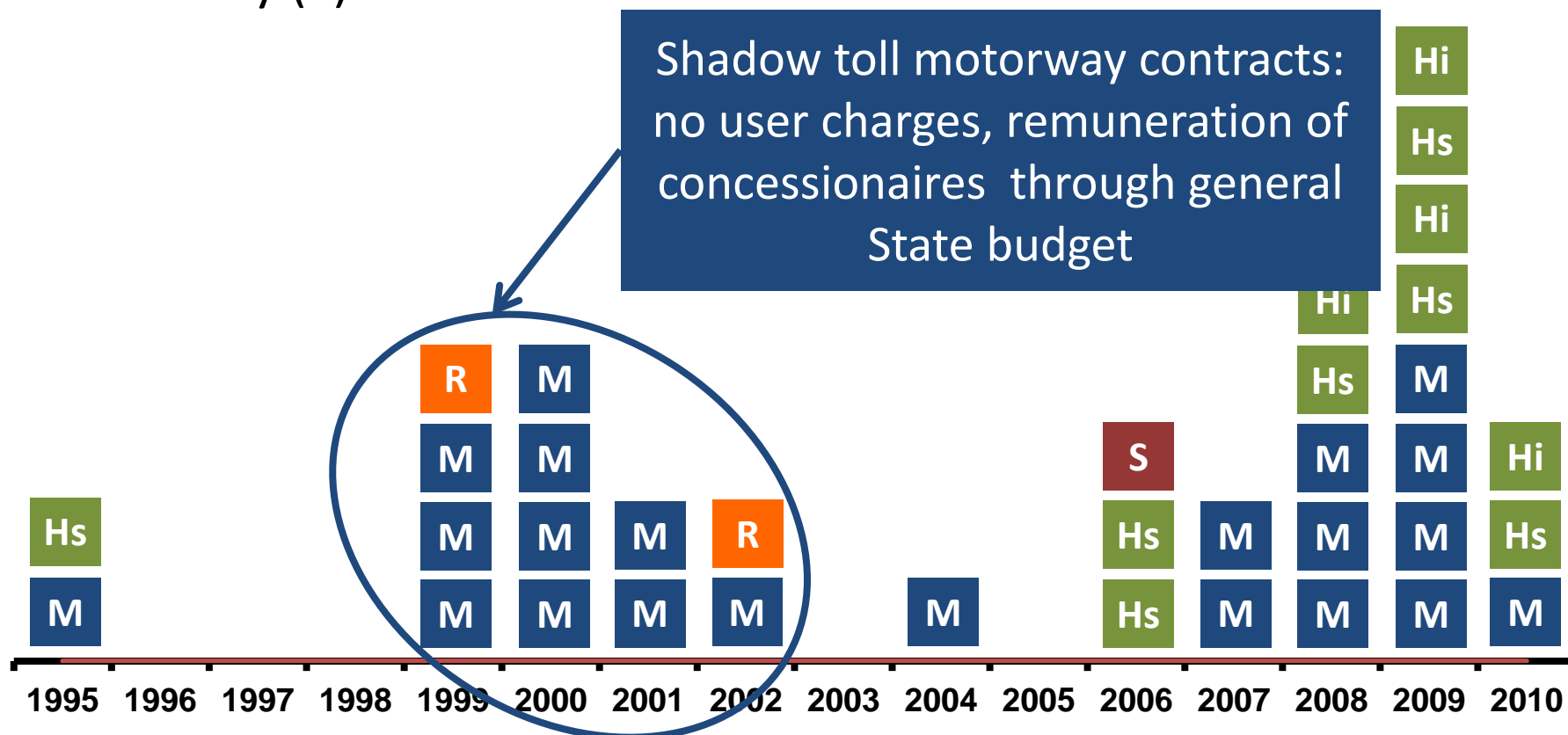


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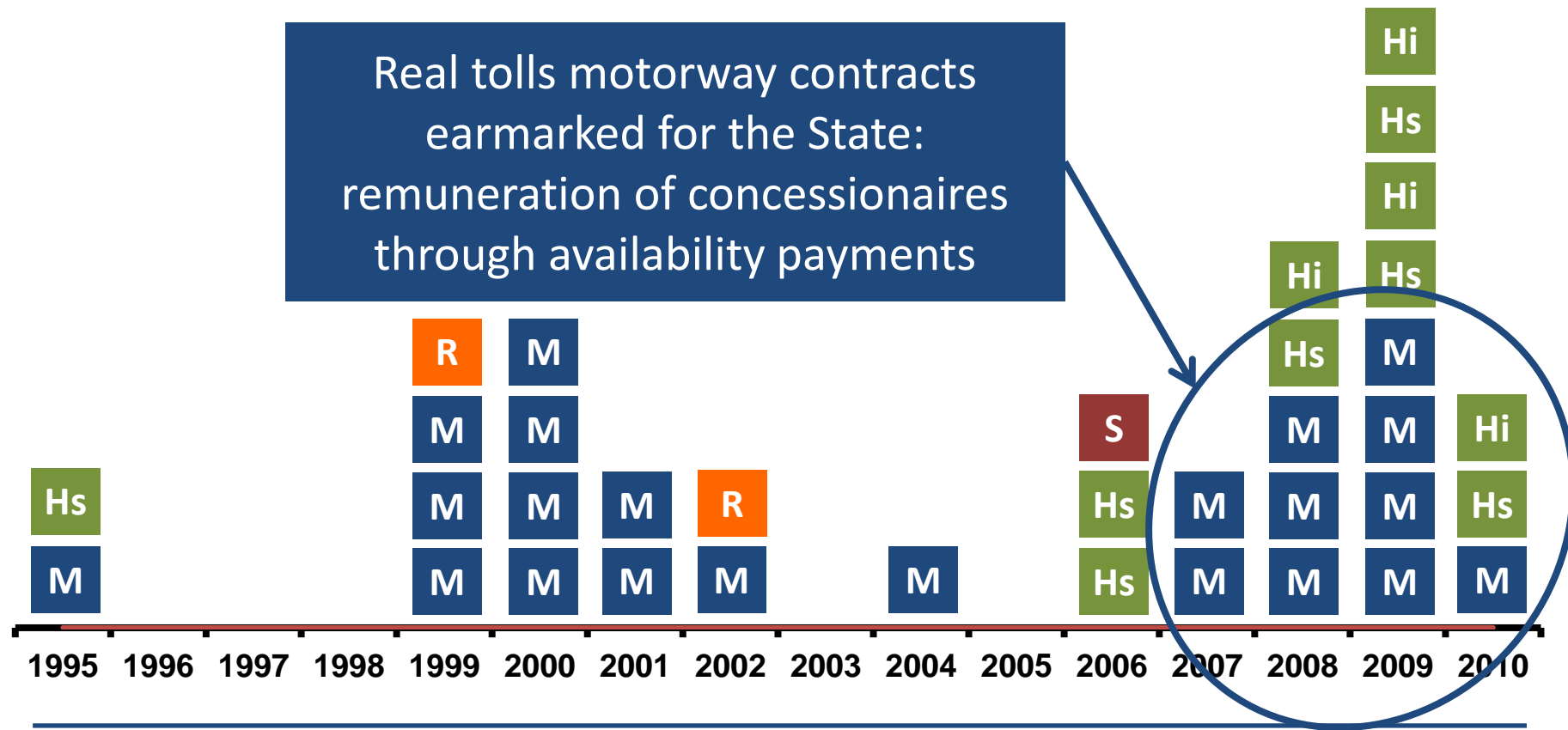
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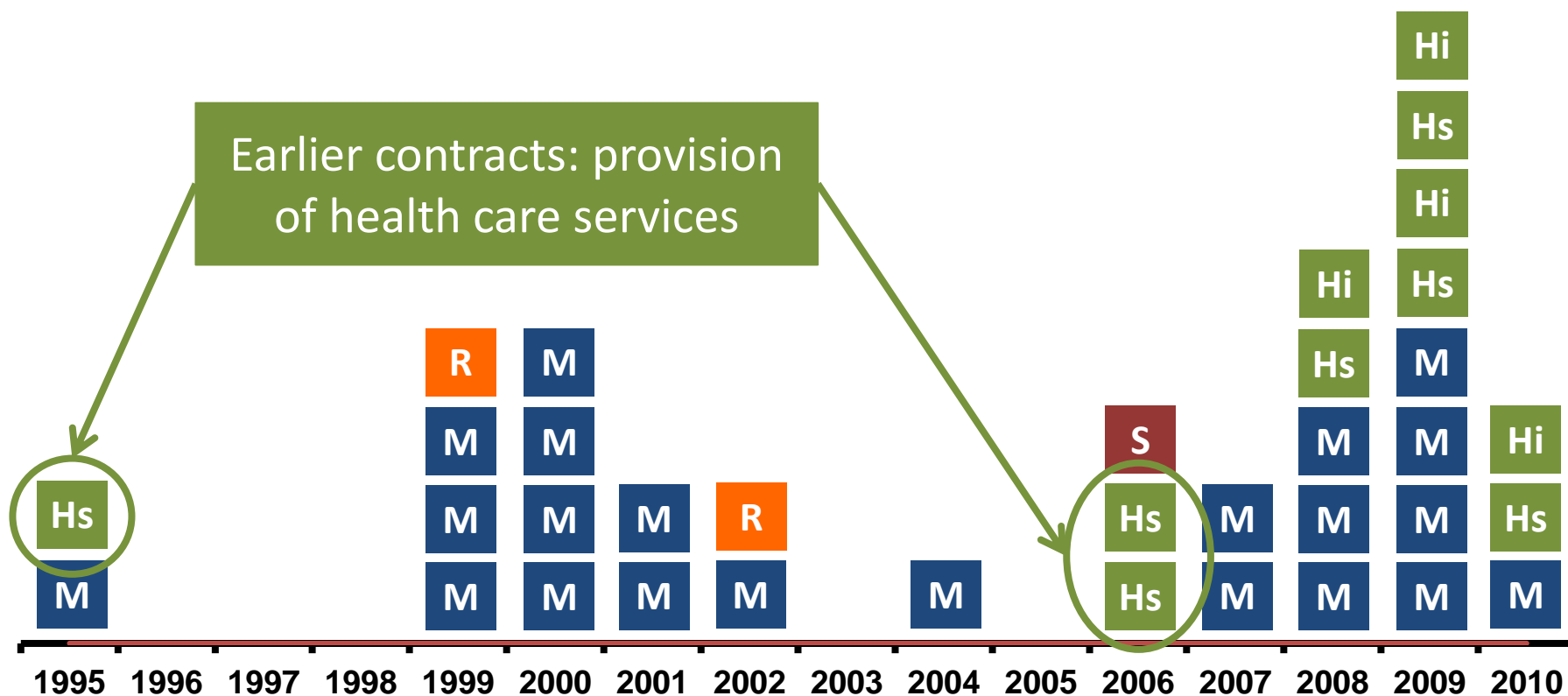
PPP portfolio evolution

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Real tolls motorway contracts earmarked for the State: remuneration of concessionaires through availability payments

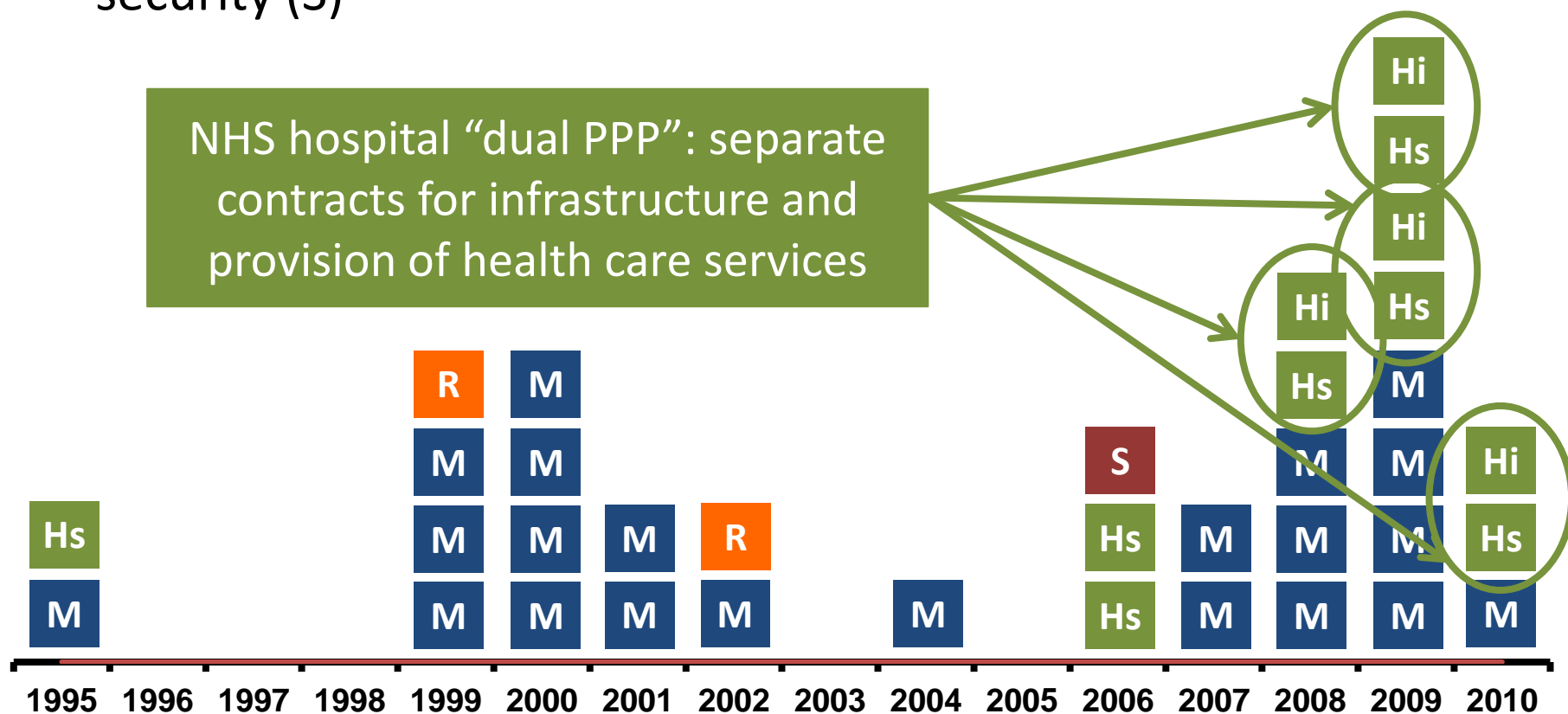


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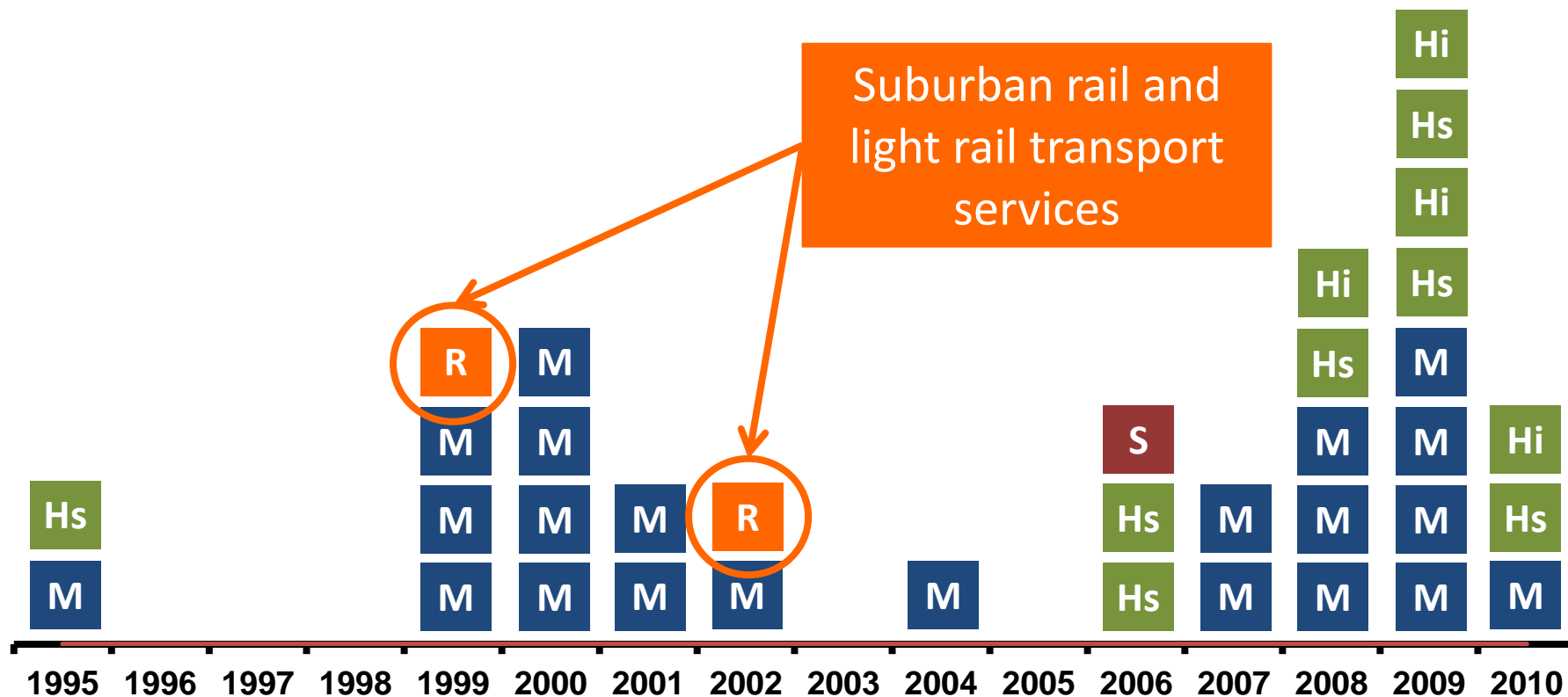
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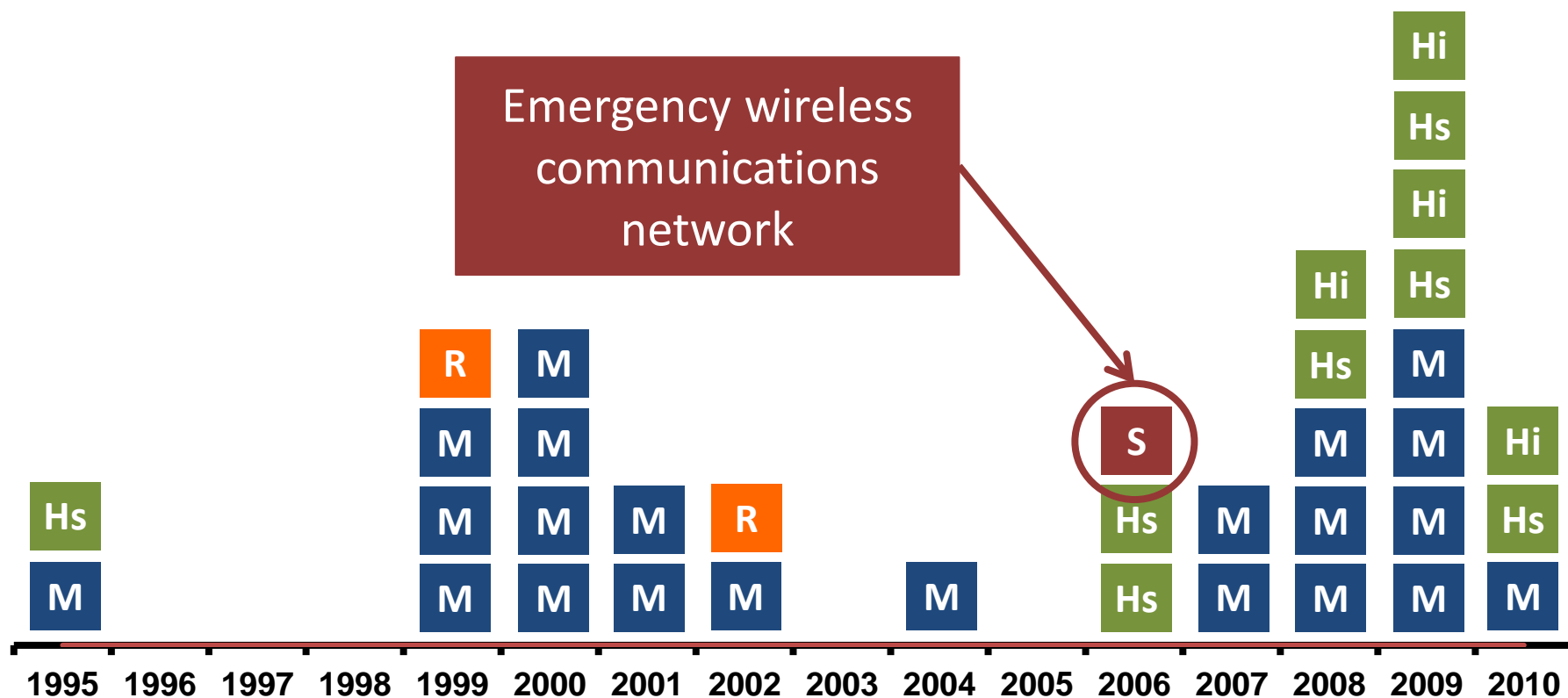
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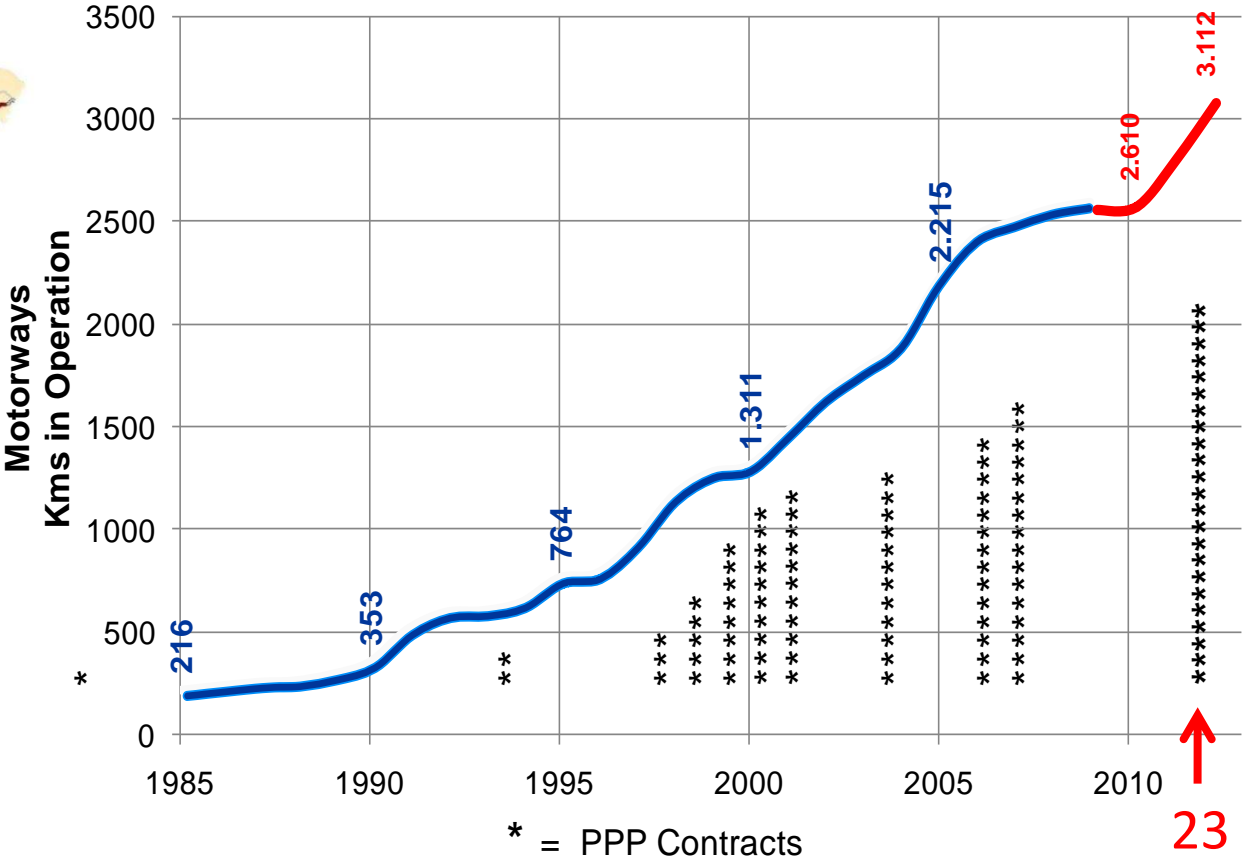
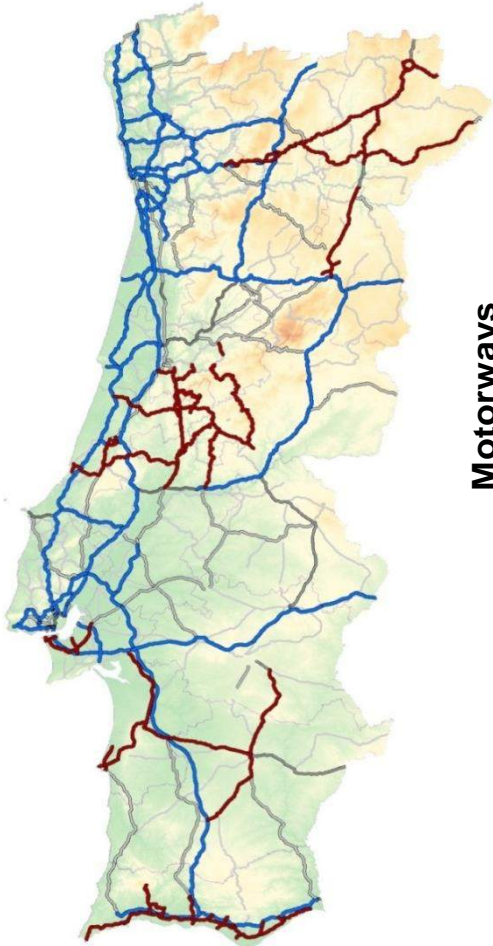


PPP portfolio evolution

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Motorway network developed 100% under different PPP models



Source: IMT, Institute for Mobility and Transports

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PPP analyzed as one of several public procurement figures

- Decree-Law 111/2012 provides the legal framework for appraisal, structuring and tendering PPP, under Value for Money criteria
- Typical phases of PPP procurement:
 1. Line Ministry proposes a project to be procured as PPP
 2. Ministry of Finance analyses the proposal and a “project team” lead by UTAP is created to appraise and structure the project
 3. Cost-Benefit Analysis, financial viability and budget affordability are performed by the “project team”
 4. Public Sector Comparator (PSC) is calculated, lifecycle perspective
 5. Value for Money analysis: if expected lifecycle PPP costs (Net Present Value) are lower than PSC, the project is procured as a PPP

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Currently under analysis as potential PPP

- Public transport:
 - Metro do Porto light rail network O&M contract
- Healthcare sector:
 - Renewal/retender of Cascais and Braga hospitals PPP contracts for the provision of healthcare services
 - New hospitals to be appraised in 2017: Eastern Lisbon, Évora and Seixal

Other strategic projects

- Port Concessions (new container terminals):
 - Barreiro Deep Sea Terminal – Lisbon (currently undergoing environmental studies and evaluation)
 - Sines New Container Terminal – Sines (frequently spoken of)
 - Leixões New Container Terminal – Leixões (frequently spoken of)

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