

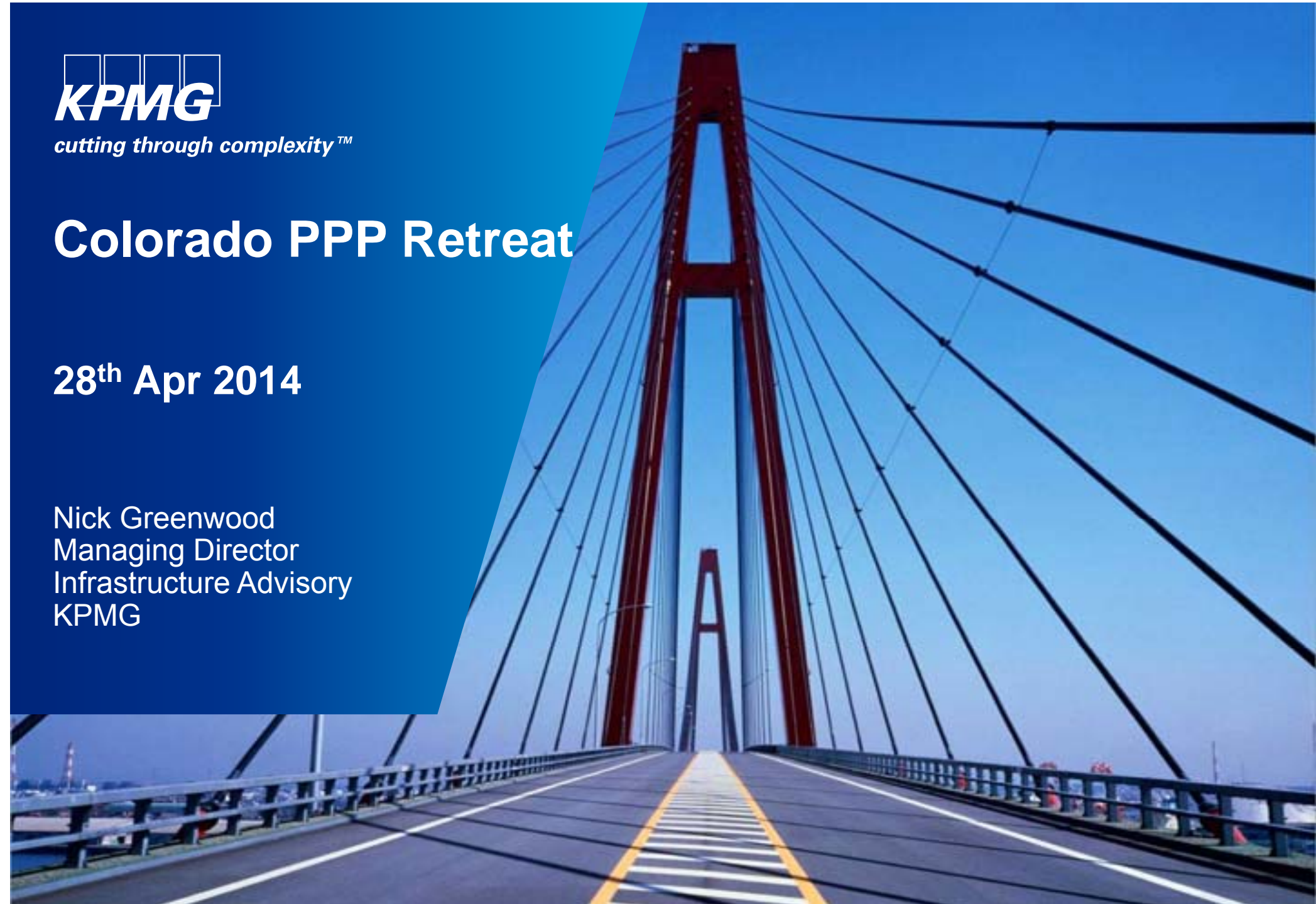


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Colorado PPP Retreat

28th Apr 2014

Nick Greenwood
Managing Director
Infrastructure Advisory
KPMG



1. Structuring a PPP unit
2. Partnerships UK: a case study
3. Potential roles of a PPP unit

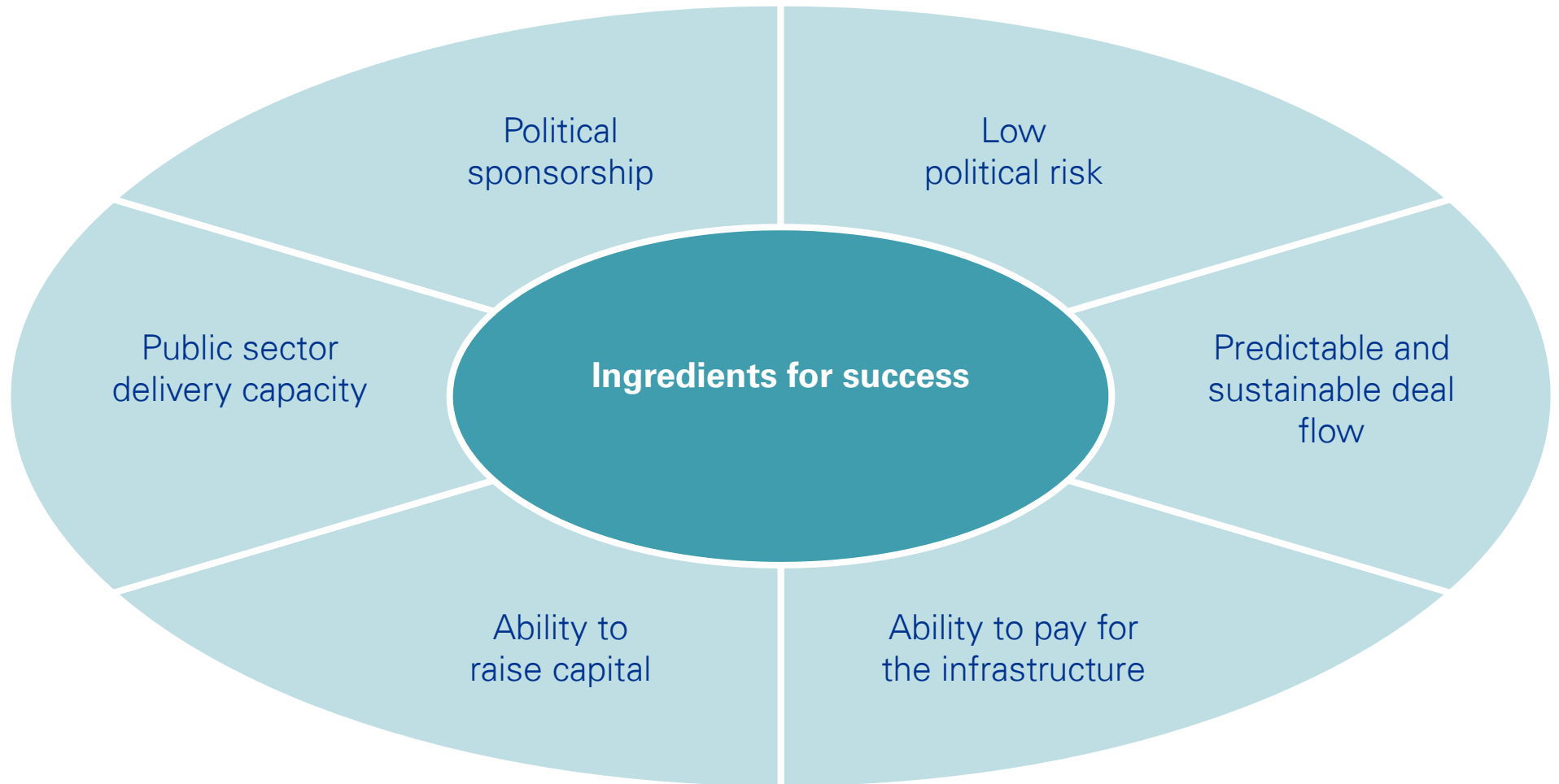


1. Structuring a PPP unit



Building Delivery Capacity in the Public Sector

**“Countries with a good effective
Infrastructure/PPP unit have more
successful infrastructure programs”**



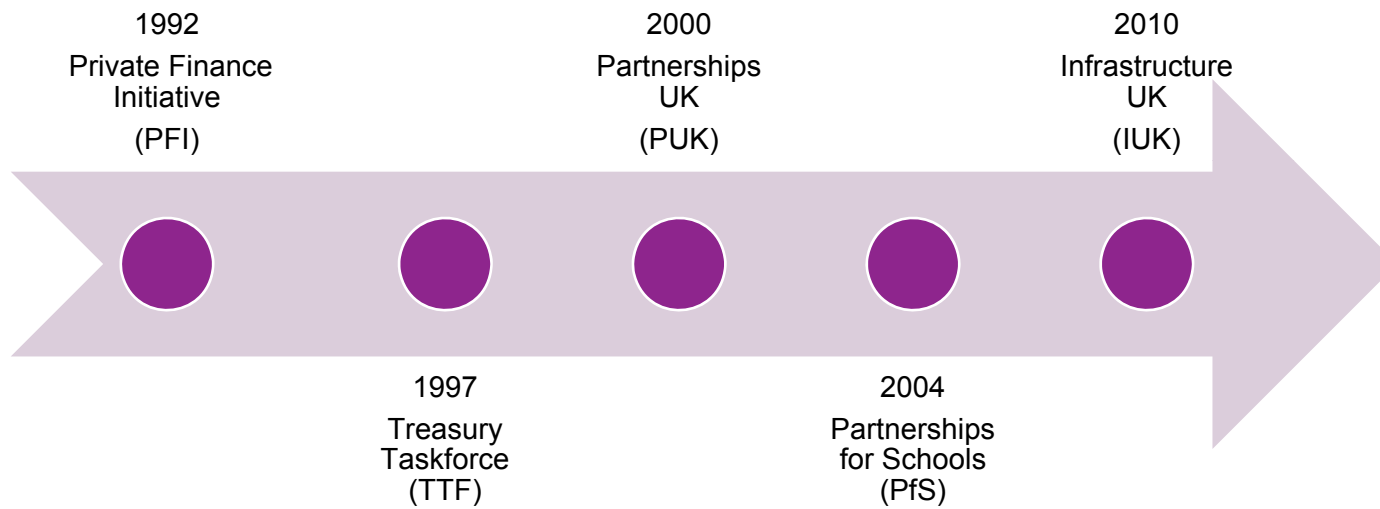


PPP units – International Examples

Unit within a Government Ministry (Treasury, Finance & Economics, Planning, Public works, etc.)	Separate publicly owned agency	Public-Private Agency Joint Venture
<ul style="list-style-type: none"> • Infrastructure UK • Partnerships Victoria • Mission D'Appui aux PPP – MAPP (France) • S Africa PPP Unit • Singapore Ministry of Finance PPP Unit • Special Secretariat for PPP, MoF Greece • Unita Tecnica, Italian Treasury • Unitatea Centrale, MoF Romania • Unidade PPP, Ministry of Planning, Brazil • PPS Unit, SHCP, Mexico 	<ul style="list-style-type: none"> • Partnerships British Columbia • Infrastructure Ontario • Parpublica, Portugal • Puerto Rico Public-Private Partnership Authorities 	<ul style="list-style-type: none"> • Chicago Infrastructure Trust • Partnerships UK • Partnerships for Schools, UK • Partnerships for Health, UK • Local Partnerships, UK • Partnerschaften Deutschland

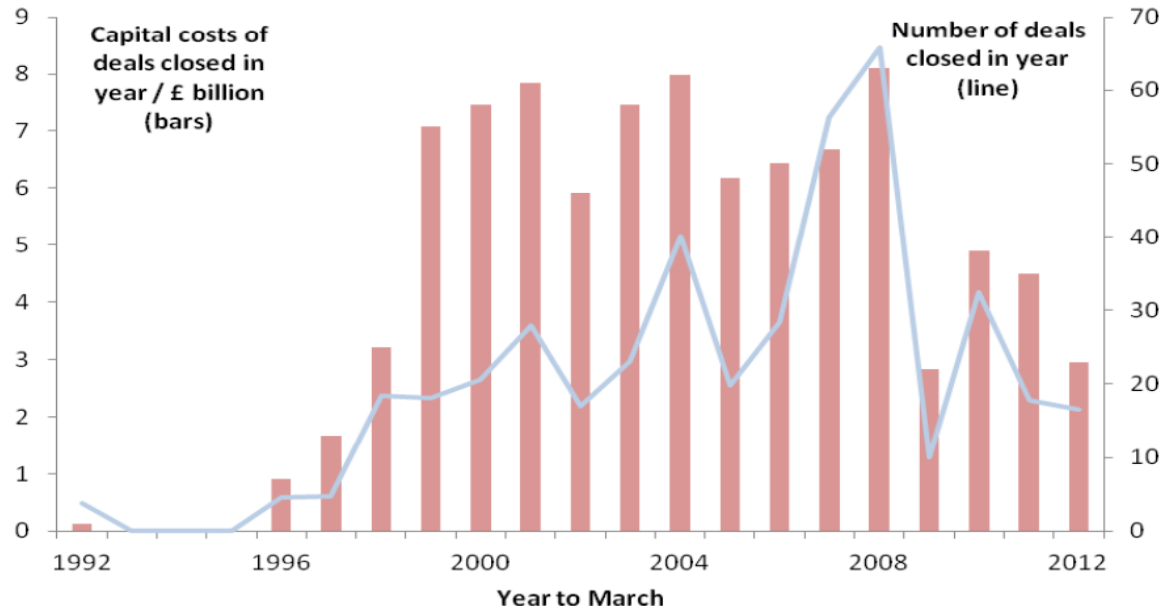
2. Partnerships UK: a case study

United Kingdom - HMT PFI organizations



PPP history in the United Kingdom

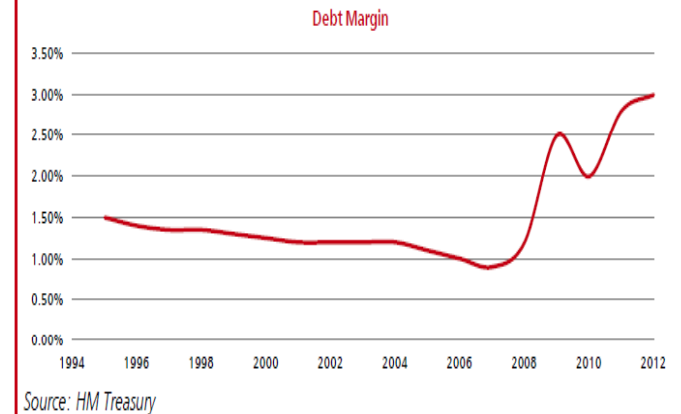
Chart 1.A: Number of projects reaching financial close and total capital costs incurred for current projects



Figures based on departmental and Devolved Administration returns. Current projects only - does not include projects that have expired or terminated.

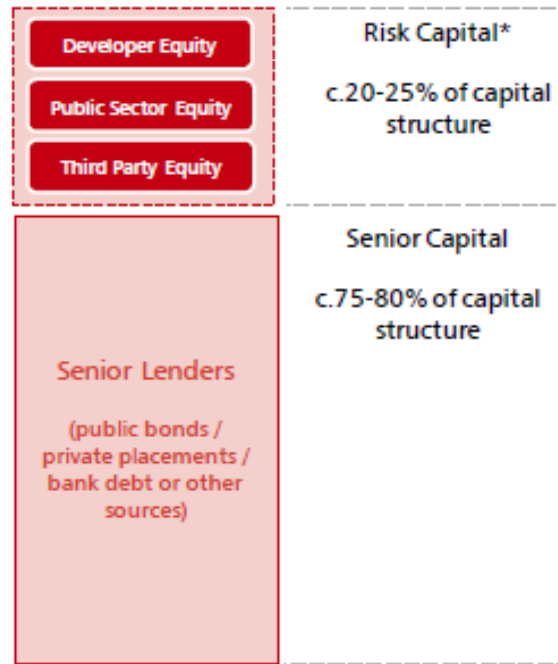
Source: HM Treasury, UK Private Finance Initiative Projects: Summary data as at March 2012.

Chart 8.A: Illustration of PFI debt margins



Source: HM Treasury

Chart 8.B: Project Company Capital Structure



* May include mezzanine finance (or other second loss tranche) to provide credit enhancement to senior debt

Source: HM Treasury

3. Potential Roles of a PPP unit

- Inform Project Sponsors and stakeholders regarding infrastructure and PPP policy
- Based on project screening and business case development, make recommendations to Project Sponsors on projects that may be suitable for PPP procurement and the appropriate delivery model
- Establish the legal framework under which projects may be procured
- Manage the procurement phase for approved projects in conjunction with the Project Sponsor
- Coordinate and assist Project Sponsors with multilateral financing programs (i.e. EIB)
- Provide best practice guidance and standard documentation

- Manage and coordinate the project pipeline
- Manage and coordinate the supply market
- Provide advice and support during the construction and operational phases
- Manage external stakeholders (including selling the policy)
- Manage external advisors
- Provide the funding/working capital to pay for external advisors
- Invest equity in projects
- Act as a conduit issuer for debt

Common Challenges for PPP Units

- Balancing regulation, innovation, and project support
- Working with procuring authorities
- Attracting and retaining the right staff
- Combining commercial and public sector know how
- Budget



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