

PPP projects: light future in spite of changes in the structure of financing

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As Irma Chmelová, the executive director of the PPP Association, pointed out at the introduction of the meeting, not each project is suitable to be solved by the PPP project form. Certain investment is required here to the building-up or to reconstruction connected with subsequent operation. She paid attention to preparation of the statutory media complex realization, which is being prepared by the Department of Culture with the investment costs of about 150 mills Euro. The study preparation is going to start-up in a short time, which will show, whether the PPP project is the suitable form of the central military hospital at Ružomberok reconstruction. In case of positive result we would have the first project in the area of medicine.

Currently it is possible to see PPP projects transfer to regions, by Chmelová, whereas only at Košice itself parking zones, the building-up of garages and revitalization of brown field as well are being prepared by this form. The director of the PPP Association also pointed out to misleading information, which appears in media in connection with the motorway PPP projects, where their overprice is criticized. She underlined the need of correct informing public about the difference between the classical building-up of motorways and the motorway PPP projects, where the prices of one kilometre are incomparable, because they include rate of interest and profit margin besides the price of the building-up and operation.

Utilizing PPP projects is necessity

Lubomír Palčák, the general director of the Research Institute of Transport at Žilina stated that in spite of unsuitable state of the infrastructure, the space for possibility to spend higher volume of money from the state budget is going to arise soon. Palčák regards utilizing PPP projects as necessity, which will accelerate intensively the finalization of the building-up of motorways. Economic principles of this acceleration are in the higher weight than the price by a PPP project itself. Moreover, Slovak concessionaires do not take the risk of demand on them, like it happened in Hungary for example in case of the M5 Budapest- Segedín motorway, but only the risk of the building-up and accessibility, by which they have to guarantee sub-poena sanctions that the concession motorway will be accessible anytime. The state obtained good price in the project of the 52 km long stage of R1 and it would not be able to build this stage up cheaper. The price namely contains costs for maintenance and repairs during following 30 years as well as costs for complex reconstruction besides costs for the building-up. Palčák pointed out that it is necessary to waylaid, in order all processes were transparent and under surveillance of public.

Slovak motorway projects are well prepared

Presently PPP projects are influenced by changes, which became in financing, margins and length of financing, Rastislav Gajarský from PricewaterhouseCoopers Slovensko told. The crisis date, when those changes were remarked, was September 2008. Interest of banks in financing PPP projects on the European market reminds henceforward, however their ratios in the frame of all financing are varying between 50 - 75 mills Euro, whereas in time of evaluating offers their offers were 100 - 250 mills Euro. The financial institutions - the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), have more important role like anytime before, because without their participation in projects their realization would be very difficult.

Slovak motorway projects are well prepared, Igor Snopek, the project director for the Central and Eastern

Europe in Skanska Development, evaluated it. Snopek apprehends this period like born for PPP projects and he sees the future not only in the motorway PPP projects, but also in the building-up of houses for retired persons or in waste handlings. The most important moment in preparation is correct and accurate allocation of risks to each partner, by him, whereas extreme assurances above the frame of concession agreements are not needed in normal law environment and relation between two subjects. As he reminded, the PPP project can be anything, however, it has to fulfil certain parameters. Because is it complicated and cost consuming process, the bottom border of such project ought to be 80 mills Euro.

The Department of Treasury is preparing the deep analysis of the legislative environment for PPP projects, the output of which could also be updating needed laws. Timotej Braxator from NÓRR STIEFENHOFEN LUTZ Company sees the need to change the law on public procurement first of all, because a PPP project is very complicated job order, which ought to have a space for discussion and change of the offer after its submission, too. Other areas for possible changes are terms of concession contacts, the law on the state property administration, the law on the free access to information and laws on budgets or taxes as well. The state can protect itself by the determination in order the concession contract subjects matter to be a goal, which will contain a file of tasks, which the partner should fulfil, Braxator told.

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