

UNECE specialists on PPP

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Rijkswaterstaat
Ministerie van Verkeer en Waterstaat

Dutch PPP during the credit crunch

Measures taken by the Dutch Ministry of transport to ensure the stability of PPP projects

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Credit crunch causes main challenges to PPP

- The amount of money available is reduced
- Preference for short term loans
- Debt margins and fees have increased
- Large transactions with more than one bank are difficult
- Underwriting agreement is not possible

Nevertheless funding is still possible:

- Well standardised and harmonised PPP's
- Stable Cash Flow for funding parties
- Low risk profile

Financial Closes during Credit Crunch:

- 2e Coentunnel (June 2008, Netherlands): ca. € 500 mln
- Liefkenshoektunnel (November 2008, Belgium): € 785mln
- Douro highway (November 2008, Portugal): € 765 mln
- M80 highway (January 2009, Great Britain): £ 360 mln

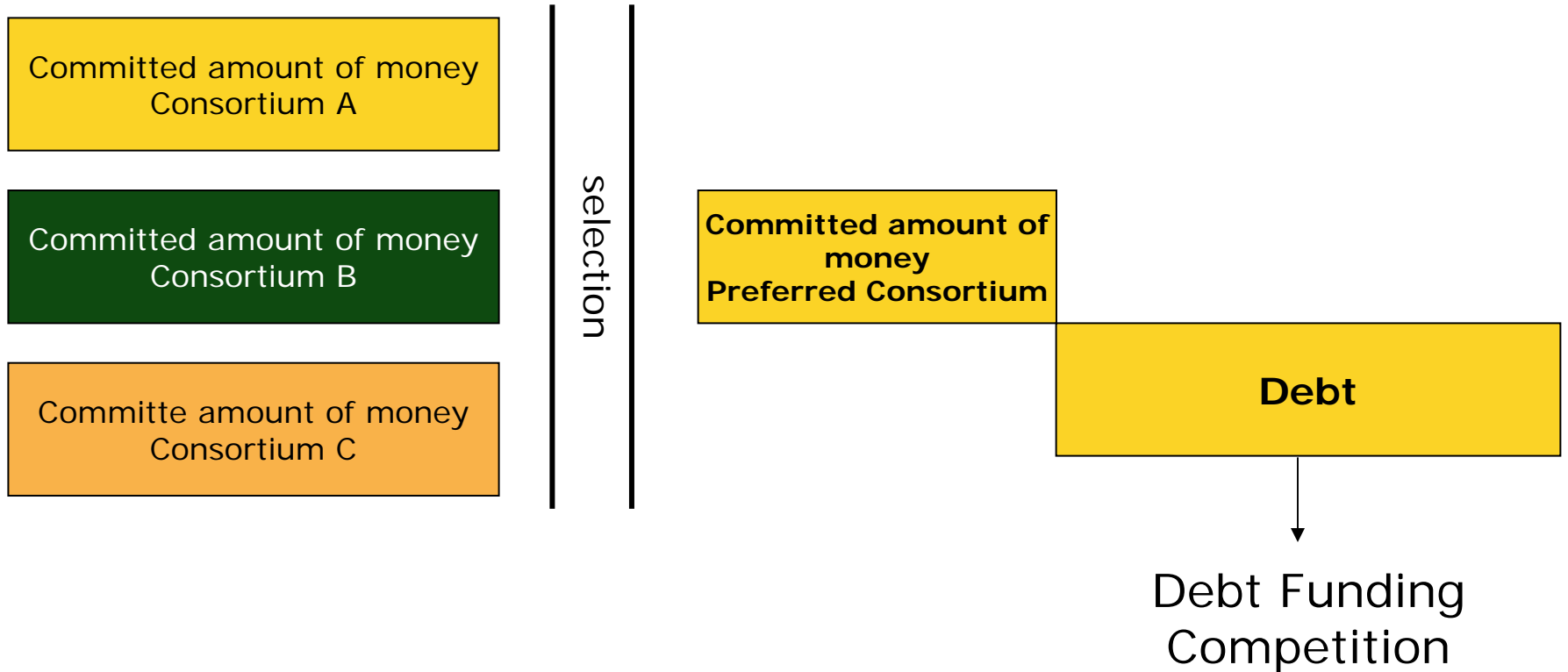


Measures taken

- Introducing the possibility of a Debt Funding Competition for projects over € 500 million
- Reducing financial risks by incorporating the risk of liquidity spread by the principal
- Alternative means of funding and financing PPP
- Reducing the need for very long term loans
- PPP as stimulus of the economy



Debt Funding Competition





Dutch mitigation measures: limiting risk of deal creep

- Committed amount of the offer must include equity and junior debt
- At least one senior funder must be involved. This party commits itself to a significant percentage of debt
- Bidding parties submit a funding plan, which describes in detail how the uncommitted amount of money can be obtained





Liquidity spread

- Reducing financial risks by incorporating the risk of liquidity spread by the principal

Alternative means of funding and financing PPP

- The possibilities of negotiating funds from institutional investors, pension funds and the European Investment Bank are reviewed by the Dutch government



Reducing the need for very long term loans

- Improving the terms for refinancing:
 - Shortening the term of committed funding
 - Introducing profit sharing between principal and service provider
 - Increasing the initial availability payment





PPP as stimulus of the economy

- Introducing the possibility of accelerating project realisation by means of PPP
- Goal: stimulating economic growth by means of private funding
- Example: IJmuiden Locks





Thank you

