

# Brazilian PPPs Institutional & Legal Framework

London, November 8, 2011.

## **Brazil PSP Development Fund**

MORL D BAN

Internacional para Reconstrução e Desenvolvimento 1945

Internationa Corporation International International Development



for Settlement of Investment Investment Disputes Guarantee Agency 1988 1966



IFC

Finance

Corporation 1956

Finance

Largest multilateral agency focused on investing in the  $\checkmark$ private sector in the developing countries

Association

- ✓ Offices in more than 100 countries
- ✓ Assets of more than US\$ 30 billion (approximately 13% in the infrastructure sectors)
- Infrastructure advisory department has more than 20  $\checkmark$ years of experience on structuring innovative transactions in emerging markets



- Assists Governments in the infrastructure project development for PPP transactions
- ✓ Focus on innovative sectors or projects
- ✓ Has a revolving fund to pay for the costs of project development charging low retainer fees, and postponing the payment to the closing of transactions
- ✓ Takes part of the risk of feasibility (relevant part of the payment is success fee)

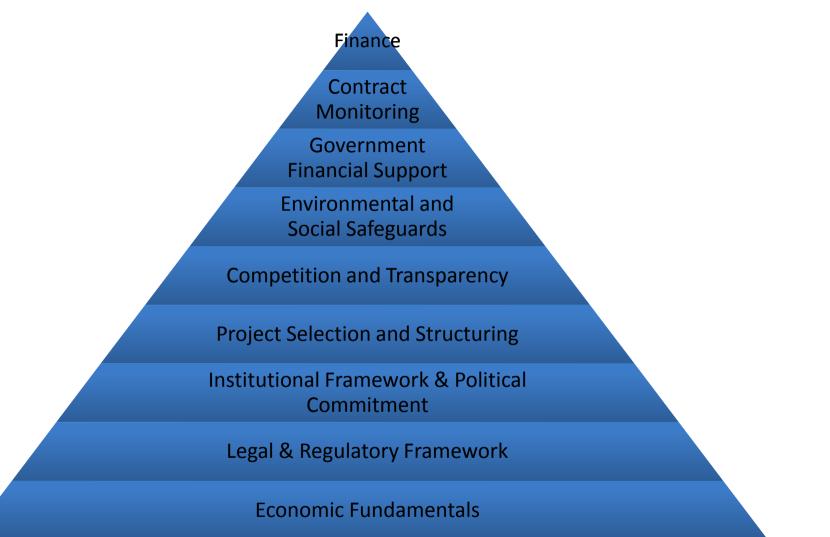








## **PPP Building Blocks**



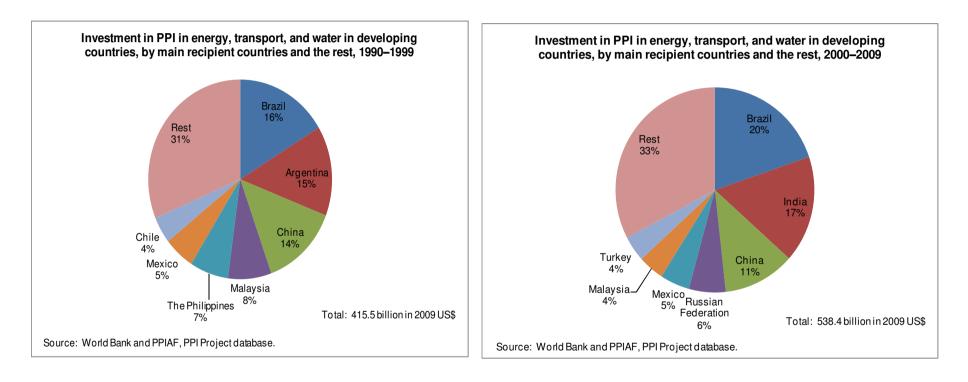




#### Economic Fundamentals: Brazil's Experience with PPI

1990-1999

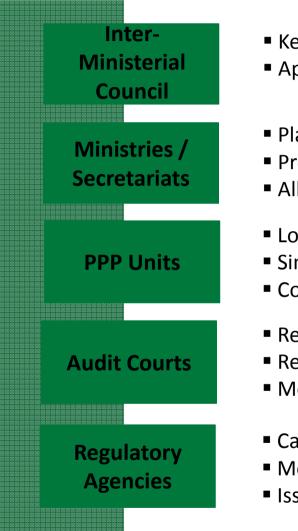
2000-2010







# Brazil's Basic Institutional Framework

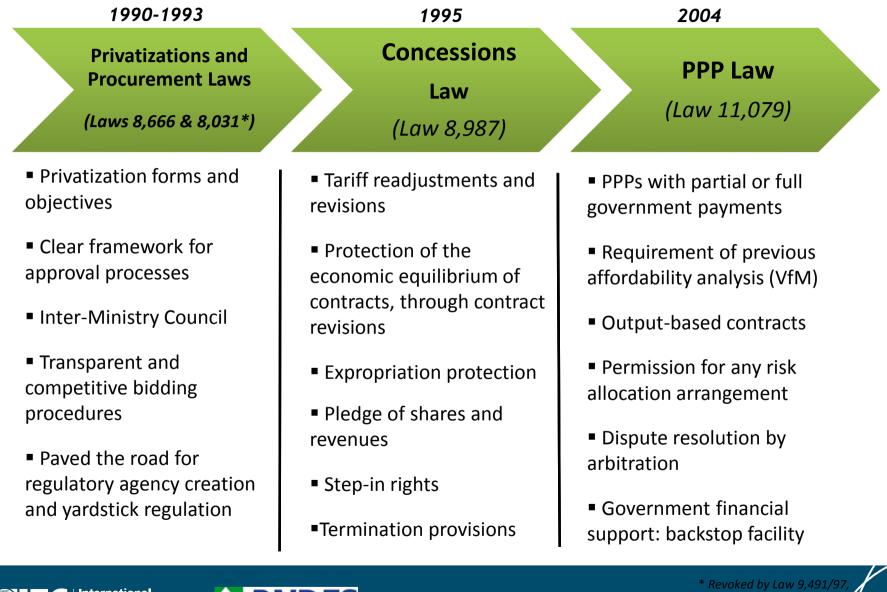


- Key Ministers: Min Finance; Min Planning; Min of Development
- Approves general terms and conditions of projects
- Plan and defines policies, prioritizes projects
- Promote projects
- Allocate required public resources
- Located under Ministry/Secretariat of Planning
- Single point of contact for all PPP-related issues
- Coordination of PPP activities across sectors
- Review concession technical studies and model (ex-ante)
- Review concession bid and contract documents (*ex-post*)
- Monitor legal compliance
- Carry out bidding processes and grant concessions
- Monitor contracts
- Issue sector regulations





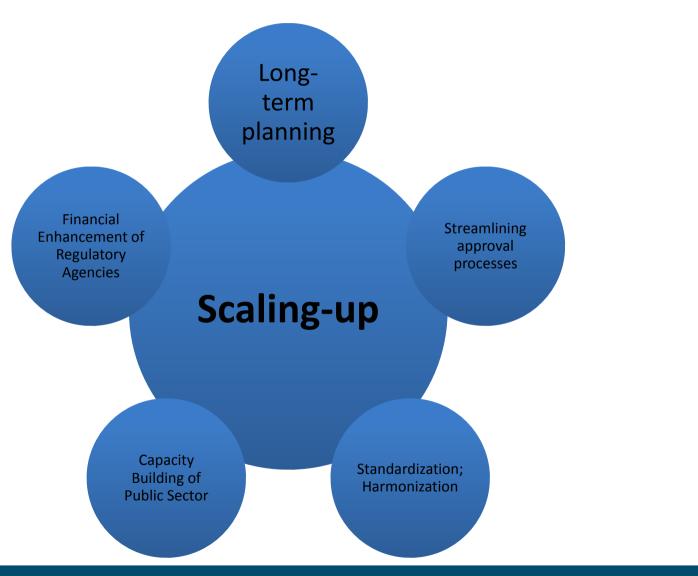
## Brazil's Basic Legal Framework



International Finance Corporation



# Brazilian PPPs: Challenges Going Forward







# Thank you!

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