PPP IN THE PROJECTS OF STATION MODERNIZATION

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1. Governance and Financing
Success Factors
Legislation

- Legal models
  - Investment Agreement (39-FL dd. 25.02.99)
  - Concession Agreement (115-FL dd. 21.07.05)
  - BOT/BOOT/BOLT
  - Life Cycle Contract
Innovations

- Since 2012 the Federal Law № 115-FL "On Concession Agreements" allows charging fees for the availability of facility
- In 2013 draft federal law "On the Basis of Public-Private Partnerships in the Russian Federation" was adopted at first reading
- About 70 subjects of the Federation have adopted their own laws on PPPs
Practice

- Refurbishment and development of stations is done based on the cooperation agreements between RZD JSC and the subjects of Federation and municipalities.

- Third parties involved on the basis of investment agreements, trust management agreements with investment commitments, BOT-model agreements.
Financing

- RZD JSC’s own funds and those of third-party investors
- Budgets of various levels
- Non-specialized credits and loans, securities issues
- In the current year, RZD JSC placed its first infrastructure bonds
Resources

Long-term funds (over 3 years)

- Banks $275 bn
- Pension funds $105 bn
- Insurance companies $18 bn

~$400 bn
Prospects

- The draft federal law "On Guaranteeing the Rights of the Insured in the System of Compulsory Insurance due to the Benefits from Pension Savings Funds" cancels the “annual break-even” requirement.
- The draft Federal Law "On the Basis of Public-Private Partnership in the Russian Federation" solves the issues of ensuring repayment and profitability when investing pension savings funds.
Thank you for your kind attention

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