

## Development of Public Private Partnerships

*In 2014, FCPF started the procurement of 12 new PPP-based regional and urban development projects*

*In our efforts to assist public and local self-government authorities in procuring investment projects based on Public Private Partnership (PPP) principle we aim to raise private financing and take advantage of private business expertise to address public infrastructure development issues. By fostering relations between the public and private sectors, we make Russian regions more attractive for investors, facilitate the emergence of new and expansion of existing facilities, and contribute to higher living standards for the population.*

Vnesheconombank runs a range of initiatives for financial and non-financial assistance to public and local authorities in procuring investment projects aimed at developing public infrastructure on a PPP basis. The focus areas here include providing Investment Advisory Services on how to procure PPP projects, improving the PPP legal and regulatory framework, and raising awareness about PPP issues.

The Federal Centre for Project Finance (FCPF) plays the leading role in providing financial and non-financial assistance in procurement of PPP-based investment projects. FCPF is a professional financial company of Vnesheconombank Group that provides procurement support for regional and urban development projects that are to be implemented using private financing. Under Vnesheconombank's Development Strategy, FCPF is planning to take part in the procurement of 129 regional and urban development projects until the end of 2020. A total of RUB 16.2 bn will be invested in their procurement.

### FCPF's Focus Areas in Assisting Public and Local Authorities with Procurement of Regional and Urban Development Projects



#### Development of urban and road infrastructure

- ✓ Road transport and airport infrastructure
- ✓ MSW management



#### Integrated territorial development

- ✓ Industrial parks
- ✓ Regional large-scale industrial construction projects
- ✓ Urban agglomerations



#### Development of social infrastructure

- ✓ Healthcare
- ✓ Social security
- ✓ Tourism

### Forms of FCPF's Assistance to Public and Local Authorities with Procurement of Regional and Urban Development Projects



- Targeted loans
- Injections of capital into project vehicles created by initiators for the



- Investment advice for project initiators (preparation or review of the project's feasibility study, financial modelling and



**Project: Construction of the Omsk-Fyodorovka Airport on PPP Terms**

*Total project value:* starting from RUB 16.2 bn

*Completion of the project procurement:* 2016

*Project goal:* create an airline hub of international standard in the Omsk Region and implement the Executive Order of the Russian President dated 11 June 2009 on the construction of the Omsk-Fyodorovka Airport.

The project will allow decommissioning the existing Omsk (Tsentralny) Airport located 3 km away from the centre of Omsk and surrounded with residential communities, which goes against take-off and landing safety requirements, sanitary standards on noise and electromagnetic impact, and environmental requirements.

Taking airport activities outside the city's boundaries will help to unlock Omsk' development opportunities by removing existing constraints and developing the left-bank territory of Omsk that occupies about 10 thousand hectares. The project will also facilitate safer flights due to better take-off and landing conditions and ability to handle modern aircraft.

The new airport will also encourage population mobility and increase accessibility of transport services for local residents. The airport will be able to handle the expected passenger flow in the area adjacent to Omsk, which will come at about 3 mn passengers by 2038.

Investment Advice and Monitoring

Legislative Initiatives on the Development of PPP Mechanisms

Building the Talent Pool for PPP Development

*In 2014, Vnesheconombank provided investment advisory services for a total of RUB 104.9 mn for 7 PPP-based projects and monitored implementation of more than 10 government-backed projects*

Under a relevant resolution by the Russian Government, we are the only provider of investment advisory services for public needs of Russian regions in terms of procuring PPP-based investment projects. In this area, the Bank provides support to public and local authorities in implementing sectoral, regional and municipal strategies to develop public infrastructure on PPP terms.

Vnesheconombank also acts as a financial advisor to the Russian Government on projects that have applied for allocations from the Investment Fund of the Russian Federation and follows up how investors are spending the money to implement projects financed by the government using the funds of the Investment Fund of the Russian Federation.

**Investment Advisory Services**



- Drafting of legal, financial and economic. and

