

EU-Russia Project Workshop

**BUSINESS PARTNERSHIPS FOR
MODERNIZATION**

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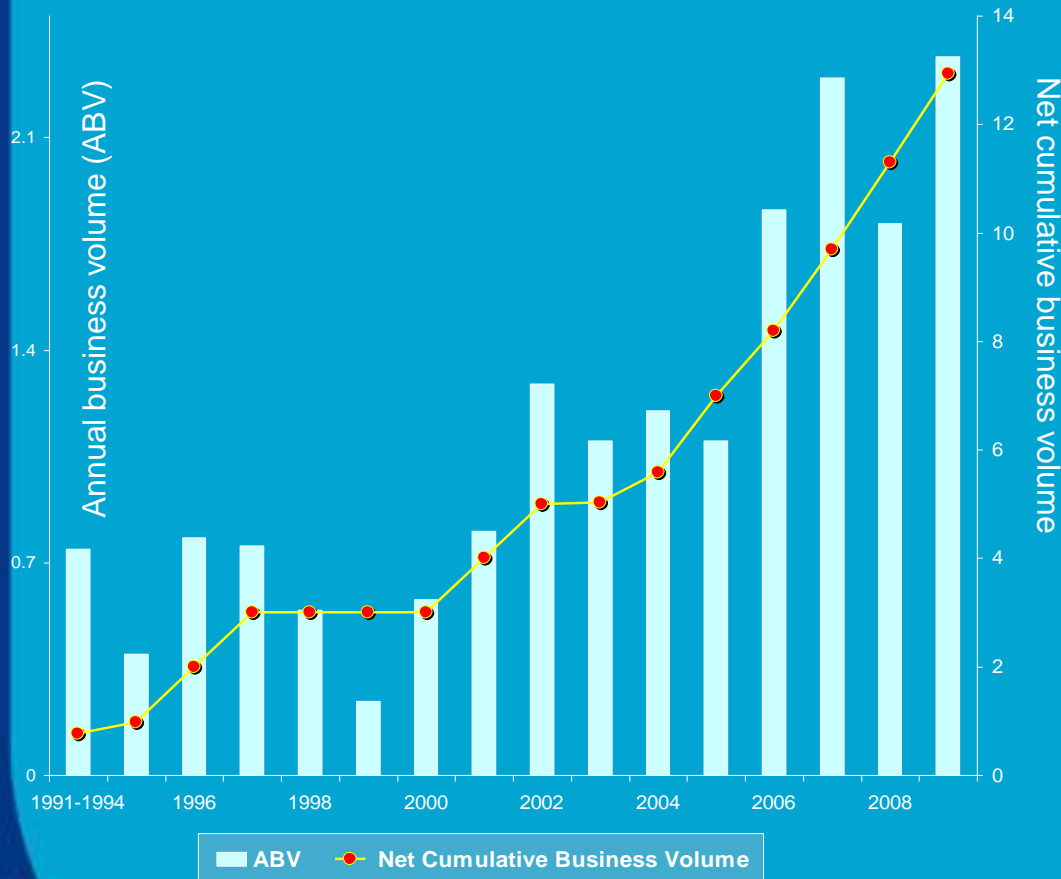
Russia Business Group

31 MAY, 2010



EBRD growing presence in Russia

€ billion



- Since 1991 the EBRD invested € 12.9 billion in debt and equity in Russia
- Signed 621 projects since 1991
- € 2.4 billion invested in Russia in 2009
- Portfolio stock at € 7.5 billion
- Private/State: 81%/19%



Pulkovo: Project description

- **Project:** Build, expand, finance and operate the Pulkovo airport facilities (with the exception of cargo terminal and business aviation) under the terms of a PPP agreement with the City of St Petersburg and Pulkovo Airport Company, for a period of 30 years.



Pulkovo: EU-Russia co-operation

- **Client:** Northern Capital Gateway, owned by VTB Capital, Fraport AG Frankfurt Airport Services Worldwide and the Copelouzos Group.
- **Total project cost:** EUR 1.2 billion
- **Financiers:** VEB, EBRD, IFC, NIB, Eurasian Bank, Black Sea Trade and Development Bank and commercial banks



Pulkovo: Project impact

- The first competitively and transparently procured airport concession in the Russian Federation, structured under the PPP Law of St Petersburg - demonstration effect for other cities in Russia
- Flagship project for St Peterbsurg that addresses key transport need
- High standards in terms of building energy efficiency and energy management that go substantially beyond what is required under current legislation.
- The project attracted substantial interest from commercial lenders



Pulkovo: Lessons for success

- Committed regional administration
- Experienced advisers
- Open transparent bidding process that led to a selection of a strong consortium
- Advanced regulatory framework with special regional PPP law adopted
- Fair and sustainable risk allocation
- Strong co-operation of IFIs and VEB



EU TC support for Roads of Russia: monitoring of concession contracts

- Summary of existing concession contract monitoring frameworks in various countries and best practice;
- Analysis of relations, interactions and interfaces between the parties to the concession agreement
- Recommendations for monitoring procedures tailored and adjusted to needs of the Russian Grantor: RoR, Rosavtodor, Avtodor and the Ministry of Transport;
- Guidance on monitoring of concession implementation: organisational framework, tasks, responsibilities and procedures for construction and exploitation phases;
- Handbook defining organisational framework and procedures to manage dispute resolution established by concession agreements;
- Strategic plan to establish a motorway concession monitoring entity



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