

Financial Arrangements in PPP.

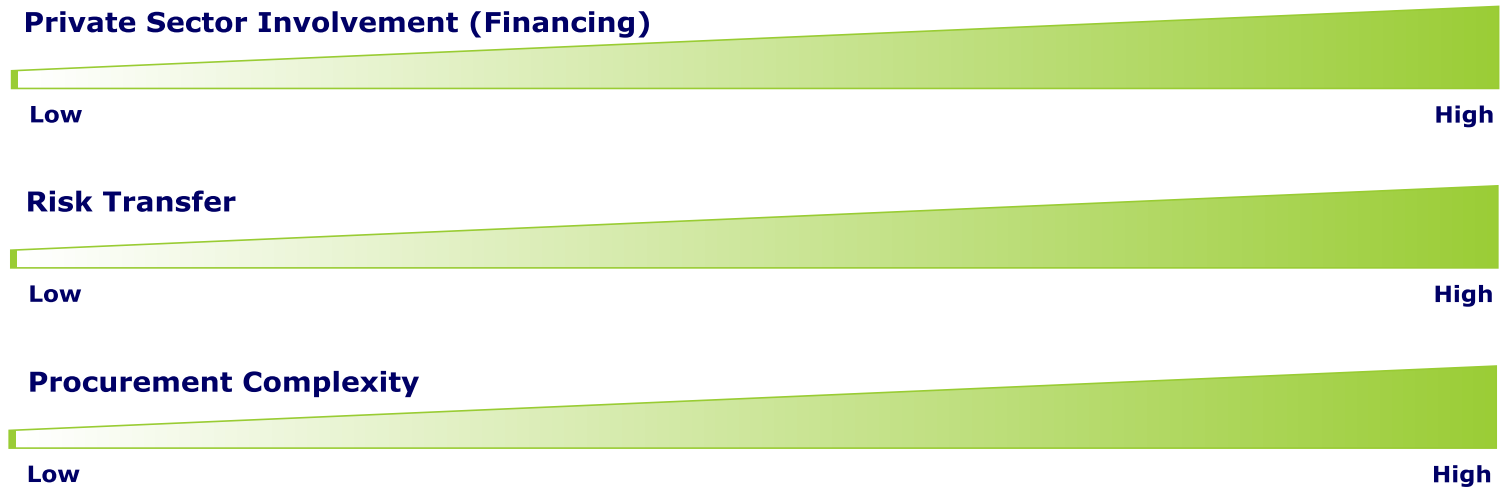
Michael Flynn, Ireland

Amman, Jordan

6 September 2007

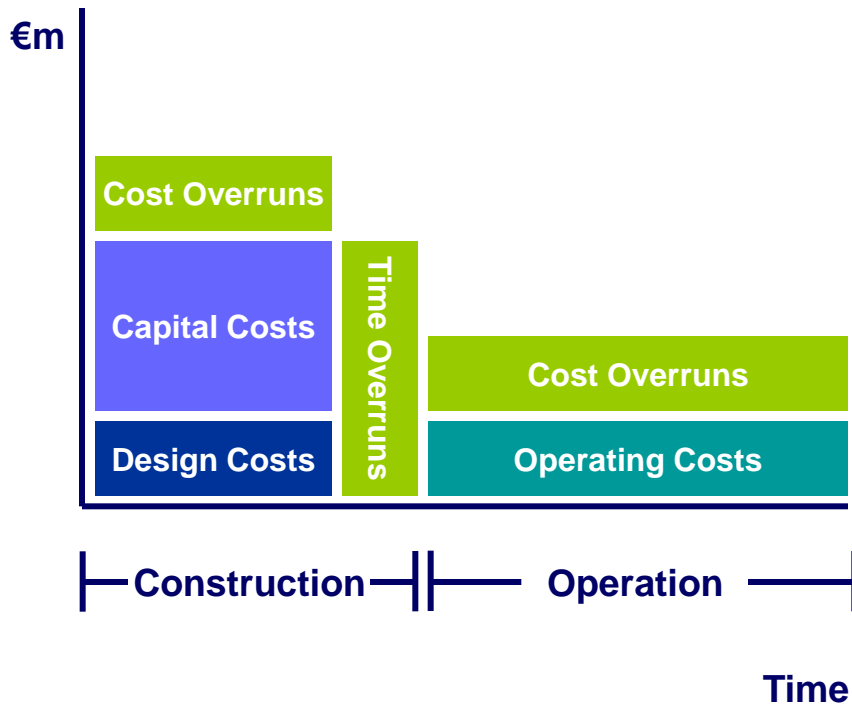


Choosing the Right Delivery Model

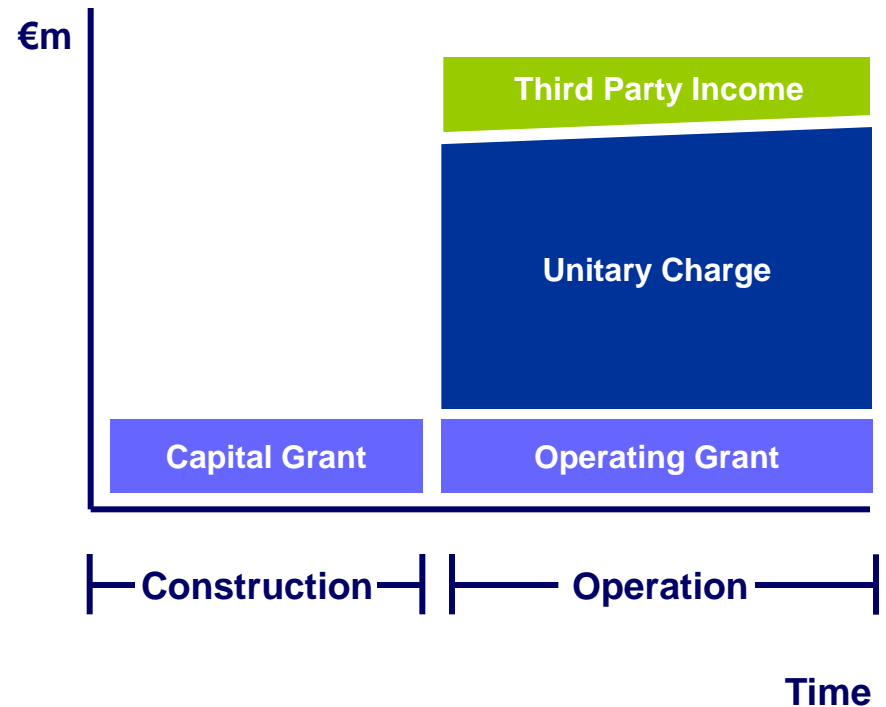


Public Sector Spend

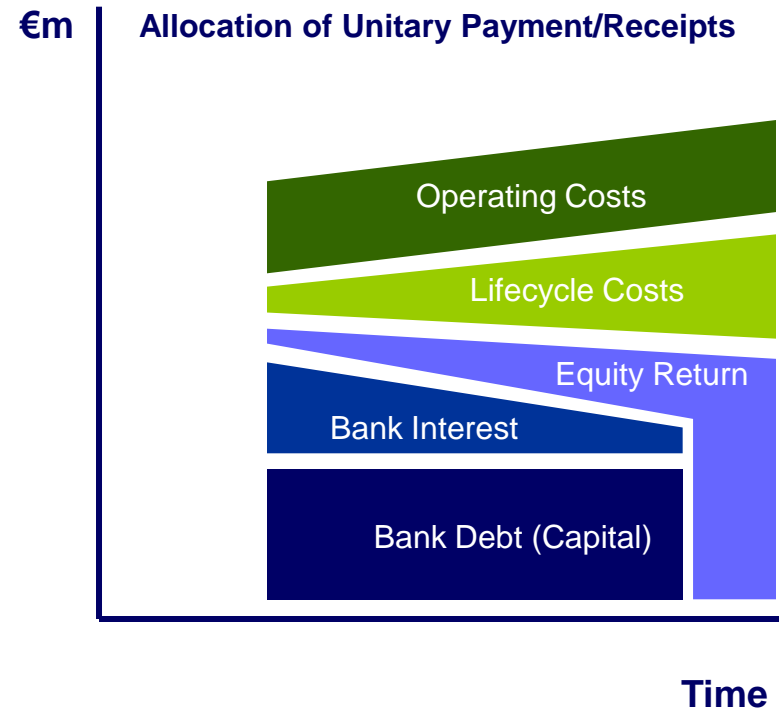
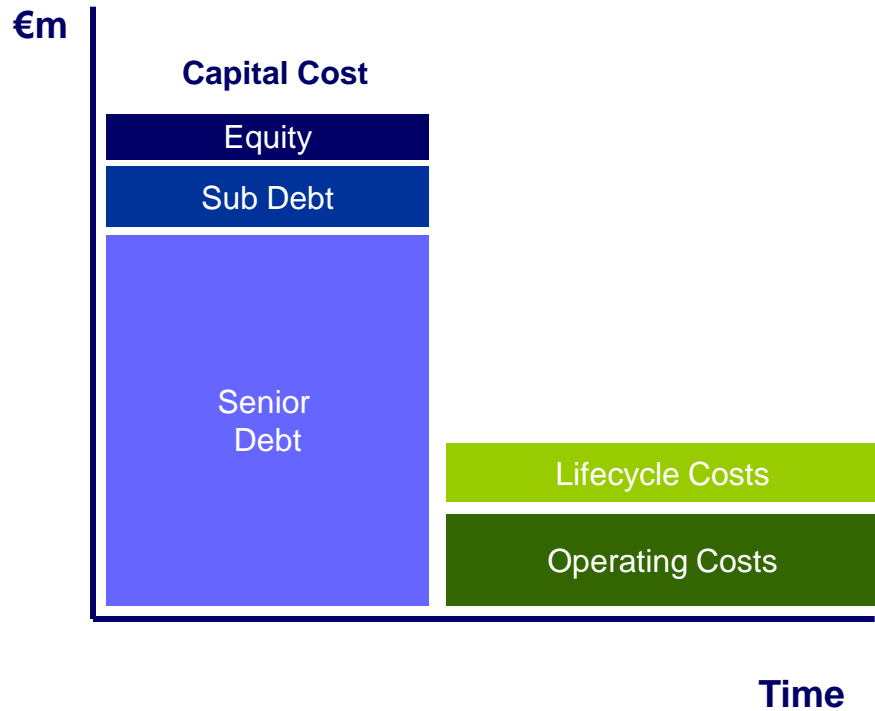
Traditional Procurement



PPP Procurement



Typical Financing Structure – Private Sector



Selection of Finance Type – Key Considerations

Source of Revenue

- Public Sector (Unitary charge / Shadow toll)
- Third Party (tolls / user charges)
- Land Swap / Asset Value

Risk Transfer Profile

Length of Term

Local Banking Market

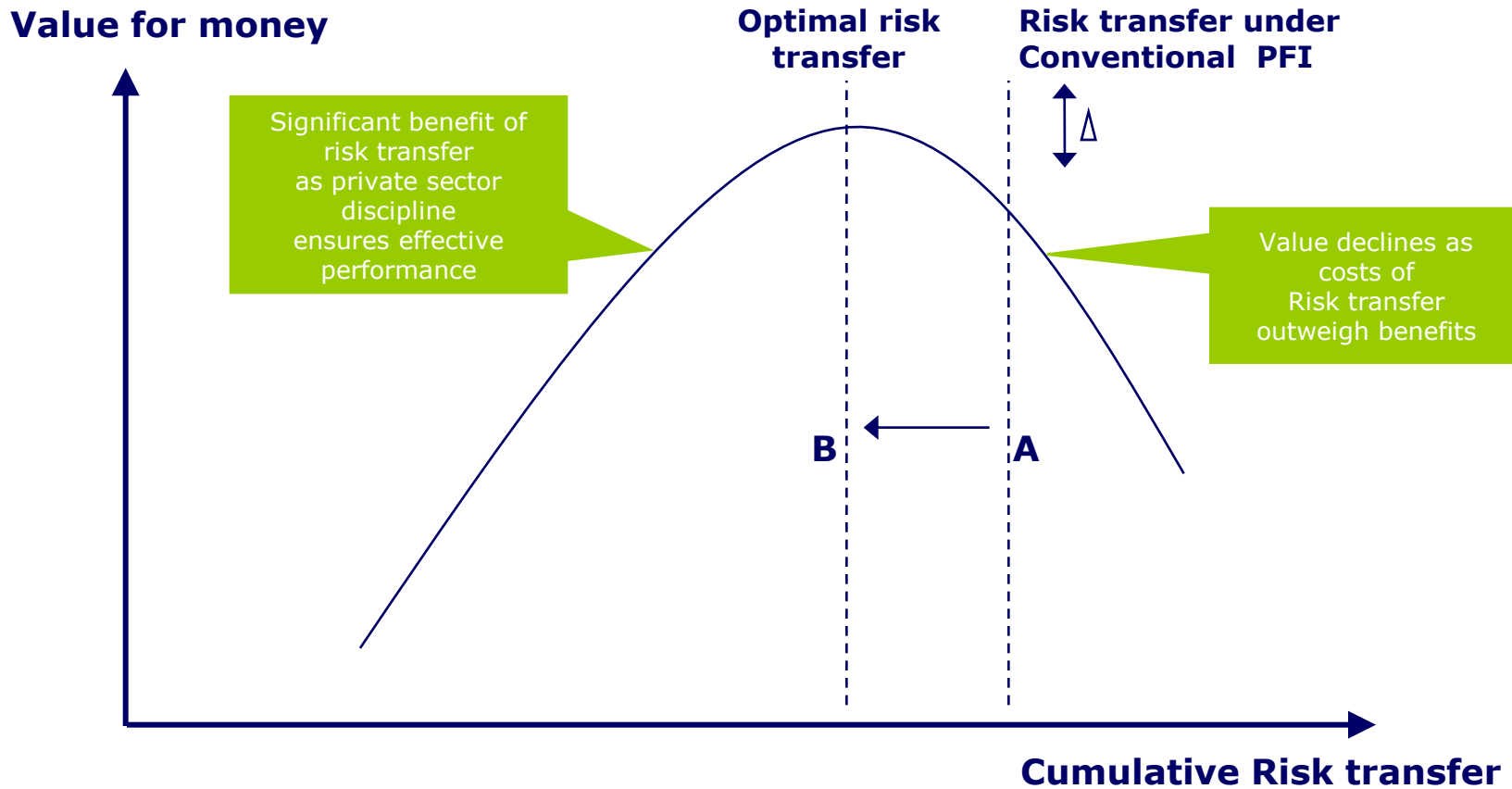
Level of Recourse

Asset Ownership

Gearing Levels

Evaluation Methodology

Value of Risk Transfer



Conclusion

Key is to find the appropriate Delivery Model

Encourage Private Sector to consider all Funding options

Optimise Risk Transfer

Consider Revenue Certainty

Involve Local Banking Market

Maximise Competition

Understand the Financial Impact of Wider Project Decisions

Deloitte.