

PPP in Lithuania

Overview of PPP Climate & Opportunities

June, 2017

 Invest
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Lithuania: Facts and Figures

Country Information

	Population¹	2.84 million
	Capital	Vilnius
	Official language	Lithuanian
	Dominant foreign languages	English, Russian, German, Polish
	Currency	Euro
	Real GDP growth²	1.6% - 2015 2.2% - 2016 ^f 2.9% - 2017 ^f
	Credit Ratings²	S&P A- Moody's A3 Fitch A-
	Membership	NATO EU OECD in 2018 ³
	Profit tax	15%

From command economy to free market in 20 years

#3 for GDP growth in EU⁴

#3 no. of procedures to start business⁵

#13 freest economy in the World⁶

#16 for getting construction permits⁷

¹ Statistics Lithuania, 2017
² European Commission, February 2017
³ Currently in negotiations with OECD
⁴ Eurostat, 2010-2015

⁵ The Global Competitiveness Report 2016–2017 | World Economic Forum
⁶ Heritage Foundation, Economic Freedom Index, 2016
⁷ World Bank Doing Business Report, 2016



PPP in Lithuania

General Environment



Strong political will



Highly compliant legal framework



Track record on PPP projects



Long-term sectorial plans for PPPs



Developed public sector skills and expertise in PPPs



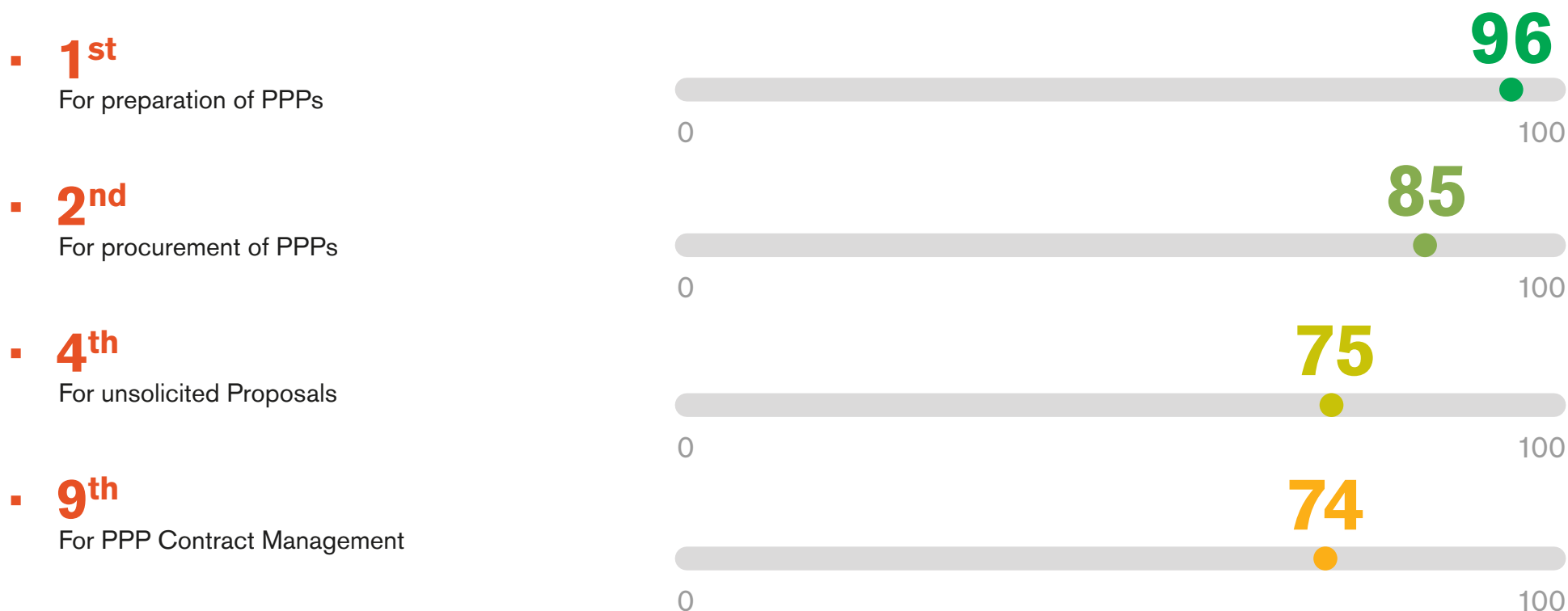
Experienced and competent centralized support structures



PPP in Lithuania

The World Bank's global PPP procurement benchmark

Lithuania ranks: ¹



¹ Rankings are shared with some other countries that score the same amount
Source: <http://bpp.worldbank.org/data/exploreindicators/PPP-procurement>



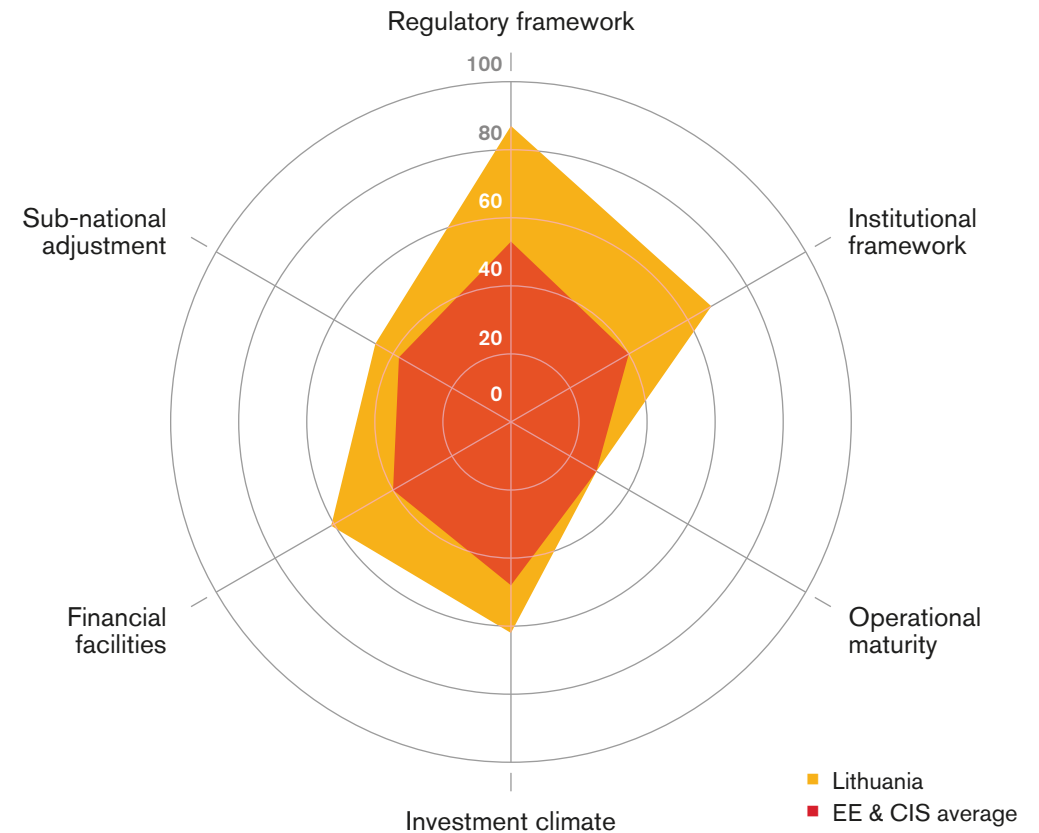
PPP in Lithuania

Among Leaders in Eastern Europe & CIS

Lithuania ranks:

- **1st**
For the comprehensiveness of PPP regulatory framework
- **2nd**
For PPP environment in general
- **3rd**
For clearly defined institutional framework

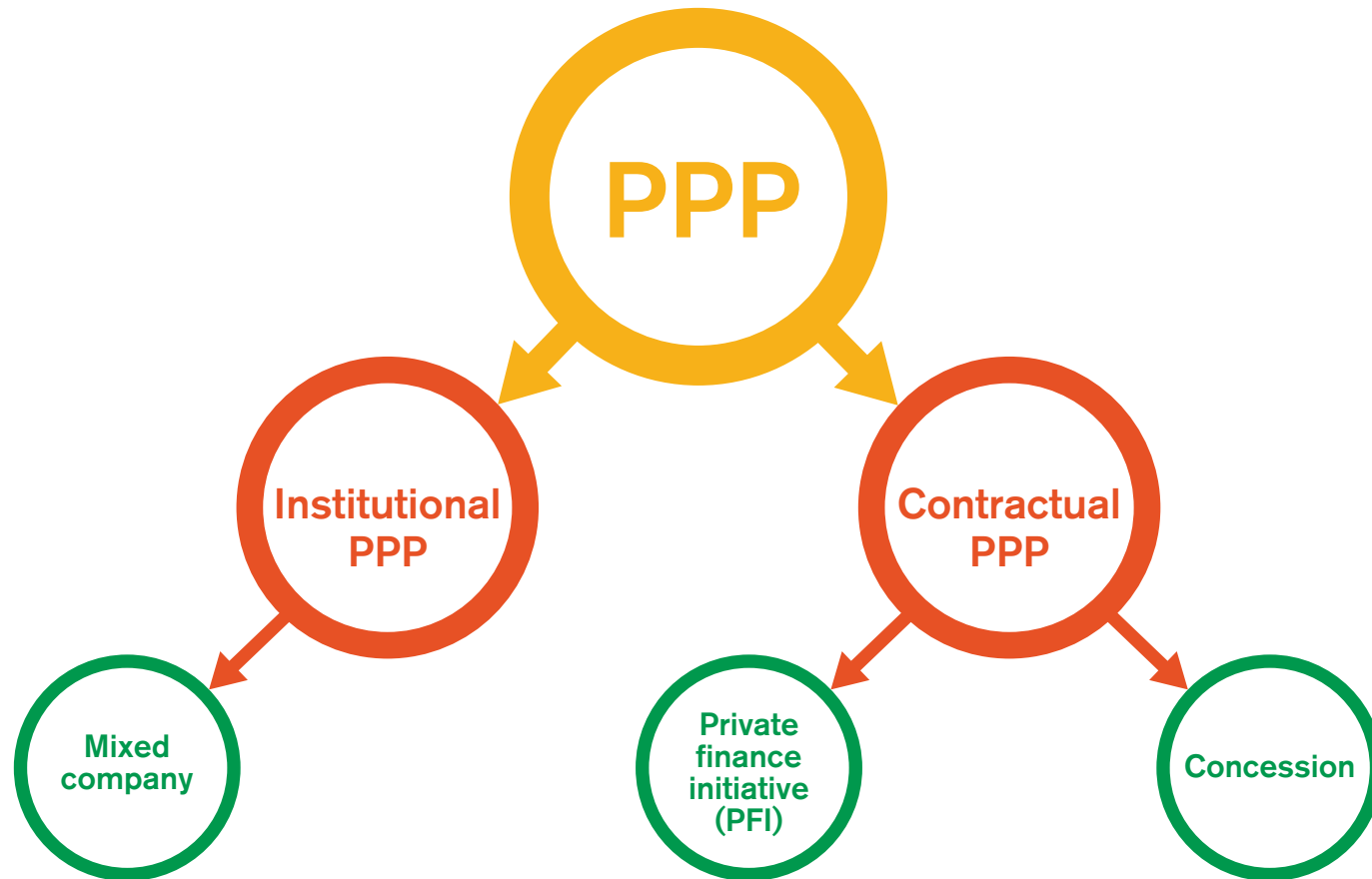
Lithuanian PPP system ranking vs EE & CIS average¹



¹ Evaluating the environment for public-private partnerships in Eastern Europe and the Commonwealth of Independent States, The Economist Intelligence Unit, 2013



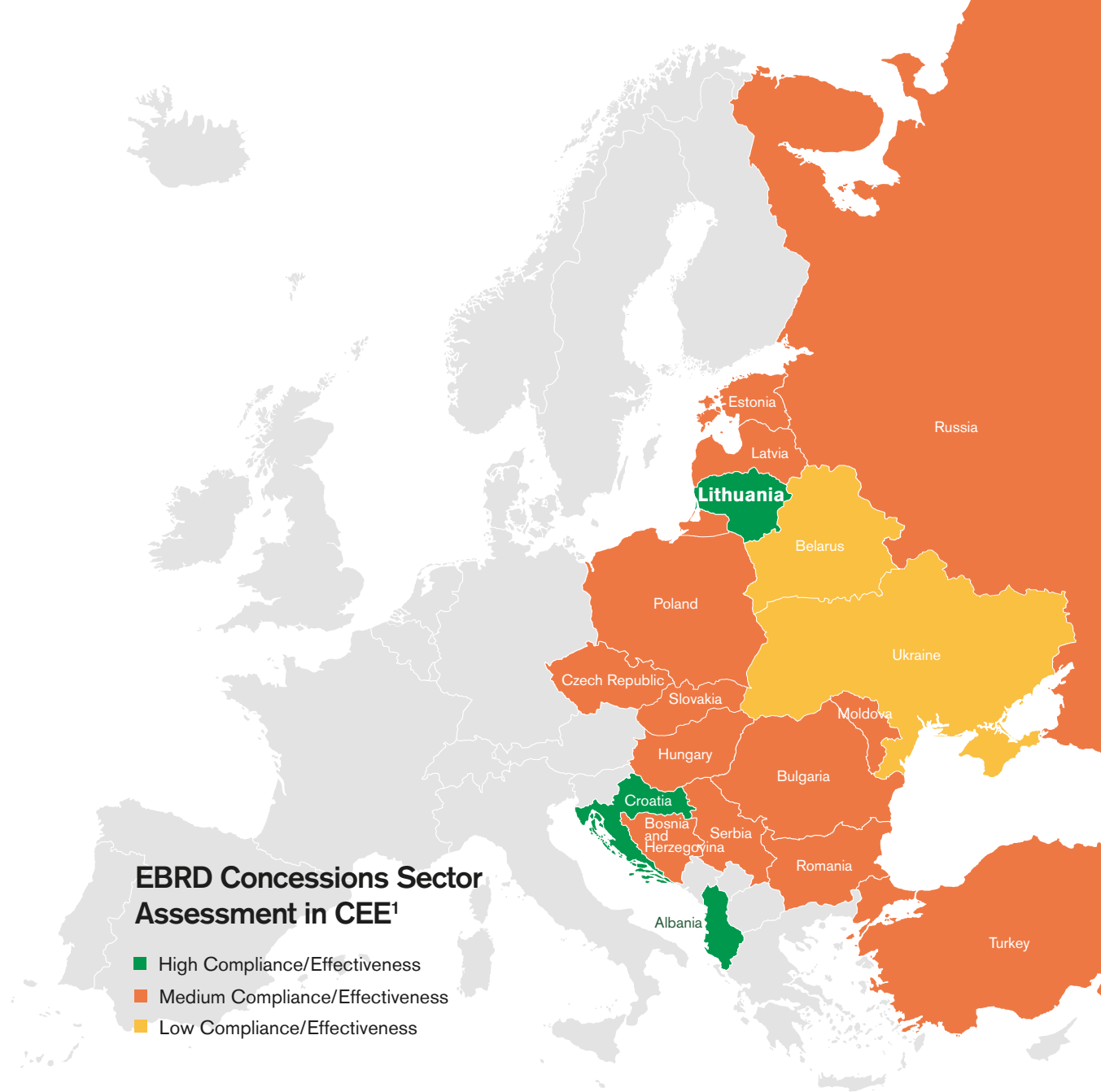
Available Partnership Schemes



PPP in Lithuania

Legal Framework

- Concession Law
- Investment Law
- Law on State and Municipal Property
- Public Procurement Law
- Government Guidelines on PPP



¹ EBRD, 2011



PPP in Lithuania

Eligible Sectors



Energy



Railway network



Transport infrastructure



Waste management



Health care



Public order and security



Telecommunications



Education



Tourism and leisure



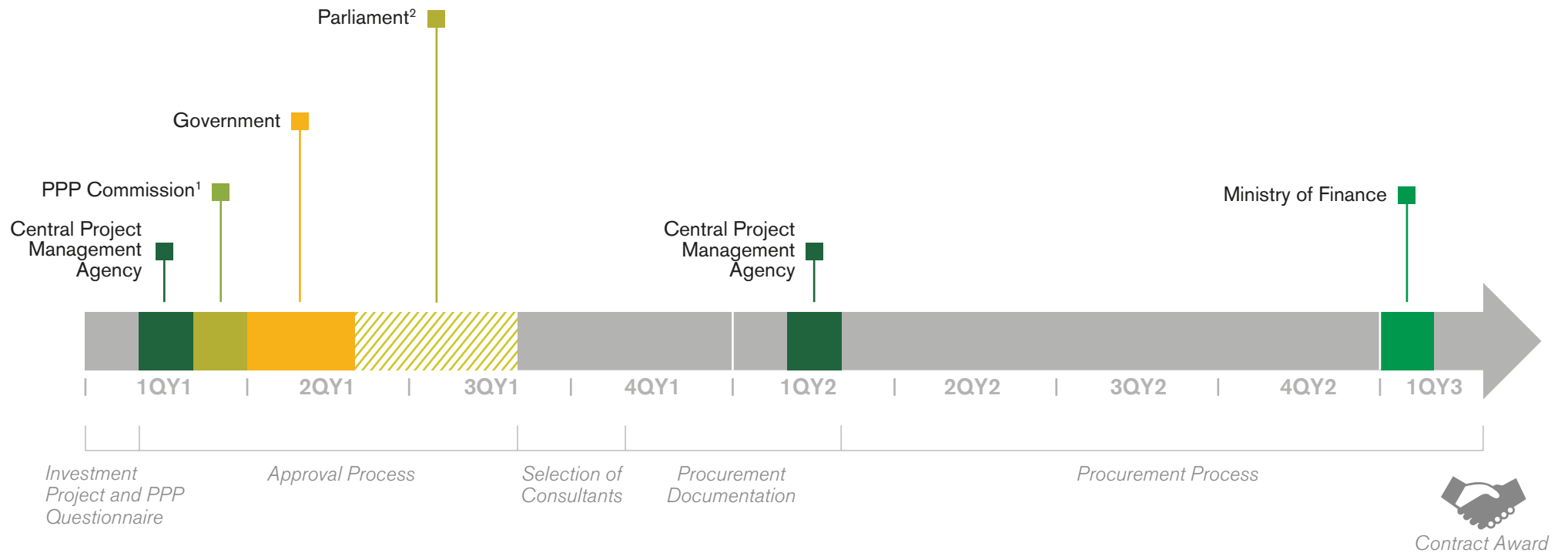
Additional sectors
(on governmental approval)



PPP in Lithuania

Decision-making Process

Governmental PPPs



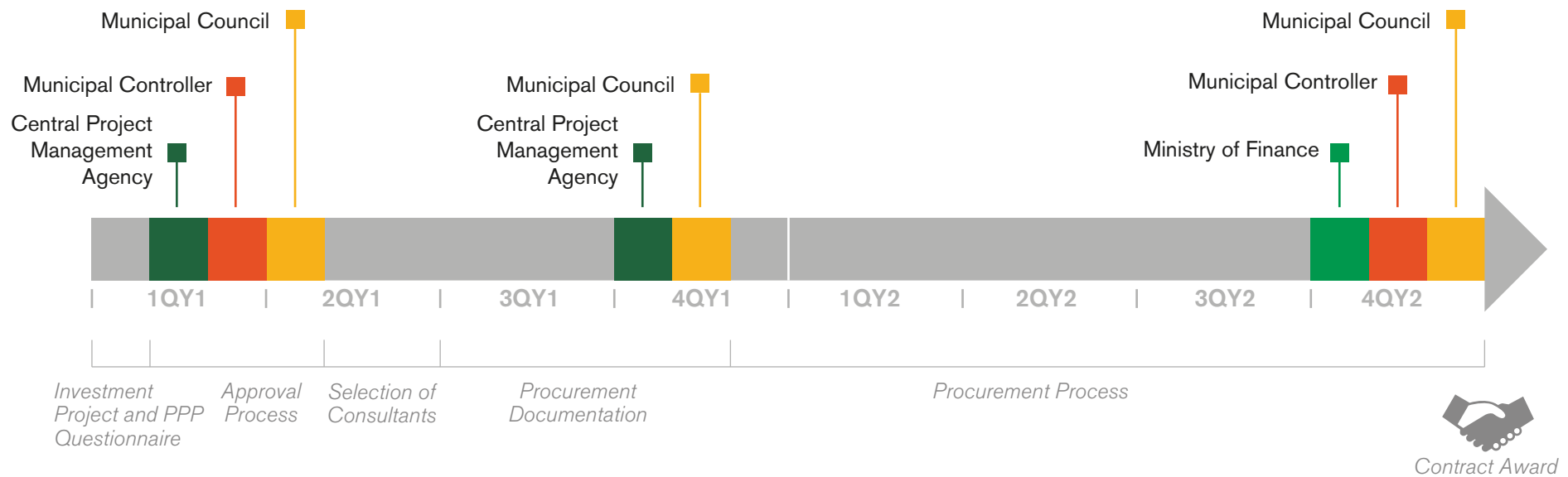
¹ Through the Ministry of Finance
² required if State liabilities are above 58 M EUR



PPP in Lithuania

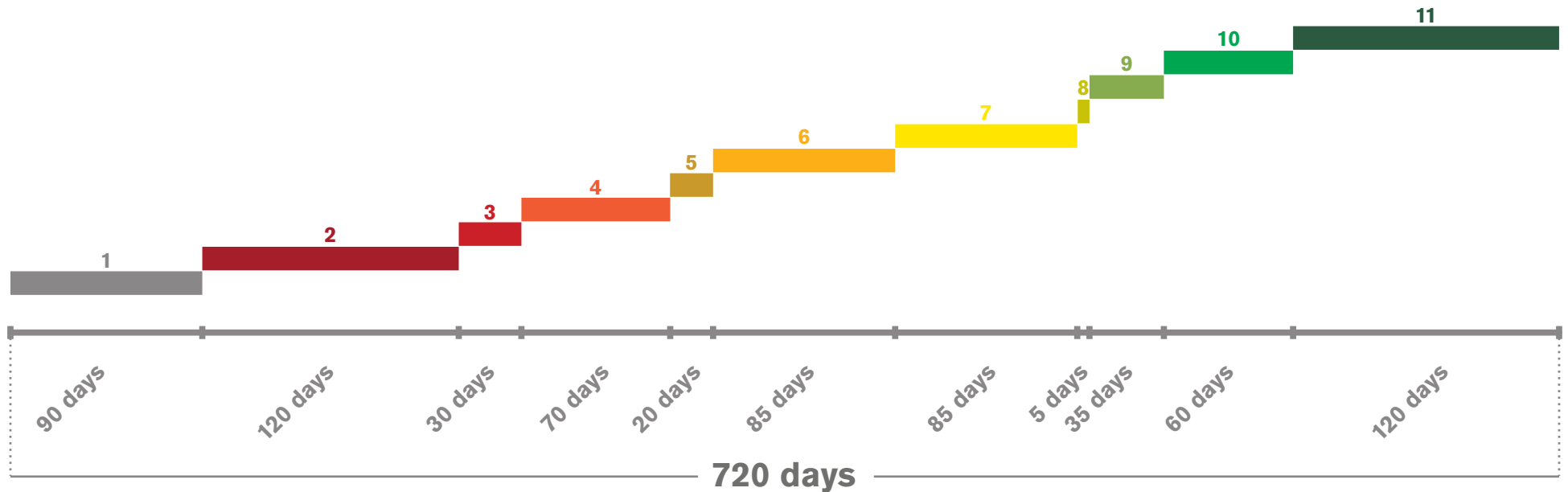
Decision-making Process

Municipal PPPs



PPP in Lithuania

Procurement process



1 Preliminary selection

2 Preliminary tender submission

3 Preliminary tender evaluation

4 Detailed tender submission

5 Detailed tender evaluation

6 Negotiations

7 Tender documents revision by the Ministry of Finance

8 The completion of negotiations

9 Final tender submission and evaluation

10 Signing of contract

11 The fulfilment of the conditions precedent



PPP in Lithuania

Unsolicited proposals



* If project is declined:
Official response explaining grounds for the decision

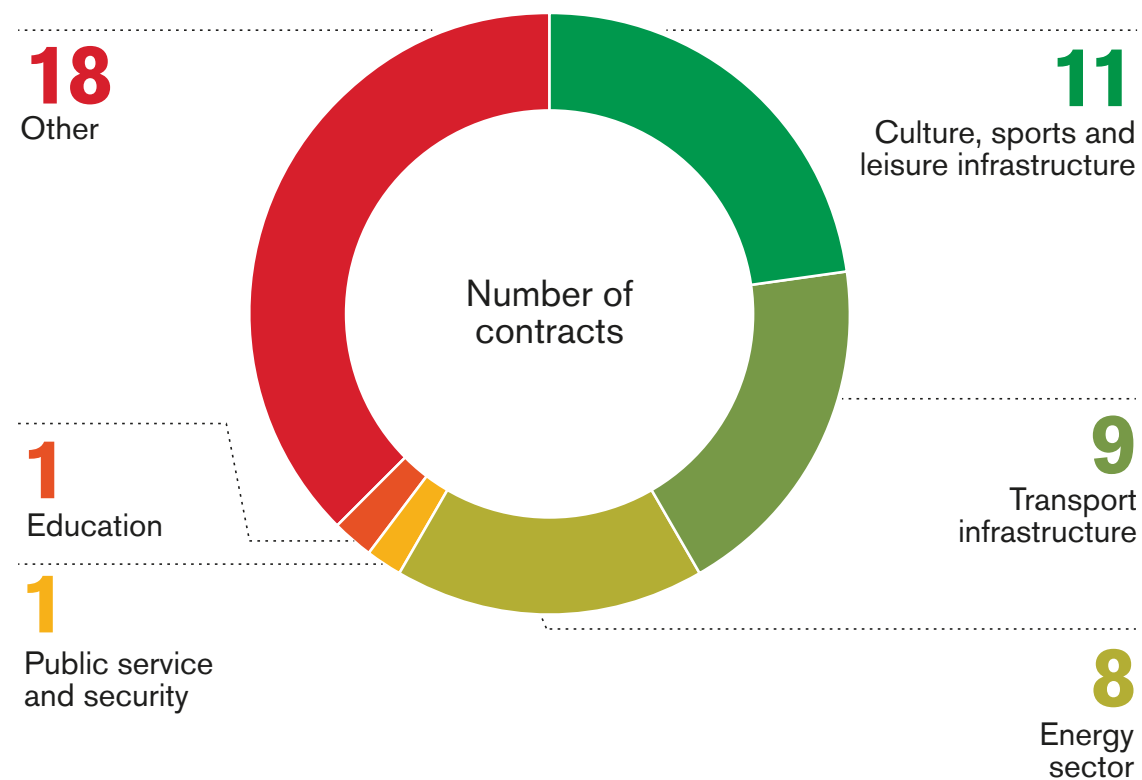


PPP in Lithuania

Track Record

- **48 PPPs¹**
 - 45 Concessions
 - 3 PFIs
- **Majority service concessions**
- **Mainly municipally owned**
- **Blended with EU structural funds**

Private sector participation by sectors²



¹ Number of all ever signed PPPs in Lithuania
² Ministry of Finance, January 2017



PPP in Lithuania

Pilot PFI Type Schemes

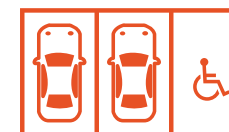


Project Scope	Vilnius Balsiai school	Palanga bypass	Vilnius police station and custody suite
Type of PPP	DBFM	DBFM	DBFM
Project Owner	Vilnius City Municipality	Lithuanian Road Administration	Police Department
Project Term	25 years	25 years	18 years
Key Parameters	1,050 students	8.25 km	8,665 m ²
Project Status	Operational since 2011	Operational since 2015	Financial close



PPP in Lithuania

Tendered Projects



Project Scope	Vilnius multifunctional complex	Vilnius (Santariskes) medical campus parking infrastructure
Type of PPP	Concession	Concession
Project Owner	Vilnius City Municipality and Department of Physical Education and Sports	The Ministry of Health
Project Term	Up to 25 years	25 years
Key Parameters	At least 15,000 seats	Up to 2,250 parking places
Capex	EUR 73 M	EUR 14 M
Project Status	Preliminary bids	Contract signed



PPP in Lithuania

Investment Opportunities



Project Scope	Lithuanian airports development	Panevėžys Police headquarters and custody suite	Kaunas Police headquarters
Type of PPP	Concession	DBFM	DBFM
Project Owner	Ministry of Transport and Communications	Police Department of Lithuania	Police Department of Lithuania
Project Term	25 years	15 years	15 years
Key Parameters	<ul style="list-style-type: none"> ▪ VNO – 3.80 M PAX¹ ▪ KUN – 0.74 M PAX¹ ▪ PLQ – 0.23 M PAX¹ 14% avg. passenger growth in the network (in 2016)	<ul style="list-style-type: none"> ▪ 8,000 sq.m. administrative building and custody ▪ 884 sq.m. garage ▪ 2,700 sq.m. secured car parking 	<ul style="list-style-type: none"> ▪ 5,080 sq.m. administrative building ▪ 1,180 sq.m. additional premises
Capex	EUR 200 M - 300 M (2017-2035)	EUR 12 M	EUR 10 M
Project Status	Preparation of tender documents and EIA	Qualification submission deadline - 16th of August 2017	Qualification submission deadline - 16th of August 2017

¹ LTOU, January 2017



PPP in Lithuania

Scope of Application



Projects scheduled for min 13 - max 25 years



Involvement of multilaterals (EIB, EBRD, NIB, CEB, etc.)



Use of infrastructure funds



Blending with EU structural funds



About Invest Lithuania



We are a government agency that provides free investment advice, contacts and data.

Invest Lithuania activities within PPP:

- Consults public sector on project preparation
- Advises investors on project participation
- Guides foreign companies through the process of setting up in Lithuania



Contact Us

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