

CORPORATE FINANCE

Some Success Factors for Investment Projects in Russian Transport Infrastructure

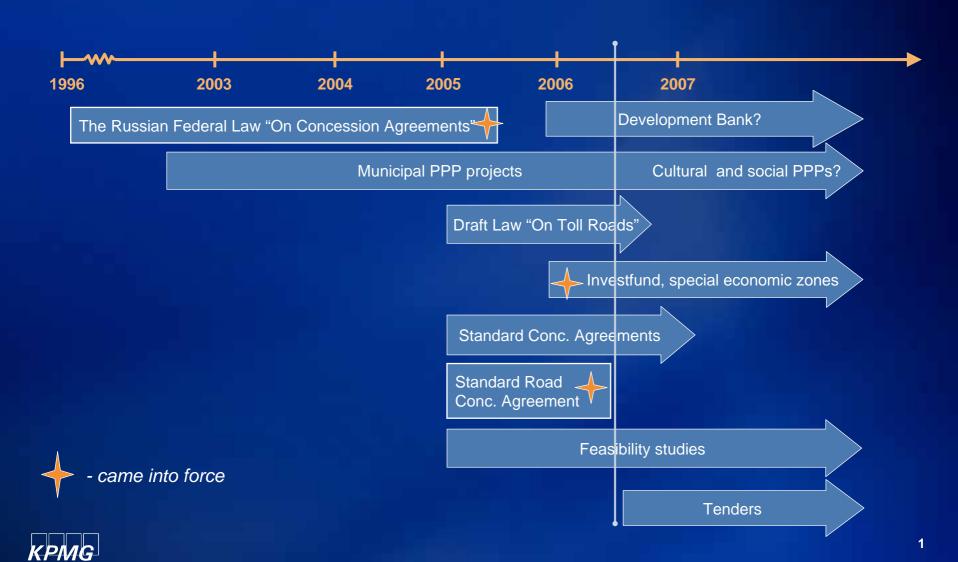
Russian-Japanese Investment Forum

Alexander Yerofeyev

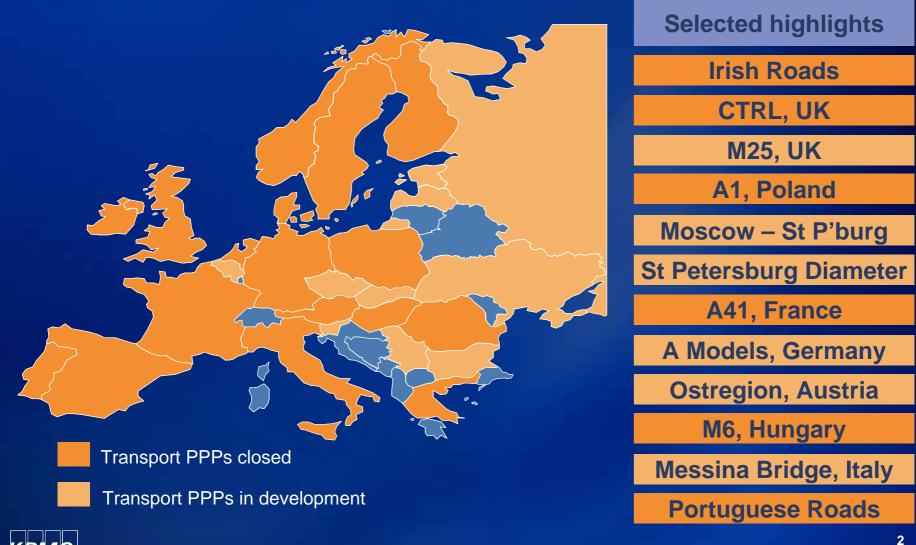
6-8 September 2006

ADVISORY

PPP developments in Russia

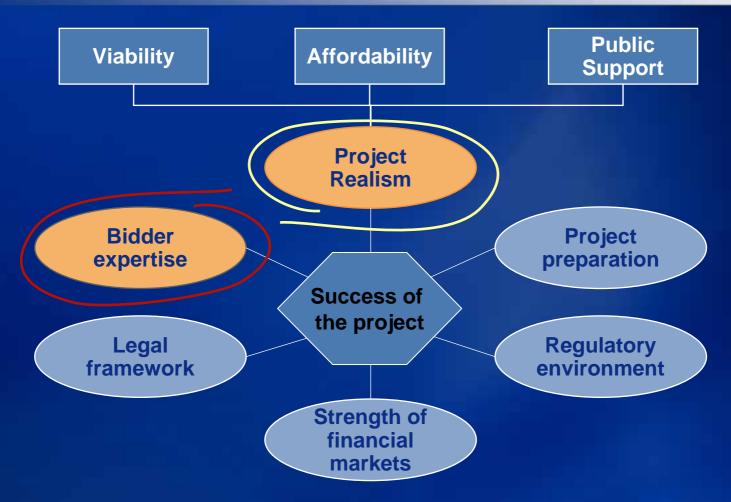


Transport PPP projects in Europe





KPMG Study for OECD: Lessons for Russia Success of a transport PPP project



Source: KPMG study for OECD, European Conference of Ministers of Transport, Joint Transport Research Center, 2005



PPP tender: key issues

••••	4 months	5 months	5 months	1 month
Preparing the project	Pre-qualification phase	ITN	BAFO	Contract close
 Select project Clear objectives Feasibility study Transparent procedures 	 Maximise competition Set clear process for dialogue, maximise information Analyse capabilities of potential bidders 	 Performance & payment mechanism Review of docs & timetable Base core financial model 	Value for money analysisPublic sector comparator	 Contract negotiations Exit strategy Finalise financial model Commercial close Financial close
Negotiations				
Decision to bid Building the consortium	 Risk analysis Consider funding options Feasibility review Initial structuring 	 Bid tactics Initial approach to funders Financial modelling 	 Manage competition between funders Optimise financial model Final risk allocation 	

Engage experienced advisers

infrastructure

Awards



Global Financial Adviser of the Year

Transportation and Infrastructure Financial Adviser of the Year

2006

Key roles of financial adviser

Government	Bidders
Project economics / financial analysis	Structuring of relations within the consortium
Programme and procurement strategy	Development of the strategic plan. Bid tactics
Project structuring	Preparation of bid documents. Negotiations
Commercial and financial documentation	Corporate and project finance advice
Procurement management & negotiations	Advice on financing solutions
Value for money analysis. Public sector comparator	Risk analysis. Financial modelling



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