

*EBP's mission is to develop infrastructure projects,  
with impartiality and transparency,  
contributing to the social and economic development of Brazil  
and creating investment opportunities for the private sector.*

## **EBP – a bid advisor for governments**

**African Conference on PPPs  
Kampala, December 6, 2012**



**EBP**

Estruturadora Brasileira de Projetos

# Estruturadora Brasileira de Projetos

*EBP supports Governments in structuring projects to expand and improve public services. We transform Government ideas, initiatives and plans into results by developing all the necessary studies, so that public administrators ultimately have the best alternatives for granting public service, which better serve users, cost society less, encourage market competition, and are attractive with appropriate guarantees to private partners.*

*We partner with Governments that seek quality and efficient costs in infrastructure and logistics, economic development and public services. From highways to schools and hospitals, we develop projects to be operated by private partners through concessions in their most varied forms.*

*From the beginning, EBP dialogues in order to understand the public policy objectives involved, and discover the best form to fulfill them, reconciling public interest and attractiveness for the private sector. We are a project catalyst which, in addition to assuring study and modeling compliance with the Government guidelines, assists public administration in all procurement stages. For this, we have full independence, isonomy, and transparency regarding any private agent directly or indirectly interested in the tenders.*

*Once involved in a project, EBP is committed with the implementation of government initiatives. We are reimbursed only if the structured project is approved by the public administrator, and a private partner is contracted. The Government's private sector partner is the party that reimburses EBP's expenses.*

*This is EBP's differential: results aligned with Government objectives and with the full success of the structured project.*

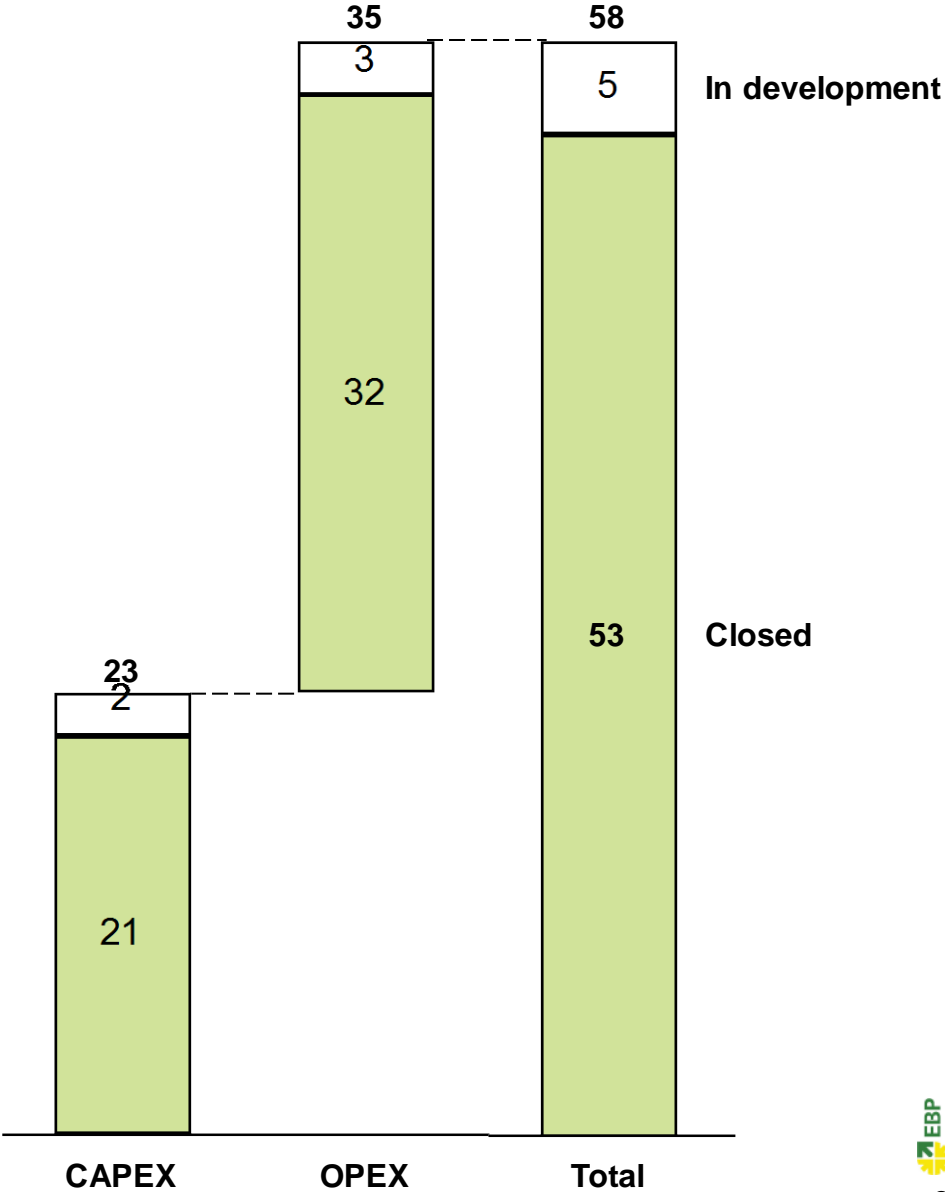
# Estimated economic impact of EBP's first portfolio of projects

R\$ bilhões

- 8 closed
  - Mineirão soccer stadium
  - Waste water Rio de Janeiro City (AP5)
  - Long distance bus terminal Belo Horizonte
  - Hospital Belo Horizonte
  - Guarulhos/São Paulo airport
  - Viracopos/Campinas airport
  - Brasilia airport
  - BR-101/ES highway

- 8 in development
  - Parking garages São Paulo - phase 1
  - Parking garages São Paulo – phase 2
  - Parking garages Belo Horizonte
  - Waste water Vitoria/ES metro area
  - Water production system Minas Gerais
  - Waste-to-energy São José dos Campos/SP
  - Wholesale circuit São Paulo
  - Administrative Center São Paulo

- 3 suspended
  - BR-101/BA highway
  - BR-470/SC highway
  - Bus Rapid Transit terminals Belo Horizonte



# What is EBP - ESTRUTURADORA BRASILEIRA DE PROJETOS?



Equal shares

One vote each on the Board



Development of infrastructure projects:

- In partnership with governments
- As PPPs (concession contracts)
- Combining public interest and private attractiveness
- With private sector speed and flexibility

# Principles of EBP' s activity

## ***Transparency and equal access to information***

- *All public interest projects shall be widely disclosed, so that shareholders, interested third parties, and the public in general have access to the final project information at the same time (article 37 of EBP' s bylaws).*
- *Directors and employees cannot use for their own, or for third parties' benefit, information acquired by way of activities performed, and which are not in public domain (article 38).*

## ***Independence and impartiality***

- *We only provide project structuring services (article 4).*
- *We do not prepare studies or provide any kind of advisory services to competitors or to potential competitors in public infrastructure project biddings (article 6, item iv).*
- *We do not invest in projects (article 6, item v).*
- *We do not provide guarantees for project financing (article 6, item ii).*
- *We do not hold stakes in other companies' capital stock (article 6, item iii).*
- *Persons who have had direct or indirect links for less than 6 (six) months with any of the shareholders cannot join EBP' s technical team (article 36).*

***EBP' s creation was approved by the Brazilian competition authority (Administrative Council for Economic Defense - CADE), which imposed permanent compliance with these principles as a condition for the company' s existence (Act of Concentration n<sup>o</sup> 08012.002939/2008-47)***

# How does EBP operate?

## Identification of common interest in a project

- *Identification of projects in the public interest that are also attractive investment opportunities for the private sector*
- *Non-binding authorization or collaboration agreement (convênio) between Government and EBP*
- *Definition of terms of reference for detailed project studies, RFP and selection of technical consultants*

## Development of the project studies and auction documents

- *Development under Government guidance of:*
  - *Technical studies: engineering, environment, economic and financial modeling*
  - *Drafts of the legal instruments: bid documents, concession/PPP contract*

## Auction and contract signing

- *Advising and technical support during the auction phase and up to the contract closure*
- *The investor that wins the contract repays EBP's expenses during the process (article 21 of Law no. 8987)*

*BNDES follows the studies since the beginning based on a Technical Cooperation Agreement with EBP*

# Key questions we typically ask

<p><b>Description</b></p>	<p><b>Institutional analysis</b></p>
<ul style="list-style-type: none"> <li>• <b>Summary:</b> What is the proposed solution? What type of concession is the project likely to be?</li> <li>• <b>Objective:</b> What are the objectives to be achieved by the project?</li> <li>• <b>Status:</b> What studies have already been done? Is there a background planning process that led to the project proposal? What type of help does the government expect from EBP?</li> </ul>	<ul style="list-style-type: none"> <li>• Why does the Government want to do this project? What is its political priority?</li> <li>• What other options does the Government have to this project?</li> <li>• Did the government prioritize its portfolio of projects (cost/benefit, risks, feasibility, market interest, value-for-money)?</li> <li>• Which areas of the Government will be directly involved?</li> <li>• What is the quality of the technical staff dedicated to the project?</li> <li>• Who are the likely stakeholders in society at large? What is their likely interests?</li> </ul>
	<p><b>Technical analysis</b></p>
	<ul style="list-style-type: none"> <li>• Are there technical studies available (soil, currents, winds, soundings etc)?</li> <li>• What is the level of engineering studies and end products needed?</li> <li>• Is the technological solution proposed well established?</li> <li>• Who provides the needed technical equipment and solutions?</li> <li>• What are the environmental risks and their impact on licensing?</li> <li>• Are there other related projects? What are their interrelationships?</li> </ul>
	<p><b>Economic analysis</b></p>
	<ul style="list-style-type: none"> <li>• Is there a clear need/demand for the services to be provided?</li> <li>• What is the probable investment and the division between the public and private share?</li> <li>• What are the likely revenue sources and estimated total on year 10?</li> <li>• What is the estimated EBITDA on year 10?</li> <li>• What is the expected return (IRR, payback, PV)? What are the potential levers for value creation of the project?</li> <li>• Who are the likely investors?</li> <li>• What is the market structure and dynamics? Who are the incumbents and attackers?</li> <li>• If a Government payment is likely, what are the guarantees it can provide? What is the budgetary limit for payment commitments?</li> </ul>
	<p><b>Legal/regulatory analysis</b></p>
	<ul style="list-style-type: none"> <li>• What is the applicable legislation? Are there issues and limitations in discussion?</li> <li>• Will new legislation be required?</li> <li>• Who is the legal concession granting entity?</li> <li>• What are the required approvals and licenses?</li> <li>• What is the legal status of the assets needed for the project (contracts, titles, jurisdiction, registries, obligations, covenants etc)?</li> </ul>

# What are the terms of Government authorization/collaboration agreement for EBP to carry out its technical studies\*

Government's authorization is granted:

- I – with no exclusivity
- II – no preferential rights for concession granting
- III – does not compel government to hold bidding
- IV – does not create, by itself, any right to reimbursement of the amounts involved in the studies, and
- V – it is personal and non-assignable.

The holding, or not, of bidding, shall be for reasons of Government convenience and opportunity, not generating acquired rights to holding the bidding.

The reimbursement of study expenses, if there is a bid award, is the responsibility of bidding winner, according to the values indicated by EBP and pre-approved by the Government.

\* Based on art. 21, of the Concessions Law no.8987: “The studies, investigations, surveys, projects, works and expenses or investments already made, linked to the concession, of utility for the bidding, carried out by the granting power, or authorized by it, shall be at the disposal of the interested parties, with the bidding winner being responsible for reimbursing the corresponding expenditures specified in the call for bids.”



EBP is the result of optimism.

Of our shareholders on the development of the concession and PPP market in Brazil. Of investors with opportunities in the Country. Of its technical team with the possibility of developing major infrastructure projects in an impartial, transparent and ethical manner. Of our technical partners with the opportunity of performing serious, high-quality and high-impact work. Of governments and public administrators who believe in planning and putting in place the infrastructure for the economic and social development of Brazil.

We work to make real and tangible the optimism that is part of being Brazilian.



Helcio Tokeshi  
Managing Director



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