



PPP Projects in Moscow

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MOSCOW INVESTMENT PORTAL



Moscow
Government

August 2019

Moscow – PPP development leader of Russia

\$14bn (₽ 876 bn)

volume of PPP project contracts from 2013 to May 2019



PPP Development Center

1st place

in PPP development rating of Russian regions **2016 – 2019**

INCLUDING:

\$ 1 bn

Concession projects

\$ 6.9 bn

Life Cycle Contracts (LCC)

\$ 3.7 bn

Long-term contracts with an investment component

\$ 2.0 bn

Corporate PPP

\$ 268 m

Real estate lease with Investment commitments

Concessions: Northern Relief Road for Kutuzovsky Prospekt



The first intracity road concession in Moscow



10.3 km
long



40 years
Concession term



\$638 m
Financing

Opportunities: Construction of Transport Hubs (TH)



at metro and urban railway lines and stations, both existing and under construction

≈ **9** m sq. m

TH town planning potential

> **\$11.1** bn (₽ 700 bn)

estimated private investment in TH



17 TH

already transferred to investors



\$2 bn (₽ 127 bn)

expected capital expenditures of private investors



1.68 m sq. m

permitted capital construction volume

Public transport life cycle contracts

Life cycle contracts (LCCs) are an effective tool for budget expenditure optimization providing for products delivery and subsequent maintenance.



\$7.4 billion
volume of LCCs concluded

	Underground railway		Surface transport	
Scope of supply	1,576 subway car	436 buses	300 trams	300 electric buses (3 contracts)
Contract duration	30 years	7 years	30 years	15 years
Contract amount	\$6 billion	\$125 million	\$963 million	~\$327 million

PPP projects for SMEs

Preferential lease with investment commitments

Repair/restoration of public premises at an investor's expense to be subsequently used as social and cultural facilities (for 20 and 49 years at a preferential rent rate).

PPP principles:

- **Before use** (repair/restoration), **the market rental rate** (bidding) shall be applied.
- **After commissioning** (investment stage completion) – **1 RUR per m2/year**

107 projects under implementation

59 facilities were put into operation



> \$77 million
private investments

Offset Contracts: New localization support tool

+ for Moscow:

- Supply price reduction;
- Import substitution, guaranteed supplies;
- New jobs and tax basis growth.

+ for investor:

- Solvent consumer;
- Long-term sales guarantee;
- Sole supplier register inclusion.

Key conditions of Contracts

Up to
10 years

Contract term

> \$16 m

volume of investment in construction, upgrading and/or production engineering

Russian-made goods procurement

Already concluded:

2 contracts

Drugs supply
(22 INN + 31 INN)

\$140.4 m

Private investments
(₽ 8.8 bn)

Priority areas for offset contracts:



Medicines
and medical
devices



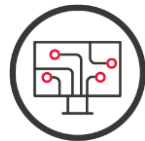
Utilities
equipment
/vehicles



Public
transport
vehicles



Equipment/
machines/
facilities



Computer &
Telecom
equipment

First Offset Contract of Moscow

Subject of the contract: drugs
(oncology/ immunomodulators)

22 INN

(international non-proprietary names,
generic)

10 years

contract term

NEW PRODUCTION SET-UP
3 YEARS

PRODUCT SUPPLY
7 YEARS

\$50 m
(¥ 3 bn)

of investments

BIOCAD

Biopharmaceutical Company

Production facilities location
SEZ Technopolis Moscow

- SEZ Resident status received
- Land lease agreement concluded
- The design is completed

\$240 m
(~\$34 m PA)

Initial max. contract price
Reduction ~50%

Second Offset Contract of Moscow

Subject of the contract : drugs (wide range of diseases)



31 INN

(international non-proprietary names,
generic)

\$90 m
(¥ 5.8 bn)

of investments

10 years

contract term

NEW PRODUCTION SET-UP
4 YEARS

PRODUCT SUPPLY
7 YEARS

\$312 m
(~\$45 m PA)

Initial max. contract price
Reduction -18,5%

MIMC: Current development

Application of OECD international standards and rules:

- Medical activities
- Medicines, medical technologies and products development
- Education and research activities
- Construction of facilities of the International Medical Cluster



≈ **60** ha

Plots space



≈ **420** thousand sq.m

built-up area

Project participants:	Hadassa Medical Center, Israel (September 2017)	Bundang Hospital, Seoul National University (South Korea)*	Roman Fernandez Clinic (Spain)*
Projects:	Diagnostic building (~12 thousand sq.m.) – already built/ therapeutic building (~20 thousand sq.m.)	Smart hospital of the future (~47,5 thousand sq.m.)	Cancer treatment center (~3 thousand sq.m.)
Start-up:	2018 / 2022	2022	2022

A system of tax and customs privileges is introduced for cluster members

* The medical organization passed the Expert and Supervisory Council

Opportunities: Cable way consession

Creation of a modern cable way over the river between 2 metro stations in the North-West district of Moscow



\$50 m

Investments: **(no city investments)**



2 years

construction time



Concession agreement to be concluded
in September 2019

