

# UNDERSECRETARIAT OF PARTNERSHIPS

## SÃO PAULO STATE GOVERNMENT

3rd Edition

01/23/2020

### São Paulo's Infrastructure in 2020: a more than promising start

2020 is off for an excellent start! After a year of intense work, the first project of the concessions and PPPs program of the State of São Paulo carried out in this administration was auctioned on January 8th and the result could not have been better. The auction of the Piracicaba-Panorama road concession - the largest ever held in Brazil in terms of extension and volume of investments - had a very encouraging result. Nevertheless, we will not highlight here only the well-known and excellent financial result of the auction (grant of R\$ 1.1 billion). We want to celebrate several other points of this concession, which motivate us even more to continue working on new projects in the State.

The PiPa auction once again demonstrated that São Paulo's road program is serious, robust and still promising. Investors reaffirmed their confidence in regulatory stability and in the institutions involved in São Paulo's concessions. This time, the winner was not just an investment fund - which took place for the first time in 2017, in a widely awarded project. The robustness of the concessions program was now attested by the participation of a sovereign fund, GIC, from Singapore - one of the largest and most respected in the world - in a consortium to an investment fund (Pátria). We should therefore celebrate this result, because it finally indicates that the infrastructure projects that we have developed have the capacity to attract the desired foreign capital.

The efforts to develop mechanisms designed to provide financing for infrastructure projects are delivering robust results. We are talking about instruments such as exchange protection, clarity in the determination of indemnity rules, the already praised tripartite agreement and mechanisms to ensure liquidity at critical moments of the concession, among others. Other simpler

measures, such as the minimum deadline of 120 days for bidding, the translation of the documentation into English, the market sounding and the roadshow taken seriously, also contribute a lot to the results that are starting to materialize.

The celebration is now over. We have to keep improving and working on the other projects in our portfolio. 2020 will be a year of much interaction with investors and other players involved in the concessions. We foresee a very busy first half of the year due to consultations and public hearings, with the consequent publication of bidding notices for at least 10 projects throughout the year. In the second semester, a large part of these auctions will be held (those not held in 2020 will be concluded in 2021 for a merely matter of schedule, because we will continue to grant at least 120 days for bidding).

New road Sections, the Network of 22 Airports, Lines 8 and 9 of the Metropolitan Train System, the Intercity Train, the Ferry Boat System, Prison Complexes, the Ibirapuera Arena, the Zoo and the Botanical Garden, as well as several parks are among the projects planned for 2020. All these partnerships, among other projects that are also under development, are executed with great diligence and care, excelling in the highest technique, without demagoguery or high optimism in our forecasts and estimations. We believe that the good development of long-term partnership projects is closely connected to dialogue with the market and the creation of a favorable environment for investors. The positive results will come from promoting competition, as we saw at the PiPa auction. Throughout those actions we intend to continue our work and count on the broad participation and involvement of the market in our project portfolio.

#### Rodrigo Barata

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Master in Public Law at USP

#### Latest News



In the picture, Governor João Doria and part of his secretariat hit the hammer at the PIPA auction.

### Success of the PIPA auction reaffirms market interest in the São Paulo portfolio of infrastructure projects

The *Infraestrutura Brasil* consortium, formed by the Pátria Investimentos and GIC (Sovereign Fund of Singapore), won the bid for the concession of the highways corridor Piracicaba-Panorama, with a fixed grant of R\$ 1.1 billion, and will manage the lot for the next 30 years. The auction also included the participation of the EcoRodovias group, which presented a proposal of R \$ 527 million.

In the photo, Governor João Doria and part of his secretariat hit the hammer at the PIPA auction.

### Consultancy hands in feasibility studies to the concession of the Zoo and Botanical Garden

This month, FIPE hands in the feasibility studies to the Zoo and Botanical Garden concession project. The studies have shown the robustness of the modeling and the attractiveness of concessioning the two assets together, reaffirming the interest seen in the market soundings.

The project sets the opening of a promising sector, the concession of environmental assets that not only aim for improving the infrastructure to the public, but also to contribute to the social and environmental development through promoting conservation, education and leisure. The public hearings are scheduled to be held in the next two months.



In the picture, the Botanical Garden Alberto Lofgren

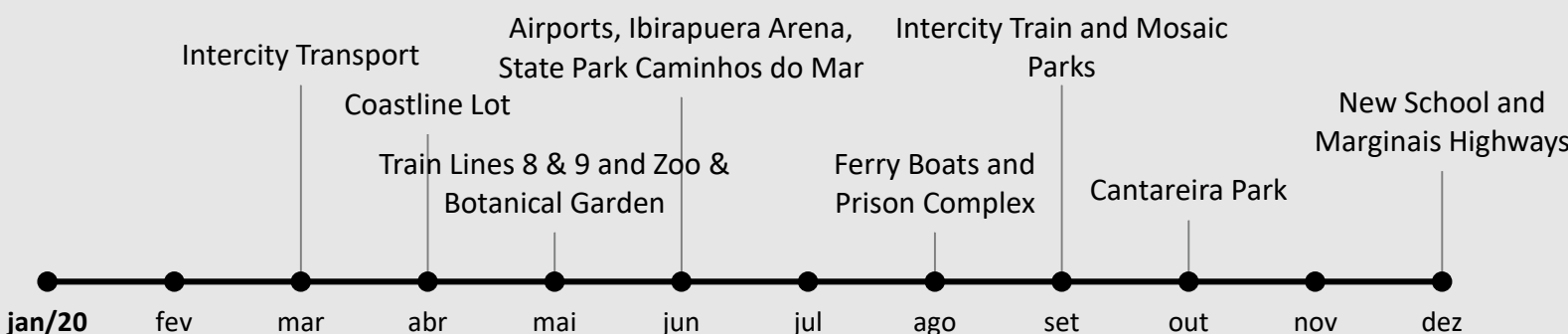


#### SAVE THE DATE

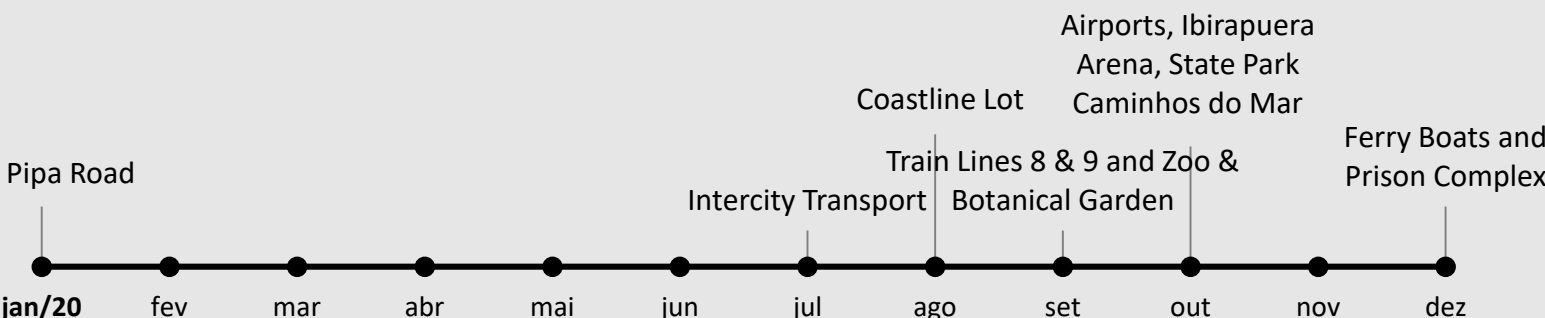
January and February/2020

- Ferry Boat System Kick Off meeting
- Zoo and Botanical Garden Public Consultation
- State Park Caminhos do Mar Public Consultation

#### Scheduled Call for Bidders for 2020



#### Scheduled Bids for 2020



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