

UNDERSECRETARIAT OF PARTNERSHIPS

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SÃO PAULO STATE GOVERNMENT

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One more: now the airports' turn

As been reported, the partnerships program of the State of São Paulo has not stopped with the coronavirus crisis. It is evident that we do not expect blind observance of all the schedules originally adopted and we are convinced of the need for the State and the market to be prepared for the implementation of our partnerships and investments. However, this does not mean that work is stagnant, waiting for the pandemic to cool down. Instead, in our perspective, it is essential that we continue with the structuring and the dialogue with the market, society, control bodies and other stakeholders, so that, at the right time, we are ready for a quick resumption of investments, with projects ready for bidding and contracting.

Thinking differently would mean an extension of the harmful effects that the crisis - in its economical aspects - will impose on society. Our objective, therefore, is to ensure that such effects are minimized, providing with the opportunity for doing business, investments, generating wealth and employment as soon as possible, once the scenario stabilizes. In this context, we are pleased to announce that another Public Consultation has been opened, with the Public Hearing scheduled in the innovative and necessary virtual model.

Published, on April 17th, the Consultation and Public Hearings notices for the concession project of 22 airports distributed throughout the State, divided into 2 concession blocks, Northwest and Southeast, as shown in the following figure. The concession, adding the two blocks, will have BRL 410.3 million in investments over its 30 years, privileging regional aviation and improving connectivity and services available to the population of the entire state.

Some highlights of the modeling deserve comment here, without prejudice to other aspects that were developed with the same concern of having a concession suitable to the profile of this specific asset. First, it is worth highlighting the caution with which the investments were estimated, seeking to avoid overestimations that have already led projects in this sector to serious financial problems. In the same direction, we have also developed a constant investment revision mechanism, for each 5 year-cycle of the concession. With this, we have distinguished the Mandatory

Investments - those that are in fact owed by the concessionaire and have to be executed in the first 3 years of the concession - from the Planned Investments, which the implementation is estimated in concession, but that, due to conditions of the times, can be altered, modified, removed or replaced in the context of the ordinary revision processes. This mechanism seems to meet public and private concerns regarding airport development and the under and overestimation of investments, which inevitably result in legal processes of discussion and contractual rebalancing between parties. Publishing the project documentation in the Public Consultation, we hope to count on contributions to improve this and other features of the project, in order to provide a solid and robust modeling for this partnership project of the State of São Paulo.

The Public Consultation will remain open until May 21st, and the documents are available at <http://www.artesp.sp.gov.br> and <http://www.parcerias.sp.gov.br/Parcerias/>. All contributions are welcome and will help to improve the project. The Public Hearing will be held in a virtual model, and those interested can participate in two ways. For those who just want to attend the Hearing, being able to make contributions freely via email, just access any of the channels where the live broadcast of the event will be available (for more information, see www.artesp.sp.gov.br > Transparency menu > Public Hearings and Consultations). Therefore, prior registration is not required to participate in the Public Hearing. However, the oral manifestation of previously registered interested parties will be allowed, according to instructions of the Hearing Regulations, which the address is listed above. With all this effort, we intend to guarantee broad participation and dissemination of the project, without compromising any measures to contain the pandemic. Also, the use of technology comes to help us reach more people and expand the dialogue with all those interested and affected by the project.

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Latest news

State Parks will initiate the era of virtual Public Hearings

Despite the challenges presented by the current situation, the State's Partnerships Program is still in full throttle. The concession projects for the use of public property of the Caminhos do Mar State Park and the joint delegation of the Botanical Garden and Zoo of São Paulo are advancing in their schedules. The next stage of structuring the partnerships involves holding virtual Public Hearings, scheduled, respectively, for the 7th and 12th of May. This innovative initiative has the legal support of a notice elaborated by the Attorney General of the State, as response to a solicitation of the Secretariat of the Environment and it extends to the other projects included in the portfolio of the Undersecretariat of Partnerships. For more information access: <https://www.infraestruturameioambiente.sp.gov.br/consema/audiencias-publicas/>.

Dialogue with market players remains uninterrupted in order to improve projects

Despite the complications that the new situation presents, the intense dialogue with operators, investors, financiers and other major players interested in the project pipeline of the State of São Paulo remains. On the morning of April 22nd, representatives of the Undersecretariat of Partnerships met with representatives of Credit Suisse to collect their impressions and suggestions about the modeling of ongoing projects. We reaffirm that the Undersecretariat of Partnerships is open to dialogue with project stakeholders to receive suggestions. To request a meeting, send an email to: partnerships@sp.gov.br



In the Picture, Credit Suisse's representative debates projects with Undersecretary technicians.

Lines 8 and 9 Public Consultation period extended

Opened on February 28th, the Public Consultation for the concession project for the Metropolitan Train Lines 8 Diamond and 9 Emerald was extended for another 30 days, with a change in the deadline for stakeholder's contributions from March 31st to April 30th. During this period, the public notice, contract and annexes will be available Metropolitan Transportation Secretariat's data room so that interested parties can deepen their studies on the project and contribute with suggestions to improve the modeling of the concession. To see the documents, access the following link: <http://sis.cptm.sp.gov.br/DataRoom/Conta/Login?ReturnUrl=%2fDataRoom%2fConcessao%2fIndex%2fMQ2>

Market Sounding with Financial Institutions for Structuring Systems Linked Accounts for Concession Lines - (Zoo - Botanical Garden and Caminhos do Mar Park)

The Subsecretariat of Partnerships is in dialogue with Financial Institutions to model a system of Linked Accounts for Concession Projects, especially for the concession of the Zoo-Botânico Garden and Caminhos do Mar Park. The projects will be discussed individually, at a specific time, by prior scheduled, with the suggested dates of April 28 and 29 and May 5th and 6th. Request scheduling by email: partnerships@sp.gov.br

Hearing and Consultation Schedule

Project	Event	Date
Airports	Public Consultation	Apr/17 to May/21
Prison Complex	Public Consultation	May*
Ibirapuera Arena	Public Consultation	Jun*
State Park Caminhos do Mar	Public Hearings (online)	May/7
Airports	Public Hearing (online)	May/12
Zoo and Botanical Garden	Public Hearings (online)	May/12
Intercity Train	Public Consultation	Jun*

More info at www.parcerias.sp.gov.br

*Estimated

if you no longer wish to receive this newsletter, please send an email to partnerships@sp.gov.br with the word **cancelar**.

Vice Governor and Deputy Secretary participate in online round table on structuring partnerships in times of pandemic.

Today, April 23rd, at 5 pm, the event "Structuring partnerships during covid-19 pandemic: challenges and propositions" will take place, carried out by FGV Projetos in partnership with the Brazilian Institute of Legal Studies on Infrastructure (IBEJI). The event will be in the round table format and will include the participation of Tarcila Reis, Deputy Secretary of Partnerships, and event closing made by the Vice Governor, Rodrigo Garcia. The event will be broadcast live on youtube on the Digital Series Roundtable FGV Projetos - IBEJI channel. To watch live: <https://youtu.be/-OJLW9tGxK0>

Public Consultation now open for the Concession of the Regional Airports

On April 17th, the State of São Paulo launched the Public Consultation for the concession projects of the public services of operation, maintenance, commercial exploration and expansion of the 22 regional airports of the state's network currently managed by DAESP. The concession, which will be contracted and regulated through ARTESP, it will use the highest fixed grant amount offered as a judgment criteria and will have a 30 year term. The airports are divided into two blocks, Northwest and Southeast. The project will positively impact the development of the regional economy and aviation, and will enable the private sector to manage relevant assets such as the airports in Sorocaba, São José do Rio Preto, Ribeirão Preto, among others. Interested parties can make contributions until May 21st. The documents are available for access at http://www.artesp.sp.gov.br/Style%20Library/extra_net/transparencia/audiencias-e-consultas-publicas.aspx.

Market sounding with park operators and investors demonstrates industry interest in the Cantareira and Alberto Löfgren State Parks Concession project

In the beginning of the month, FIPE, as a consultant body hired by the State Government, organized a round of Market Sounding in order to test the interest of operators and investors. Conducted remotely, on an online platform, the survey had several registered companies that participated in individualized meetings so that their impressions and concerns are considered during the structuring of the concession.