Avançar
Parcerias
What is PPI?

The Investment Partnerships Program (PPI) was launched in May 2016, aiming to coordinate and supervise concessions and privatizations of Federal Government infrastructure projects.

PPI’s Special Department supports Ministries and Regulatory Agencies in planning, modeling and monitoring the portfolio of projects, preserving their political and regulatory competences.

**PPI’s chief goals are**
1. to extend transparency, participation and governance to a solid portfolio of projects;
2. to encourage competitiveness among those potentially interested and their diversity, in terms of nationality and size of companies;
3. to improve the quality of services provided to the Brazilian population.
PPI’s projects selection depends on the approval of the President of the Republic. Projects selected to integrate the PPI’s portfolio must be treated as national priorities and follow PPI guidelines.
A new legal framework on infrastructure:

- Legal Act no.13.334, of 2016
- Legal Act no.13.448, of 2017
- PPI Council no.1 Resolution
- The PPI “guidelines”

The guidelines for PPI projects:

- High quality projects and maximum technical requirements
- Performance based contracts x construction contracts
- Special focus on risk sharing among partners
- Environmental feasibility required
- Foreign companies now have effective opportunities
- The “100 days rule” (between bid notice publication and the auction event)
- Bidding documents now published in English
- Investments shall be triggered due to real demands
- IRR according to each sector and not determined in advance
- Arbitration legally admitted in infrastructure contracts
- Special focus on the projects bankability
- Capital markets as a fundamental source of funding (vs. BNDES)
- Commitment to regulatory certainty and stability
• PPI Secretariat as:
  • an internal articulator
  • a market listener
  • an information hub
• Mandatory public consultation for projects
• Mandatory participation of the Federal Court of Auditors (TCU)

Dialogue
The “empathy approach”

Long-term vision
The main concern about “Continuity”

EPL – Logistics Planning Company

Regulatory Agencies Restructuring

The National Logistics Plan (PNL in Portuguese)
Projects under government’s leadership

Public services

Public monopolies

Public assets (mining rights)

Privatizations and sales of public shares in private companies
Building the **PPI portfolio**

<table>
<thead>
<tr>
<th>1st PPI Council Meeting</th>
<th>2nd PPI Council Meeting</th>
<th>3rd PPI Council Meeting</th>
<th>5th PPI Council Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 13, 2016</td>
<td>Mar 7, 2017</td>
<td>Aug 23, 2017</td>
<td>Mar 19, 2018</td>
</tr>
<tr>
<td>34 Projects</td>
<td>55 Projects</td>
<td>55 Projects</td>
<td>31 Projects</td>
</tr>
<tr>
<td>17 (50%) Concluded</td>
<td>41 (75%) Concluded</td>
<td>16 (29%) Concluded</td>
<td>0 Concluded</td>
</tr>
<tr>
<td>17 In progress</td>
<td>14 In progress</td>
<td>39 In progress</td>
<td>31 In progress</td>
</tr>
</tbody>
</table>
Auctions and renewals carried out
Auctions and renewals carried out

**PPI Projects**
- 175
- 74 Auctioned/Renewed
- 42.2% of PPI portfolio in 22 months
- €34.4 billion Planned investments

**Airports**
- 4
- 4 concessions

**Port terminals**
- 13
- 3 Expansion
- 3 Biddings
- 8 Renewals

**Oil & Gas**
- 5
- 1 Concession for exploring areas with Marginal Fields Accumulations
- 2 Exploration and Production
- 2 Pre-salt sharing

**Power**
- 52
- 4 Biddings UHE
- 1 Renewal
- 1 Power Distribution (CELG-D)
- 42 Transmission Lots acquired
- 4 Transmission Lots without proposal

Source: Federal Government (Programa Avançar)
The big picture: auctions and renewals

Legend

- Airports
- Ports
- Power Transmission
- Distribution
- Generation

Source: Federal Government (Programa Avançar)
The big picture: auctions and renewals

14th Round – Potiguar Basin
14th Round – Sergipe-Alagoas Basin
14th Round – Recôncavo Basin
15th ROUND – Exploratory blocks
14th Round – Bacia do Paraná
14th Round – Santos Basin
4th Round of Marginal Fields
3rd Round – Production-sharing bids – Pre Salt layer
2nd Round – Production-sharing bids – Pre Salt layer

Legend

Oil and Gas

Source: Federal Government (Programa Avançar)
## Results of auctions

<table>
<thead>
<tr>
<th>Undertaking</th>
<th>Planned</th>
<th>Obtained</th>
<th>Average Premium</th>
<th>Investments (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport concessions</td>
<td>721 mi</td>
<td>891 mi</td>
<td>23,4%</td>
<td>1.59 bi</td>
</tr>
<tr>
<td>Port Terminals</td>
<td>3.6 mi</td>
<td>16.7 mi</td>
<td>364%</td>
<td>445 mi</td>
</tr>
<tr>
<td>Oil and Gas Concession</td>
<td>2.56 bi</td>
<td>4.31 bi</td>
<td>455,2%</td>
<td>24.42 bi</td>
</tr>
<tr>
<td>Privatization of Power (Distribution)</td>
<td>409 mi</td>
<td>524 mi</td>
<td>28%</td>
<td>814 mi</td>
</tr>
<tr>
<td>Extension of Generation Plant</td>
<td>2.64 bi</td>
<td>2.9 bi</td>
<td>9,7%</td>
<td>1.96 bi</td>
</tr>
</tbody>
</table>

Total investments expected in the auctions: € 34,38 Bilhões

<table>
<thead>
<tr>
<th>Sector</th>
<th>Planned RAP</th>
<th>RAP Obtained</th>
<th>Average discount</th>
<th>Investments (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Transmission Concession</td>
<td>1 bi</td>
<td>622 mi</td>
<td>38,01%</td>
<td>5.15 bi</td>
</tr>
</tbody>
</table>
Auctions and renewals in progress

PPI Projects

101

€ 34,45 billion
Planned investments
Auctions and renewals in progress

Highways
- 4 Biddings
- 4 Studies
- 8

Port Terminals
- 4 Renewals/Rebalancing
- 21 Biddings
- 25

Power
- 24 Transmission Lots
- UHE - 1 Extension
- 6 Distributors
- 1 Pre-salt sharing
- 1 Open Acreage
- 32

Oil & Gas
- 1 Privatization
- 2

Mining
- 4 Concession to exploitation of Mining areas
- 4

Airports
- 13 Concessions
- 4 shareholding selling
- 17

Railways
- 5 Renewals
- 3 Biddings
- 8

COMAER
- 1 Public-Private Partnership (PPP)
- 1

Lottery
- 1 Concession of the right to exploit
- 1

Currency House
- 1 Concession of the right to exploit
- 1

Supply
- 2

Source: Federal Government (Programa Avançar)
Logistics
1. MCP1 – Wood chip Santana Port
2. VDC 12 – Liquid Bulk Goods
3. (3) PAR 07, 08 and XX – Grains
   (5) BEL 02A, 02B, 04, 08 and 09
   (3) Mir 01, BEL 05 and BEL 06
4. IQI18 – Cellulose Itaqui Port
5. Liquid bulk goods terminal – Vitoria/ES
6. PAR01 – Cellulose and PAR12 – Vehicles Paranaguá Port
7. BR-040/MG/RJ, BR-116/RJ and BR-116/RJ/SP
8. BR-101/SC
9. BR-101/290/386/448/RS
10. BR364/365/GO/MG
11. BR -153/GO.TO
12. North-South Railway EF-151 SP/MG/GO/TO
13. Ferrogrão Railroad EF-170 MT/PA
14. BR-364/RO/MT
15. West-east Integration Railroad EF-334/BA
16. AE10, AE11 e AI01 – Liquid Bulk–Cabedelo Port/PB
17. STS 13 e STS13A – Liquid Bulk–Santos Port/SP
18. SUA 05 e SUA XX – containers and vehicles–Suape Port /PE

Source: PPI Secretariat.
Extensions qualified in PPI are intended to leverage new investments to improve production flow.
Highways
Highways – BR-101/290/386/448/RS - **Integração Sul – RIS**

- **Border SC/RS - Osório-RS**
- **Porto Alegre-RS**
- **Canoas-RS**

- **473 km long**
- **Traffic:** stretches with maximum daily traffic volume starting with 18 thousand vehicles/day in the 3rd year and reaching 35 thousand vehicles/day in the 30th year.
- **Planned Capex:** €2,03 billion
- **Planned Opex:** €1,58 billion
- **Concession period:** 30 years
- **Auction criterion:** lowest toll tariff
- **Importance:** it comprises corridors in Porto Alegre Metropolitan Area and surroundings that are already intense and need interventions.

Source: PPI Secretariat.
Highways – **BR-364/365 GO/MG**

- **Jataí-GO**
- **Uberlândia-MG**

- **Studies**
- **Public Consultation**
- **TCU Analysis**
- **Bid Notice** 2nd quarter/18
- **Auction** 3rd quarter/18

- 437 km long;
- Traffic: 4.4 thousand vehicles/day in the 1st year of concession;
- Planes Capex: € 488 million;
- Planned Opex: € 584 million;
- Concession period: 30 years;
- Auction criterion: lowest toll tariff;
- Importance: relevant corridor for flowing of the agroindustrial production from southeast Goiás and Triângulo Mineiro – connects already granted stretches of BR-050 and BR-153, providing access to Southeast market and to Santos Port.

Source: PPI Secretariat.
South of Palhoça/SC to border between SC and RS

- 220 km long
- Traffic: stretches with average of 24 thousand vehicles/day
- Planned Capex: € 982 million
- Planned Opex: € 1,08 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Relevance: Works will extend the highways capacity and provide a better level of service by reducing accidents and traffic jams and improving trafficability – that will definitely contribute to the region’s economic growth

Source: PPI Secretariat.
Juiz de Fora to Rio de Janeiro

Highways – BR-040/MG/RJ

• Brownfield project
• 180 km long
• Planes Capex: € 1,03 billion
• Traffic: average volume of 17 thousand vehicles/day
• The stretch is currently granted to CONCER. The current concession contract ends in March 2021
• Bidding for new concession before the end of the current contract
• Importance: it connects Rio de Janeiro and Juiz de Fora/MG. It is the main highway corridor between Minas Gerais and Rio de Janeiro states, in addition to being a relevant stretch of the radial highway that connects Brasília and Rio de Janeiro
• Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Source: PPI Secretariat.
Highways – BR-116/RJ (Santos Dumont Highway)

- **Brownfield project**
- **142.5 km long**
- **Planes Capex: € 790 million**
- **Traffic: average volume of 23 thousand vehicles/day**
- **The stretch is currently granted to CRT. The current concession contract ends in March 2021**
- **Bidding for new concession before the end of the current contract**
- **Importance: it is the only route, from Rio de Janeiro city, to by-pass Baia de Guanabara, providing access to Região dos Lagos, at the north of the state, and to North and Northeast regions of Brazil**
- **Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017**

Source: PPI Secretariat.
Highways – **BR-116/RJ/SP (Dutra)**

- Brownfield project
- 402 km long
- Planes Capex: €3,71 billion
- Traffic: average volume of 42 thousand vehicles/day
- The stretch is currently granted to CCR. The current concession contract ends in March 2021
- Bidding for new concession before the end of the current contract
- Importance: it connects two major metropolitan areas in the country (São Paulo and Rio de Janeiro). Besides, the highway is part of the main connection between the Northeast and South regions of the country, crossing 34 cities
- Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Source: PPI Secretariat.
Highways – BR-153/GO/TO

Anápolis to Aliança do Tocantins

- Brownfield project
- 624.8 km long (Simple Track: 589.2km and Double Track: 26.5km)
- The stretch is currently granted to Galvao SPE SA. Expiration due on 8/18/17
- Importance: it links the Mid-North of Brazil (states of Tocantins, Maranhão, Pará and Amapá) to the geo-economic region of the country. Due to this fact and in addition to the large flow of vehicles, the BR-153 is currently considered one of the main national integration highways in Brazil
- Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Source: PPI Secretariat.
• Brownfield project
• 806.3 km long (Simple Track: 783.9km and Double Track: 22.4km)
• Expected Capex: €1.92 billion
• Expected Opex: €718 million
• The stretch in question already has a high volume of traffic, expected to become a bottleneck with the expansion of agribusiness, in addition to being the only road link from Port Velho and the State of Acre to the other regions of Brazil.
• Importance: in addition to expanding road capacity by reducing transportation costs and travel time between the north-west of Mato Grosso and Port Velho, encourage the creation and consolidation of a new vector of grain outflows from the region’s production areas
• Feasibility studies will be developed by EPL – they were contracted in the 4th quarter of 2017

Source: PPI Secretariat.
Railways
• Backbone of the Brazilian railway system
• Length: 1,537 km
• Importance: it extends the railway connection of the country’s central region to ALL Malha Paulista (Santos port) and to North/Northeast Ports (Itaqui and future Vila do Conde)
• Porto Nacional/TO – Anápolis/GO (855 km): work concluded
• Ouro Verde/GO-Estrela D’oeste/SP (682 km): 90% executed by VALEC; conclusion: Feb/18
• Planned investment: € 661 mi
• Planned cargo: 1.2 million tons in 2019 and 22.9 million in 2045 (net and solid bulks and general cargo)
• Auction criterion: highest grant value – minimum € 390 million
• Concession period: 30 years
• Public Consultation published on 6/27/17 (Closed on 8/11/17)
Railways – Ferrogrão Railroad

EF-170
Lucas do Rio Verde-MT - Sinop-MT - Itaituba-PA

- New export railway corridor through Arco Norte
- Length: 1,142 km
- Importance: it aims at improving Middle-West agricultural production flow by connecting, in Pará state, to Miritituba Port.
- Greenfield undertaking
- Planned investment: € 3 billion
- Planned cargo: 25 million tons in 2020 and 42 million in 2050
- Auction criterion: higher grant value (under study)
- Concession period: 65 years
- Public Consultation 10/30/2017 – 12/15/2017

Source: PPI Secretariat.
Railways – **West-East Integration Railway (FIOL)**

- **EF-334 Ilhéus-BA - Caetité-BA**

  - **Length**: 537 km
  - **Importance**: It will flow iron ore produced in Caetité/BA region and grain production from Bahia west region (Minas da Bahia Mineração – BAMIN) through Porto Sul, port complex to be built in the city of Ilhéus/BA surroundings, under the responsibility of Bahia State Government. It can also establish connection of the mentioned Port with FNS.
  - **Current situation**: Works under VALEC responsibility. Physical advance of 70.3% and received around € 455 million in investments.
  - **Auction criterion**: Highest grant value (under study)
  - **Planned investment**: € 273 million to conclude works

Source: PPI Secretariat.
Railways – **Extension of the concession** period of 5 railways

**ALLMP, EFC, EFVM, FCA, MRS**

- Stretches granted in the second half of the 90s decade to private enterprise
- Early extension of contracts to make public interest investments in networks feasible
- Total length: 12,675 Km
- Movement: 457 million t/year (90% of annual movement of national railways)
- Estimated investment: € 5.99 billion
- Period: 30 years

- Malha Paulista public hearing closed (Contract expected to be signed: 2nd quarter/2018)
- MRS Logística: preparing for public hearing (Contract expected to be signed: 2nd quarter/2018)
- Ferrovia Centro-Atlântica S.A (Contract expected to be signed: 2nd quarter/2018)
- Estrada de Ferro Vitória a Minas (Contract expected to be signed: 2nd quarter/2018)
- Estrada de Ferro: preparing for public hearing (Contract expected to be signed: 2nd quarter/2018)
- All business plan will be evaluated by ANTT with the support of Accenture

Source: PPI Secretariat.
Ports
Ports – Lease of cellulose mill in the port of Paranaguá

- Greenfield project
- Terminal area: 28,000 m²
- Estimated investments: € 24,18 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1.3 million tons/year (general cargo)
- Amount to be invested: € 24 million

Source: PPI Secretariat.
Ports – Lease of vehicles terminal in the port of Paranaguá

- Greenfield project
- Terminal area: 170,200 m²
- Estimated investments: € 17 mi
- Contract period: 25 years
- Auction criterion: highest grant
- Capacity: 300 mil units/year (vehicles)

Source: PPI Secretariat.
Ports – Lease of terminal for handling general cargo (cellulose) in the port of Itaqui, Maranhão

• Greenfield project
• Terminal area: 53,000 m²
• Estimated investments: € 52,9 mi
• Contract term: 25 years
• Auction criterion: greatest grant
• Capacity: 1.5 million tons/ year (cellulose)

Source: PPI Secretariat.
Ports – Lease of terminal to move wood in the port of Santana, Amapá

- Brownfield project
- Terminal area: 22,000 m²
- Estimated investments: €14,36 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1 million tons/year (wood chip)

Source: PPI Secretariat.
PORTS – LPG Terminal in Miramar Port at Porto de Belém/PA

- Greenfield project
- Market: gas operation in the northern region
- Estimated investments: €12,21 million
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 82,8 Thousand tons/year
Ports – Lease of fuel-handling terminal at the Port of Belém/PA

- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years
- Auction criterion: greatest grant
- New capacity: under study

Source: PPI Secretariat.
Ports – Lease of fuel-handling terminal at the Port of Belém/PA

- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years
- Auction criterion: greatest grant
- New capacity: under study

Source: PPI Secretariat.
Ports – Lease of fuel-handling terminal at the Port of Belém/PA

- **BEL04 (Fuel)**

**Studies** ➔ **Public consultation** ➔ **TCU analysis** ➔ **Bid notice 3rd quarter/2018** ➔ **Auction 4th quarter/2018**

- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years
- Auction criterion: greatest grant
- New capacity: under study

Source: PPI Secretariat.
Ports – Lease of fuel-handling terminal at the Port of Belém/PA

- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years
- Auction criterion: greatest grant
- New capacity: under study

Source: PPI Secretariat.
Ports – Lease of fuel-handling terminal at the Port of Belém/PA

• Greenfield project
• Market: maintaining the operating conditions of the fuel market in the northern region
• Estimated investments: under study
• Contract term: 25 years
• Auction criterion: greatest grant
• New capacity: under study

Source: PPI Secretariat.
Ports – Lease of fuel-handling terminal at the Port of Vila do Conde/PA

- Greenfield project
- Market: increasing the number of players in the fuel market in the north.
- Estimated investments: €29 mi
- Contract term: 25 years
- Auction criterion: greatest grant
- New capacity: 4 million tons

Source: PPI Secretariat.
Ports – Lease of fuel-handling terminal in the Port of Vitória/ES

- Greenfield project
- Market: increased capacity to move fuels in the Greatest Vitória region, given the current capacity deficit.
- Estimated investments: € 40,7 mi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 4.3 million tons

Source: PPI Secretariat.
Ports – Lease of terminal for handling solid bulk goods in the Port of Paranaguá/PA

- Greenfield project
- Market: to meet the expected export demand in the Port of Paranaguá
- Estimated investments: € 78,5 mi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 5.1 million tons

Source: PPI Secretariat.
Ports – Lease of terminal for handling solid bulk goods in the Port of Paranaguá/PA

- Greenfield project
- Market: to meet the expected export demand in the Port of Paranaguá
- Estimated investments: € 95,76 mi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 4.6 million tons

Source: PPI Secretariat.
Ports – Lease of terminal for handling of solid bulk goods in the Port of Paranaguá/PA

**PARXX (Solid bulk)**

- Greenfield project
- Market: to meet the expected export demand in the Port of Paranaguá.
- Estimated investments: € 29,45 mi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 3 mi tons

Source: PPI Secretariat.
Decal, Copi/Itaqui, Agrovia/Suape

Ports – Early Renewals/ Rebalancing/ Authorization of 3 Port Terminals

- Extension of contracts with the goal of making public interest investments in the port sector viable.
- 3 Brownfield projects
- Total investments: approximately € 121,6 mi
- Term of renewal of contracts for Early Renewals:
  - COPI/ITAQUI (20 years)
- Rebalancing (2 contracts):
  - DECAL (50 years)
  - AGROVIA/SUAPE

Source: PPI Secretariat.
Ports – Lease of terminal for handling of liquid bulk at Cabedelo Port/ PB

- Brownfield project
- Terminal area: 18,344 m²
- Estimated investments: € 11,09 mi
- Contract Term: 35 years
- Auction criterion: greatest grant
- New capacity: 337 mil m³

Source: PPI Secretariat.
Ports – Lease of terminal for handling of liquid bulk at Cabedelo Port/ PB

- Brownfield project
- Terminal area: 20,465 m²
- Estimated investments: € 11,02 mi
- Contract Term: 25 years
- Auction criterion: greatest grant

Source: PPI Secretariat.
Ports – Lease of terminal for handling of liquid bulk at Cabedelo Port/ PB

- Brownfield project
- Terminal area: 18,275 m²
- Existing installations are already operating
- Contract Term: 25 years
- Auction criterion: greatest grant
- New capacity: 268 mil m³

Source: PPI Secretariat.
Ports – Lease of terminal for handling of liquid bulk at Santos / SP

- Brownfield project
- Terminal area: 59,500 m²
- Estimated investments: €47,4 million
- Auction criterion: greatest grant
- Tanks capacity: 97,720 m³

**Source:** PPI Secretariat.
Ports – Lease of terminal for handling of liquid bulk at Santos / SP

- Brownfield project
- Terminal area: 38,398 m²
- Estimated investments: € 26,57 mi
- Contract Term: 25 years
- Auction criterion: greatest grant
- Storage capacity: 47,100 m³

Source: PPI Secretariat.
Ports – Lease of containers handling terminal at Suape / PE

- Greenfield project
- Terminal area: 320,000 m²
- Estimated investments: € 215,45 mi
- Auction criterion: greatest grant
- Capacity: 1 million TEU/year

Source: PPI Secretariat.
Ports – Lease of vehicles handling terminal at Suape / PE

- Brownfield project
- Terminal area: 188,520 m²
- Estimated investments: €2,87 million
- Auction criterion: greatest grant

Source: PPI Secretariat.
Joining public and private efforts in order to achieve efficient solutions and to improve the quality of airport infrastructure.
Airports – Studies for bidding (Northeast cluster)

- Brownfield project
- Passenger flow: (2016) 12,11 million passengers/year
- Estimated investments: € 639 mi
- Estimated grants: € 493 mi
- Contract term: 30 years

Source: PPI Secretariat.
Airports – Studies for bidding (Midwest cluster)

- Várzea Grande, Rondonópolis, Alta-Floresta, Sinop and Barra do Garças/MT

- **Brownfield project**
- **Passenger flow:** (2016) 3.43 million passengers/year
- **Estimated investments:** €259 mi
- **Estimated grants:** €48,84 mi
- **Contract term:** 30 years

Source: PPI Secretariat.
Airports – (Southeast cluster)

Vitória/ES and Macaé/RJ

- Brownfield project
- Passenger flow: (2016) 3.44 million passengers/ year
- Estimated investments: €186.5 mi
- Contract term: 30 years

Source: PPI Secretariat.
Airports – Shareholding selling of Infraero’s stake (49%) in airport concessions

• Need to assess the rights of the Federal level emerging from Infraero’s shareholdings aiming to plan potential future revenues with disposal or expenses with contributions. This situation is exacerbated by the current fiscal situation;

• As a result, it is expected to provide the Federal Government with information to support the management of shareholdings.

Source: PPI Secretariat.
Concession of power plants and transmission line & privatization of a power utility company

Source: PPI Secretariat.
Eletrobras - Reorganization of the company will bring competitiveness and agility to the company’s operations management

- Model: privatization
- Conditions:
  I. financial return to the Federal government;
  II. meeting the highest governance requirements;
  III. limitation of the voting power of the shareholders with greater equity stake, in order to guarantee the democratization of Eletrobras’ capital control;
  IV. special share of the capital stock of Eletrobras to the Union, which grants it special powers in relation to changes in the corporate name, corporate objects or Eletrobras headquarters or companies controlled by it;
  V. offer of part of the shares representing the capital of Eletrobras to its employees and employees of the companies controlled by it directly or indirectly;
  VI. reduction of charges of the electric energy sector, with priority targeting for the costing of the Social Energy Tariff;
  VII. commercialization of electricity under an independent production regime;
  VIII. development of a program to revitalize the water resources of the São Francisco Basin, directly or indirectly through its subsidiary Companhia Hidro Elétrica do São Francisco - CHESF.
In addition to the privatization of the company, the project contemplates the granting of a concession agreement:

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 589,332 consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.
In addition to the privatization of the company, the project contemplates the granting of a concession agreement:

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 106,620 consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects
In addition to the privatization of the company, the project contemplates the granting of a concession agreement:

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 242,693 consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.
In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 1.17 million consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.
In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 1.045 million consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.
Power – Rondônia Hydroelectric Power Plants S.A. – CERON

CERON is responsible for the service of 52 municipalities in an area of 237,576 km². In addition, 9 isolated systems are served by means of thermal park based on diesel oil.

In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 589,332 consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.
CONCESSION OF 24 TRANSMISSION LINES
TRANSMISSION AUCTION Nº 2/2018

- Greenfield Projects
- Expansion Capacity: 13,866 MVA
- Transmission Lines Extension: 3,954 Km
- Estimated direct jobs: 19,298
- Contract Term: 30 years
- Studies development: ANEEL and MME / EPE
- Bidding Notice publication: 05/17/18
- Auction: 06/28/18
- Auction Criterion: lowest Annual Revenue Allowed (RAP)
- Maximum Annual Revenue Allowance (RAP): R$ 1.52 billion
- Planned lots: 24 lots
- Total investments expected: € 2,11 bi

Fonte: Secretaria do PPI
Oil and Gas
Projects that are strong drivers of the economy, a sector that represents almost 15% of the national GDP.

Pre-salt reform approved in 2016 has opened the sector.

Source: PPI Secretariat.
4th round of bidding
Sharing regime of Pre-salt production

Minimum grant: € 766 million
Expected Investments: € 181,94 million

Source: PPI Secretariat.
Oil & Gas – Bidding round

Open Acreage (Marginal Accumulation fields)

- Discourse of the blocks
- Appraisal areas by interested agents
- Discourse of the rules (permanente)
- Disclosure technical and economic parameters
- Beginning of the inscriptions
- Offers presentation

Source: PPI Secretariat.
Mining Rights
New sector under concessions, mining allows the opening of attractive investment fronts
Mining – 4 CPRM mining assets

Phosphate (Miriri-PE/PB); Copper, Lead and Zinc (Palmeirópolis-TO); Coal (Candiota-RS); Copper(Bom Jardim-GO)

- Miriri: There is a strong demand for phosphate in Brazil today, and the country imports about 43% of what it consumes, which is basically used in the agricultural sector.
- Palmeirópolis: These are small areas, but with high potential for increasing reserves and good location of infrastructure (being served by roads and railways).
- Candiota: coal has its main use for thermoelectric plants in the region (such as President Médice Thermoelectric Power Plant). Other thermoelectric plants are being deployed nearby, some in the licensing phase.
- Bom Jardim: Copper from Bom Jardim de Goiás can bring great importance to the local and national economy, especially for its applicability in civil construction (hydraulic installations, gas, firefighting, reservoirs, electrical connectors, among others).

Conclusion of studies (forecast): Feb/2018
Criteria to be defined

The mineral deposits qualified in the PPI are in intermediate to advanced stage of research. The areas count on research projects approved by DNPM.
Concession
This lottery mode, “Raspadinha” (scratch card), as it is popularly known, has significant potential for commercialization in the country.

- The Exclusive Instant Lottery (LOTEX) was created by Federal Law No. 13.155/15
- Agencies involved: Ministry of Finance
- Responsible for the studies: BNDES
- Completion of studies: Aug/ 17
- TCU analysis
- Auction criterion: greatest grant

Source: PPI Secretariat.
Public-Private Partnership
Public Private Partnership (PPP) for Brazilian Air Force’s networks integrates management in an administrative mode with favorable value for money.

Source: PPI Secretariat.
• 1st Federal PPP of Direct Administration (Federal Act no. 11.079, 2004)
• Model: Administrative Concession
• Term: 25 years
• CAPEX: € 261 mi
• OPEX: € 524 mi
• Auction criterion: Lowest Monthly payment by the Public Administration
• Maximum Monthly public Administration Payment: R$ 15.2 million
• Guarantee Payment Consideration: FGIE/ ABGF – 6 monthly public administration payments
State supply companies
New sectors within the scope of the concessions that allow the opening of attractive investment fronts
CASEMG – Company of Warehouses and Silos of Minas Gerais

- Bodies involved: Ministry of Agriculture, Livestock and Supply
- A mixed-capital company, 92.29% of it belong to the Federal Government
- Has 18 storage units (4.3% of static storage capacity of MG)
- In the period from 2011 to 2016 the company presented a cumulative loss of €4 mi

Source: PPI Secretariat.
• Bodies involved: Ministry of Agriculture, Livestock and Supply
• CEASAMINAS: a mixed capital company, with a registered capital on 12/31/15 of €6,22 mi, represented by 5 nominative common shares – 99.57% owned by the Federal Government.
• 6 warehouses in MG: counties of Contagem, Juiz de Fora, Caratinga, Governador Valadares, Uberlândia and Barbacena.
• In 2016, 2.5 million tons of products were marketed in the 6 warehouses.

Source: PPI Secretariat.
CMB – Brazilian Currency House

- Agencies involved: The Ministry of Finance
- Main sources of revenue:
  - contracts entered into between the company and the Central Bank of Brazil (BCB) for the supply of banknotes and coins, respectively, in the amounts of €66.8 million and €65.2 million, totaling €132 million.
  - other incomes are provided by the CMB, as well as services rendered to the Federal Police Department (€41.2 million) and to the Ministry of Foreign Affairs (€5.06 million).
  - beverage Production Control System (SICOBE): the largest source of revenue of CMB. In 2016, this product accounted for more than 62% of the company’s gross sales.

Source: PPI Secretariat.
Closing remarks
Governance, transparency and participation

Redemption of political power (ministries) and technical capacity (regulators)

Legal and environmental security, rationality, accountability and predictability

Ensure competitiveness and public interest

Monitoring and improvement
The PPI Secretariat (Executive Department of Investment Partnerships Program) is in line with international best practices and should remain well structured, both financially and in terms of human resources.

When a project is qualified for the Investment Partnerships Program it's defined as a NATIONAL PRIORITY.
Investment Partnerships Program

Presidency’s General Secretariat
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