



**Avançar**

▶ ▶ **Parcerias**

**avançar**  
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# What is **PPI**?

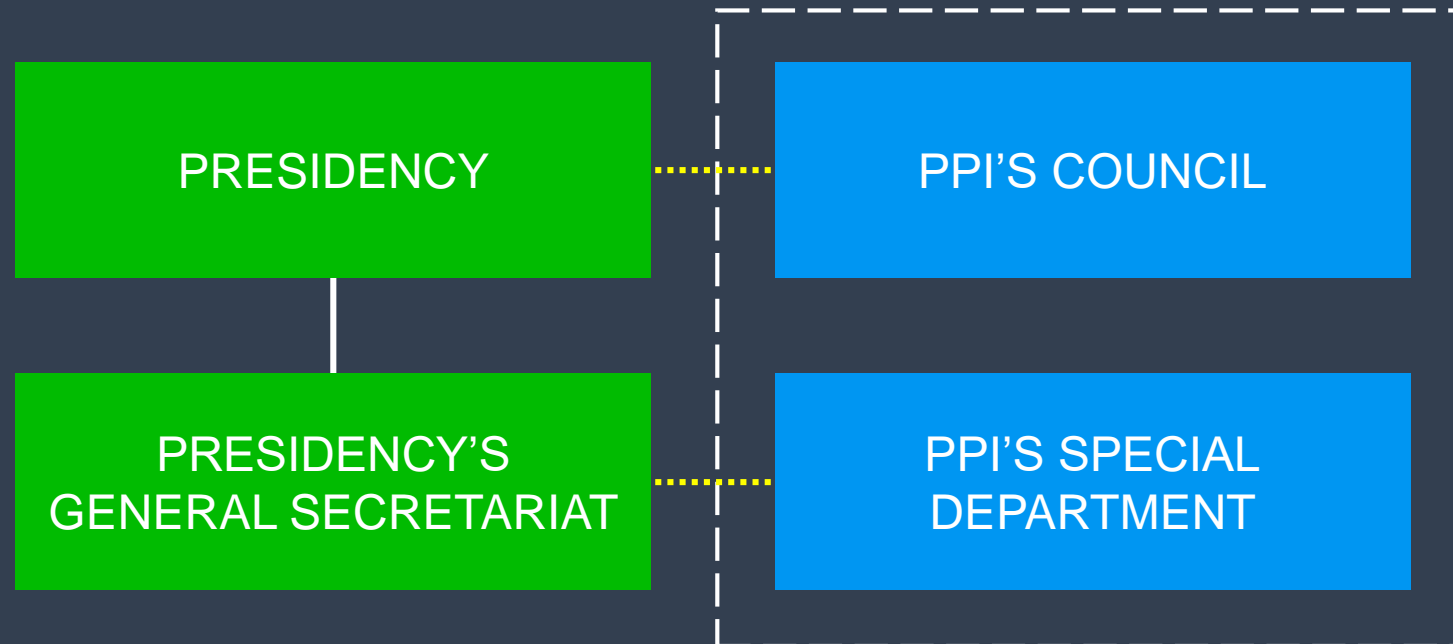
The Investment Partnerships Program (PPI) was launched in May 2016, aiming to coordinate and supervise concessions and privatizations of Federal Government infrastructure projects.

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 STRUCTURE



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

# New governance scenario in Brazil

## 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

# Dialogue and long-term vision

## Dialogue

The “empathy approach”

- 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)

## Long-term vision

The main concern about “Continuity”

EPL – Logistics Planning Company

Regulatory Agencies Restructuring

The National Logistics Plan (PNL in Portuguese)

# Project's progress timeline

*studies* ➤ *public consultation* ➤ *TCU analysis* ➤ *bidding notice* ➤ *auction* ➤ *contract signature*

9 to 12 months

45 days

60 days

100 days

90 days

180 days

← PPI governance and coordination →

# Projects under **government's leadership**

## Public services



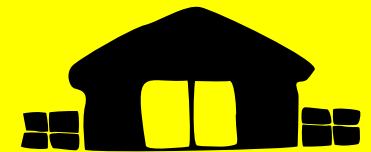
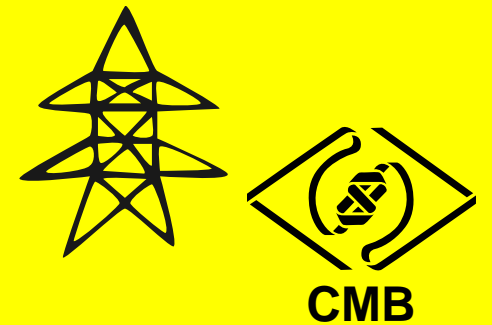
## Public monopolies



## Public assets (mining rights)



## Privatizations and sales of public shares in private companies



# Building the PPI portfolio

1<sup>st</sup> PPI Council Meeting  
Sep 13, 2016

**34**

Projects

**17 (50%)**  
Concluded

**17**  
In progress

2<sup>nd</sup> PPI Council Meeting  
Mar 7, 2017

**55**

Projects

**41 (75%)**  
Concluded

**14**  
In progress

3<sup>rd</sup> PPI Council Meeting  
Aug 23, 2017

**55**

Projects

**16 (29%)**  
Concluded

**39**  
In progress

5<sup>th</sup> PPI Council Meeting  
Mar 19, 2018

**31**

Projects

**0**  
Concluded

**31**  
In progress





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**

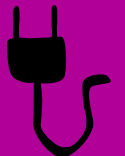
**5**

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



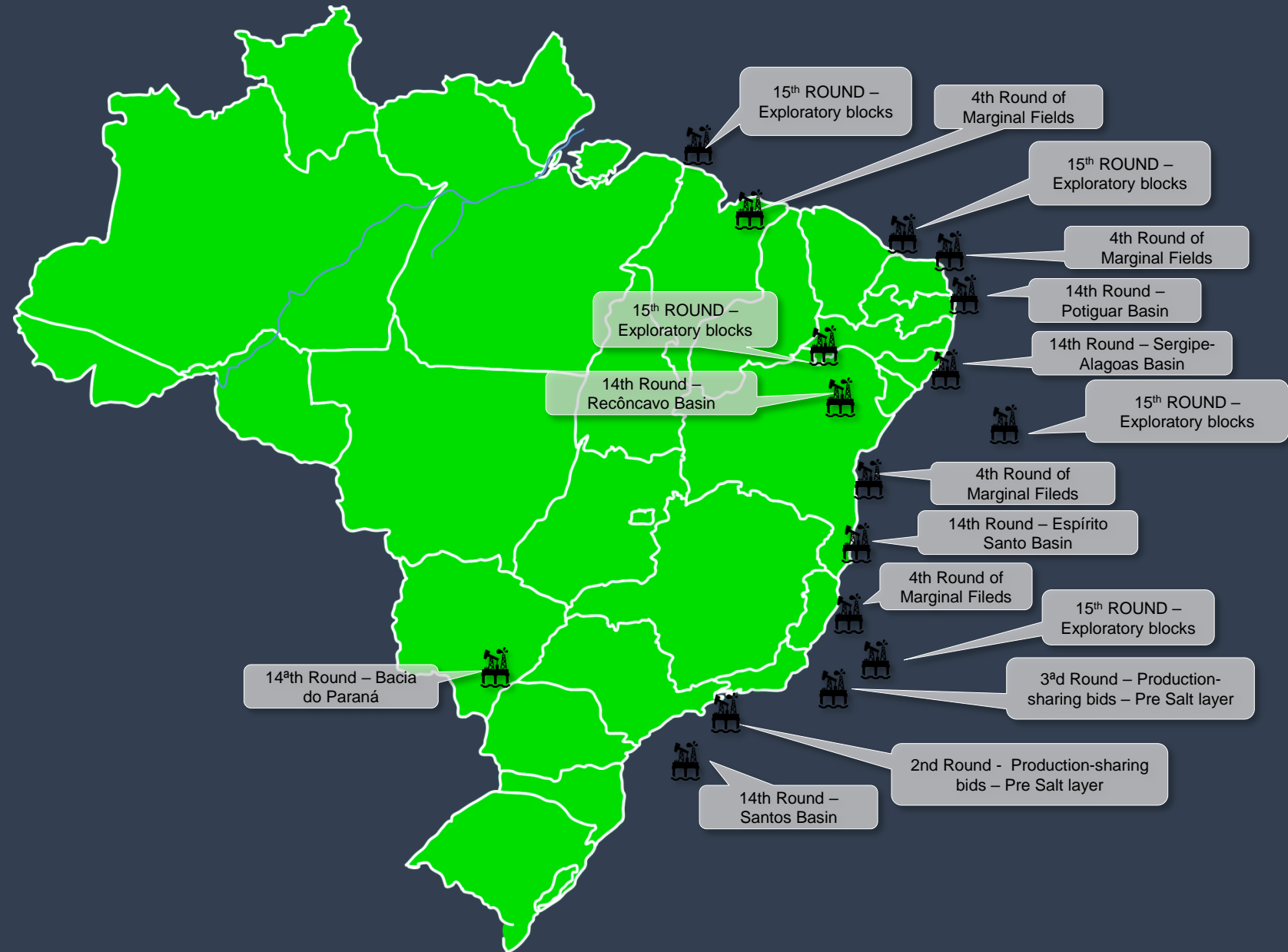
# The big picture: **auctions and renewals**



## Legend

-  Airports
-  Ports
-  Power Transmission
-  Distribution
-  Generation

# The big picture: **auctions and renewals**



## Legend



Oil and Gas

# Results of **auctions**

Undertaking	Grant / Bonus (€)			Investments (€)
	Planned	Obtained	Average Premium	
Airport concessions	721 mi	891 mi	23,4%	1.59 bi
Port Terminals	3.6 mi	16.7 mi	364%	445 mi
Oil and Gas Concession	2.56 bi	4.31 bi	455,2%	24.42 bi
Privatization of Power (Distribution)	409 mi	524 mi	28%	814 mi
Extension of Generation Plant	2.64 bi	2.9 bi	9,7%	1.96 bi
	<b>6.33 bi</b>	<b>8.64 bi</b>		<b>29.23 bi</b>

Sector	Discount (€)			Investments (€)
	Planned RAP	RAP Obtained	Average discount	
Power Transmission Concession	1 bi	622 mi	38,01%	5.15 bi

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



PPI Projects

**101**

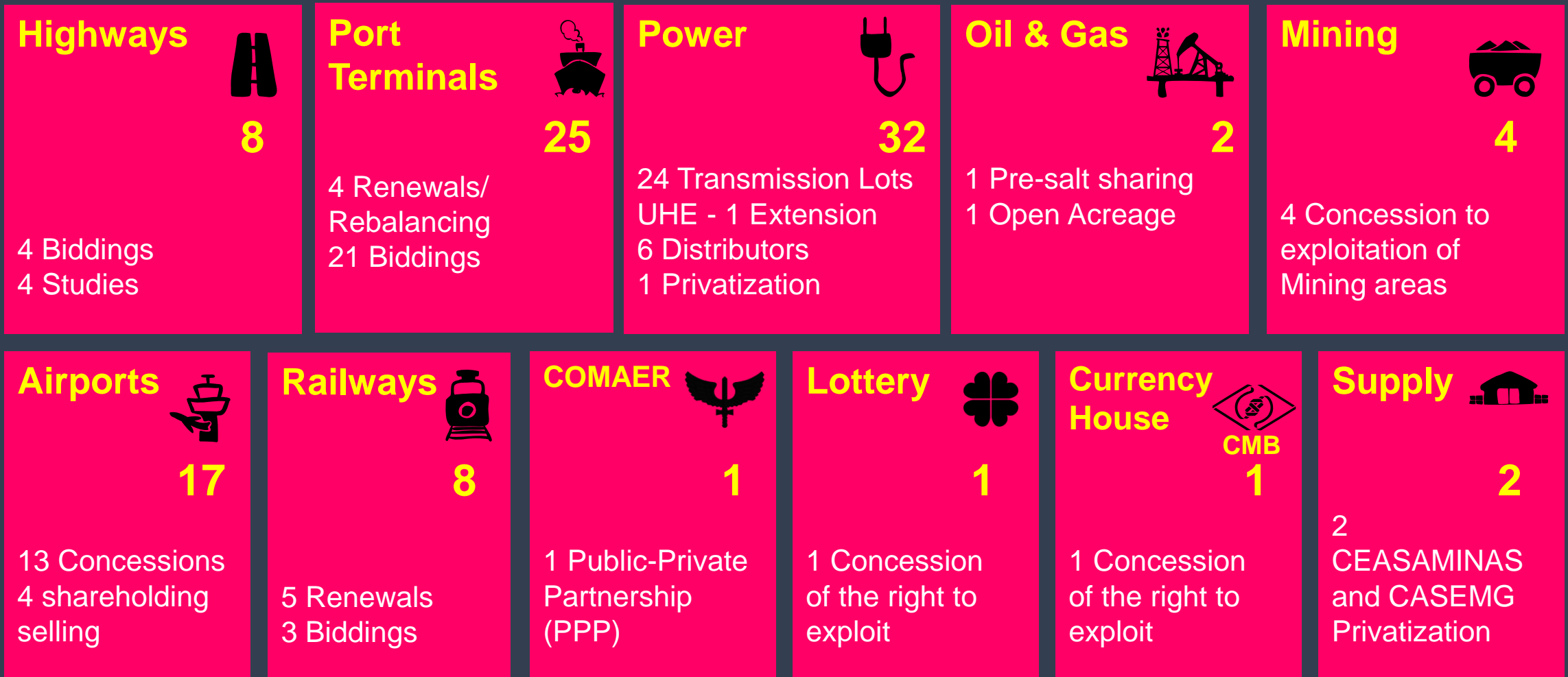
**€ 34,45 billion**

Planned investments

Auctions and renewals

**in progress**

# Auctions and renewals **in progress**



Source: Federal Government (Programa Avançar)

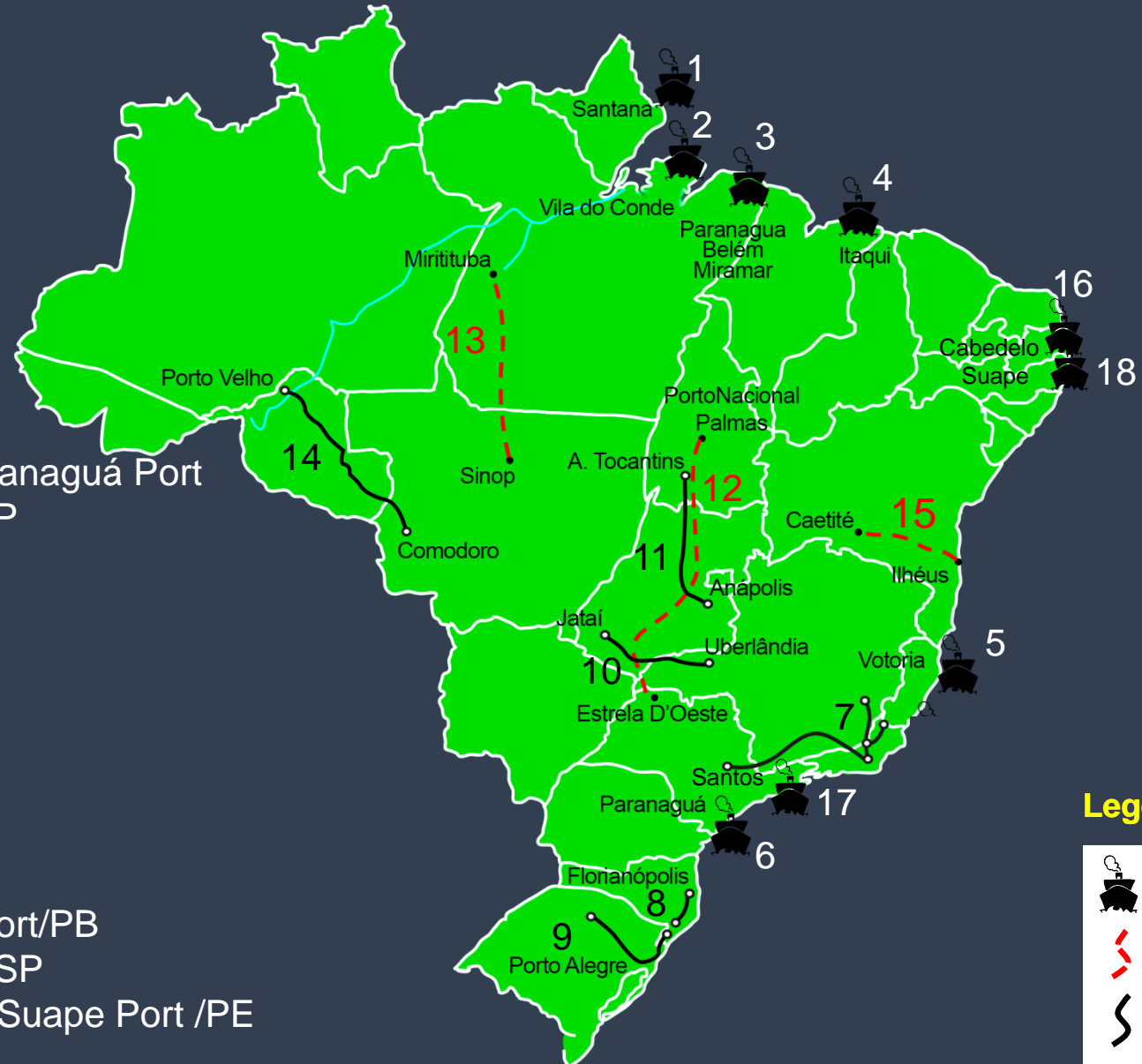


# Logistics






# The big picture: **auctions and renewals**

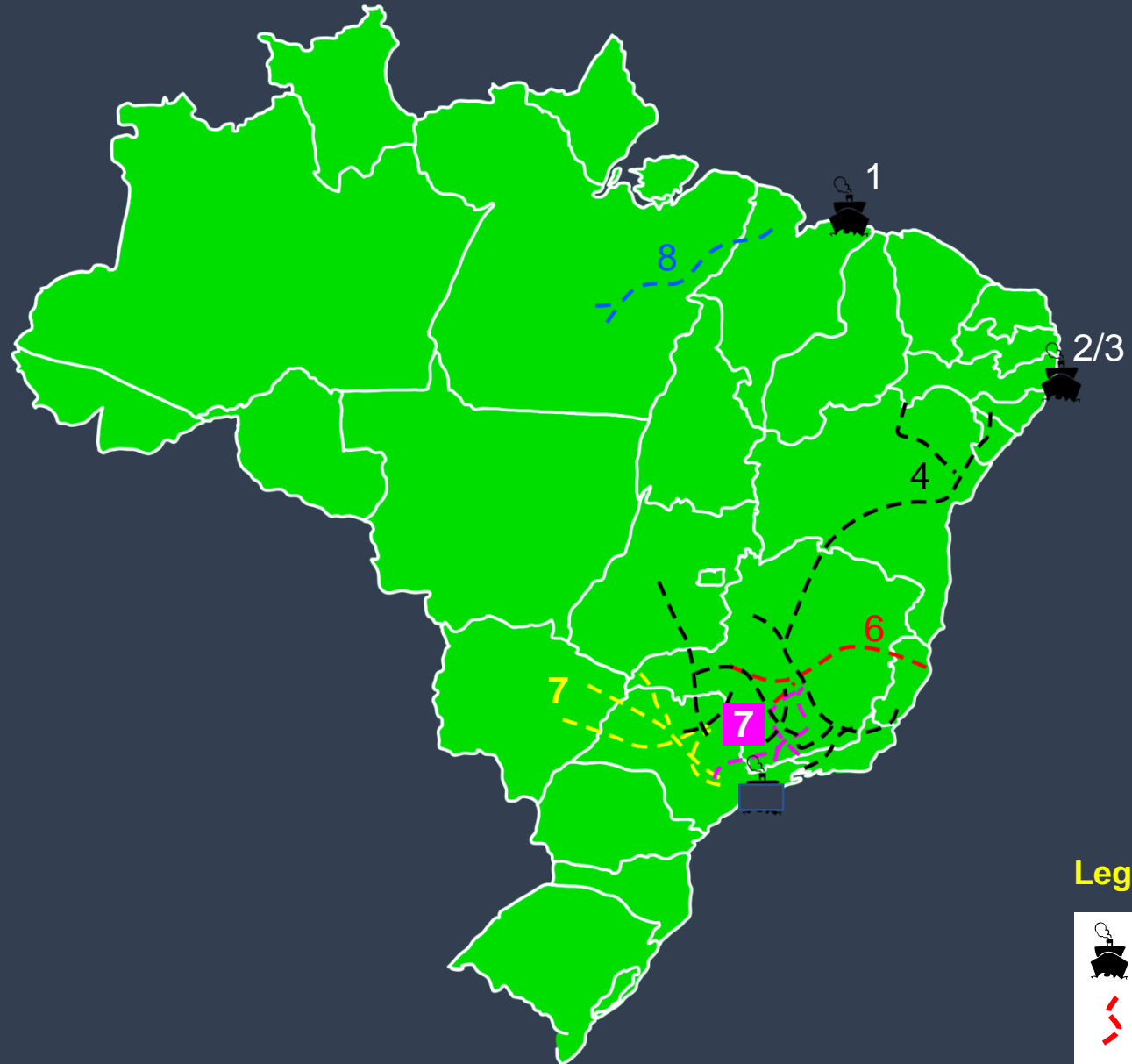
1. MCP1 – Wood chip Santana Port
2. VDC 12 – Liquid Bulk Goods
3. (3) PAR 07, 08 and XX – Grains  
(5) BEL 02A, 02B, 04, 08 and 09  
(3) Mir 01, BEL 05 and BEL 06
4. IQI18 – Cellulose Itaquí Port
5. Liquid bulk goods terminal – Vitória/ES
6. PAR01 – Cellulose and PAR12 – Vehicles Paranaguá Port
7. BR-040/MG/RJ, 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



## Legenda

-  Ports
-  Railways
-  Highways

Extensions qualified in PPI are intended to **leverage new investments** to improve production flow



1. ITAQUI – Renewal
2. Port Terminal – DECAL
3. SUAPE – Authorization
4. FCA – CenterAtlantic Railway
5. EFVM – VitóriaMinas Railway
6. ALLMP – São Paulo Railway Network
7. MRS Logística
8. EFC – Carajás Railway

#### Legend

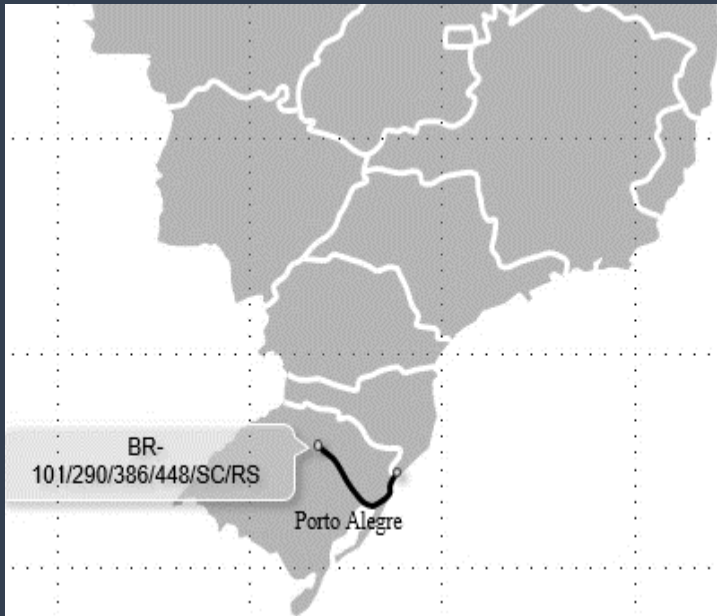
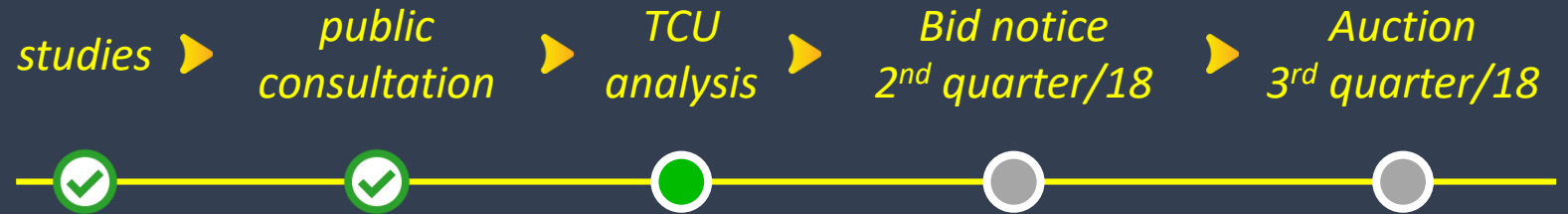
-  Ports
-  Railways



# Highways

# Highways – BR-101/290/386/448/RS - **Integração Sul – RIS**

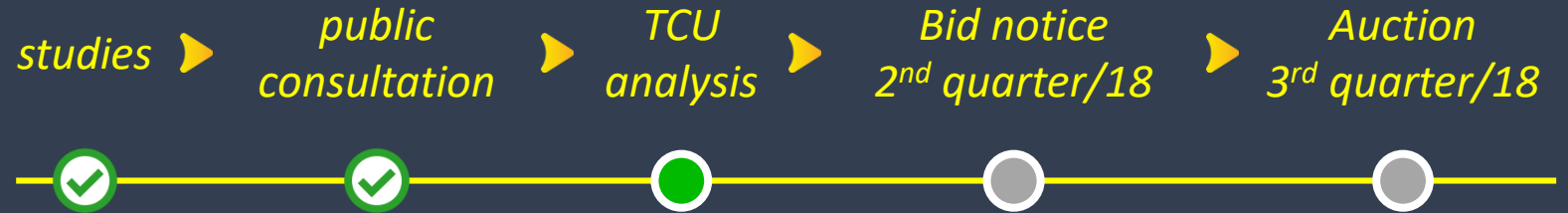
Border SC/RS - Osório-RS  
Porto Alegre-RS  
Canoas-RS



- 473 km long
- Traffic: stretches with maximum daily traffic volume starting with 18 thousand vehicles/day in the 3<sup>rd</sup> year and reaching 35 thousand vehicles/day in the 30<sup>th</sup> 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.

# Highways – **BR-364/365** GO/MG

Jataí-GO  
Uberlândia-MG



- 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.

# Highways – BR-101 SC

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



# Highways – **BR-040/MG/RJ**

Juiz de Fora to Rio de Janeiro



- Brownfield project
- 180 km long
- Planes Capex: € 1,03 billion
- Traffic: average volume of 17 thousand vehicles/day
- The stretch is currently granted to CONCERT. 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

# Highways – BR-116/RJ (**Santos Dumont Highway**)

BR-116/RJ  
Além Paraíba to  
BR-040



- 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 Baía 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 4<sup>th</sup> quarter of 2017



# Highways – **BR-116/RJ/SP (Dutra)**

Rio de Janeiro to  
São Paulo



- 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

# 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 4<sup>th</sup> quarter of 2017

# Highways – **BR-364/RO/MT**

## BR-364 - Porto Velho to Comodoro



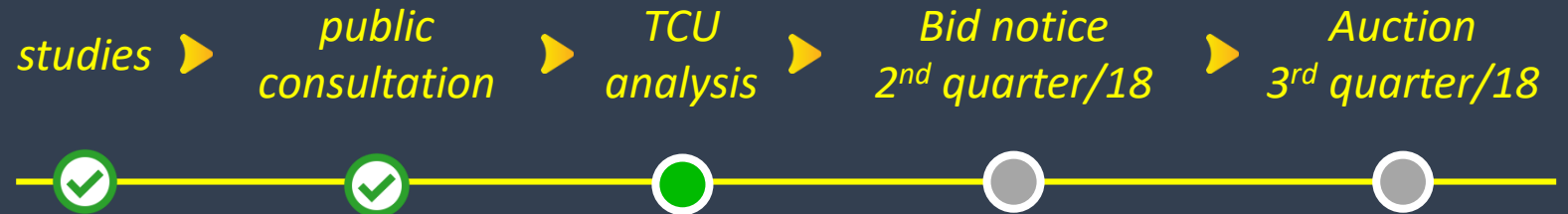
- Brownfield project
- 806.3 km long (Simple Track : 783.9km and Double Track: 22.4km)
- Expected Capex: € 1,92 billion
- Expected Opex: € 718 million
- The stretch in question already has a high volume of traffic, expected to become bottleneck with the expansion of agribusiness, in addition to being 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 4<sup>th</sup> quarter of 2017



# Railways

# Railways – North-South

EF-151  
Porto Nacional-TO -  
Estrela D'Oeste-SP



- 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

# 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

# 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)

	Business Plan	Public Consultation
Malha Paulista	✓	✓
MRS Logística	●	●
Ferrovia Centro-Atlântica S.A	●	●
Estrada de Ferro Vitória a Minas	●	●
Estrada de Ferro	●	●

- All business plan will be evaluated by ANTT with the support of Accenture





# Ports

# Ports – Lease of cellulose mill in the port of Paranaguá

PAR01



- Greenfield project
- Terminal area: 28,000 m<sup>2</sup>
- 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



# Ports – Lease of vehicles terminal in the port of Paranaguá

PAR12



- Greenfield project
- Terminal area: 170,200 m<sup>2</sup>
- Estimated investments: € 17 mi
- Contract period: 25 years
- Auction criterion: highest grant
- Capacity: 300 mil units/year (vehicles)

# Ports – Lease of terminal for handling general cargo (cellulose) in the port of Itaqui, Maranhão

IQ18



- Greenfield project
- Terminal area: 53,000 m<sup>2</sup>
- Estimated investments: € 52,9 mi
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1.5 million tons/ year (cellulose)

# Ports – Lease of terminal to move wood in the port of Santana, Amapá

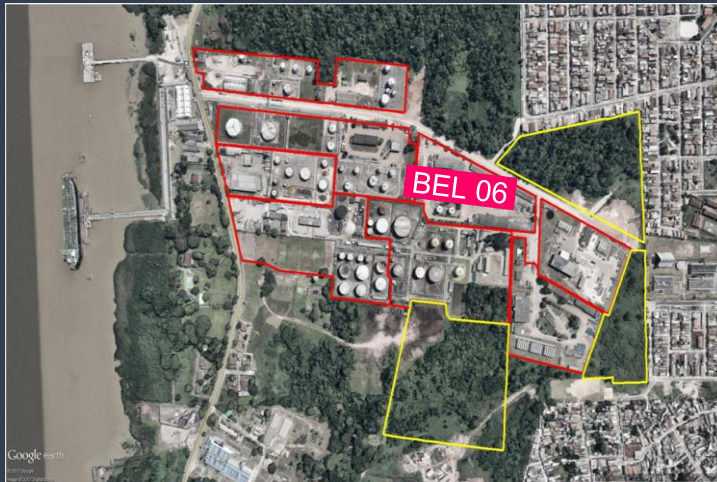
MCP1



- Brownfield project
- Terminal area: 22,000 m<sup>2</sup>
- Estimated investments: € 14,36 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1 million tons/ year (wood chip)

# PORTS – LPG Terminal in Miramar Port at Porto de Belém/PA

BEL06 (GLP)



- 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

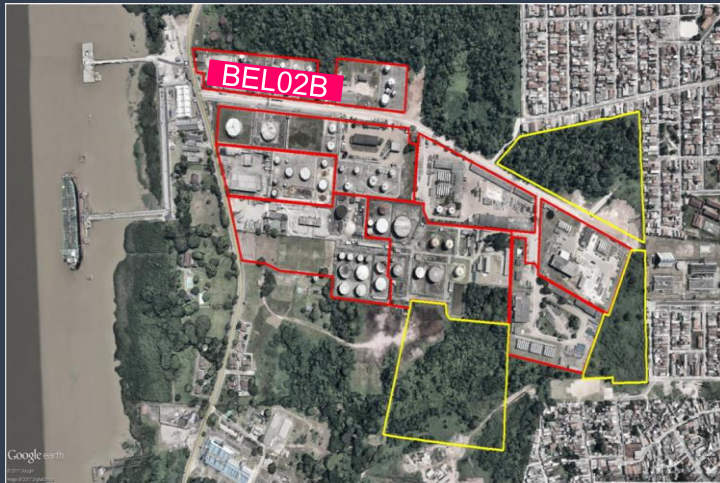
BEL02A (Fuel)



- 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

# Ports – Lease of fuel-handling terminal at the Port of Belém/PA

BEL02B (Fuel)

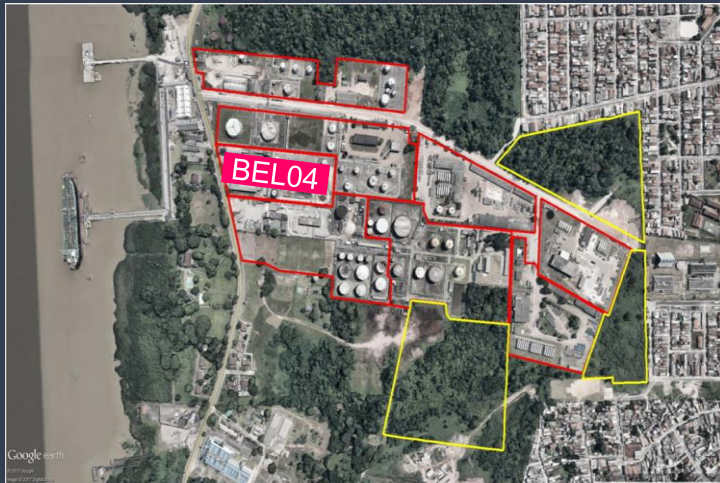


- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years
- Auction criterion: greatest grant
- New capacity: under study



# Ports – Lease of fuel-handling terminal at the Port of Belém/PA

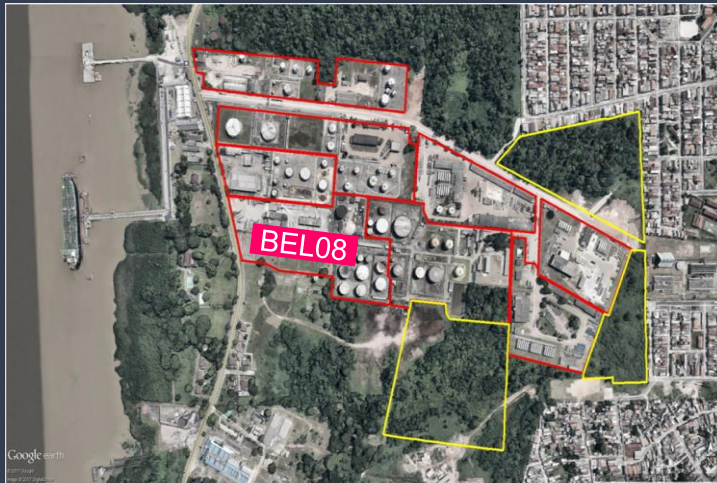
BEL04 (Fuel)



- 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

# Ports – Lease of fuel-handling terminal at the Port of Belém/PA

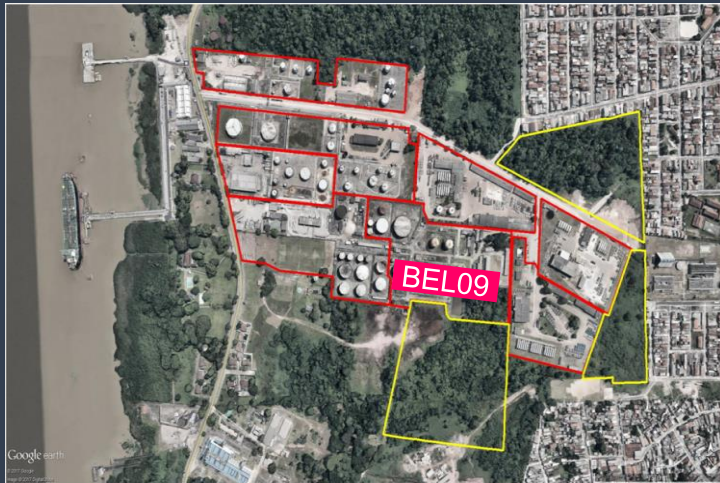
BEL08 (Fuel)



- 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

# Ports – Lease of fuel-handling terminal at the Port of Belém/PA

BEL09 (Fuel)



- 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

# Ports – Lease of fuel-handling terminal at the Port of Vila do Conde/PA

VDC12 (Fuel)



- 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

# Ports – Lease of fuel-handling terminal in the Port of Vitória/ES

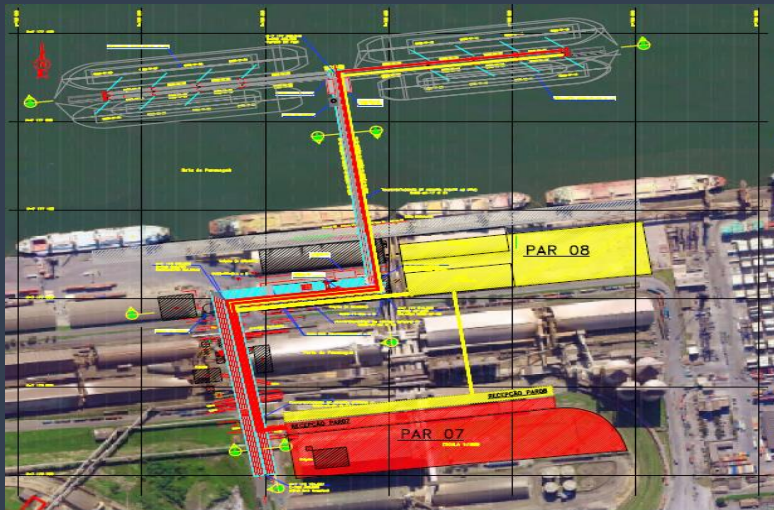
TGL (Fuel)



- 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

# Ports – Lease of terminal for handling solid bulk goods in the Port of Paranaguá/PA

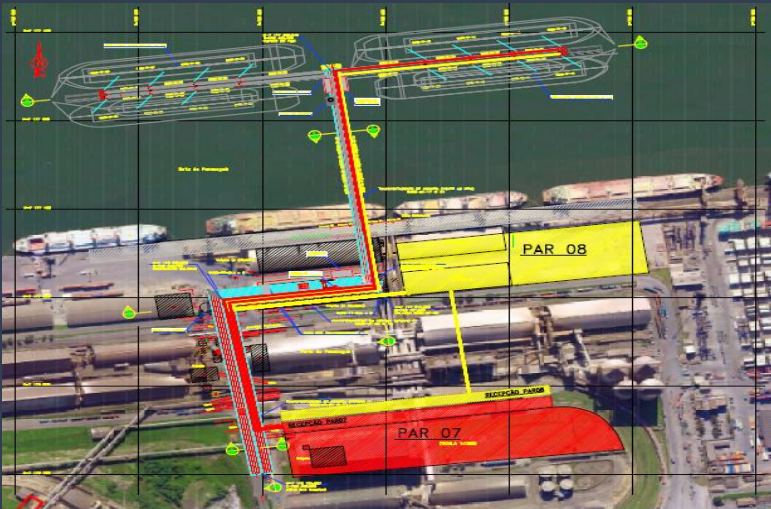
PAR07  
(Solid bulk)



- 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

# Ports – Lease of terminal for handling solid bulk goods in the Port of Paranaguá/PA

PAR08  
(Solid bulk)



- 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

# Ports – Lease of terminal for handling of solid bulk goods in the Port of Paranaguá/PA

PARXX  
(Solid bulk)

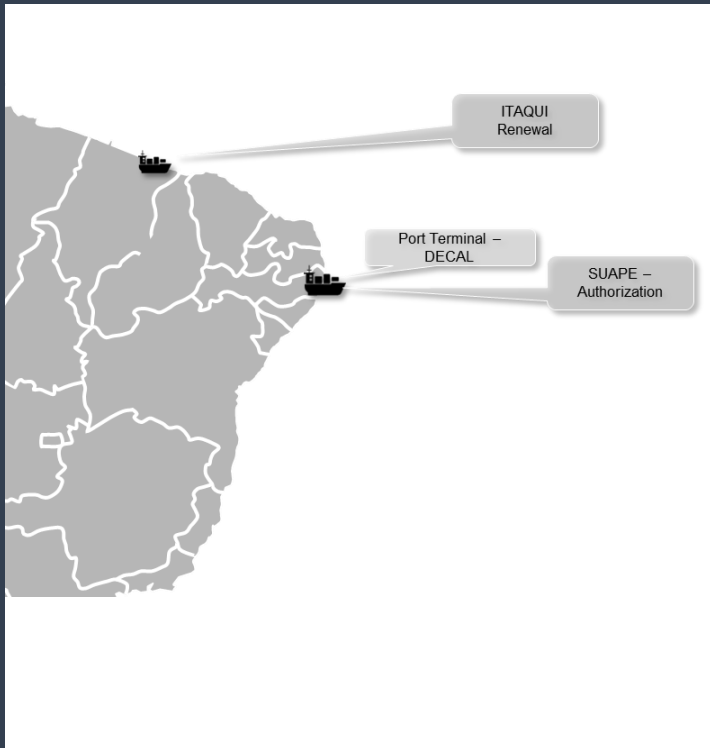


- Greenfield project
- Market: to meet the expected export demand in the Port of Paranaguá.
- Estimated investments: € 29,45 mi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 3 mi tons



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

Decal, Copi/Itaqui,  
Agrovia/Suape



- 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

# Ports – Lease of terminal for handling of liquid bulk at Cabedelo Port/ PB

AE10

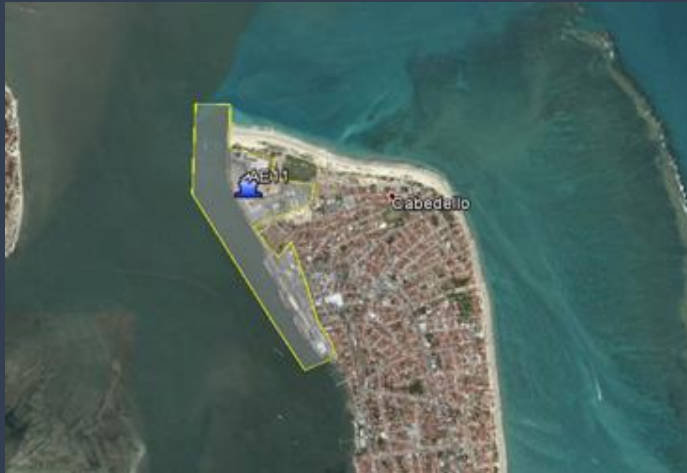


- Brownfield project
- Terminal area: 18.344 m<sup>2</sup>
- Estimated investments: € 11,09 mi
- Contract Term: 35 years
- Auction criterion: greatest grant
- New capacity: 337 mil m<sup>3</sup>



# Ports – Lease of terminal for handling of liquid bulk at Cabedelo Port/ PB

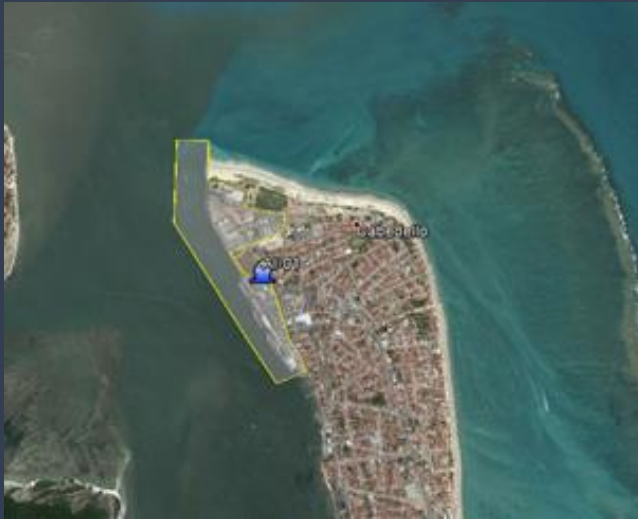
AE11



- Brownfield project
- Terminal area: 20.465 m<sup>2</sup>
- Estimated investments: € 11,02 mi
- Contract Term: 25 years
- Auction criterion: greatest grant

# Ports – Lease of terminal for handling of liquid bulk at Cabedelo Port/ PB

AI01



- Brownfield project
- Terminal area: 18.275 m<sup>2</sup>
- Existing installations are already operating
- Contract Term: 25 years
- Auction criterion: greatest grant
- New capacity: 268 mil m<sup>3</sup>

# Ports – Lease of terminal for handling of liquid bulk at Santos / SP

STS 13



- Brownfield project
- Terminal area: 59.500 m<sup>2</sup>
- Estimated investments: € 47,4 mi
- Auction criterion: greatest grant
- Tanks capacity: 97.720 m<sup>3</sup>

# Ports – Lease of terminal for handling of liquid bulk at Santos / SP

STS 13A



- Brownfield project
- Terminal area: 38.398 m<sup>2</sup>
- Estimated investments: € 26,57 mi
- Contract Term: 25 years
- Auction criterion: greatest grant
- Storage capacity: 47.100 m<sup>3</sup>

## Ports – Lease of containers handling terminal at Suape / PE

SUA 05



- Greenfield project
- Terminal area: 320.000 m<sup>2</sup>
- Estimated investments: € 215,45 mi
- Auction criterion: greatest grant
- Capacity: 1 million TEU/year

# Ports – Lease of vehicles handling terminal at Suape / PE

SUA XX



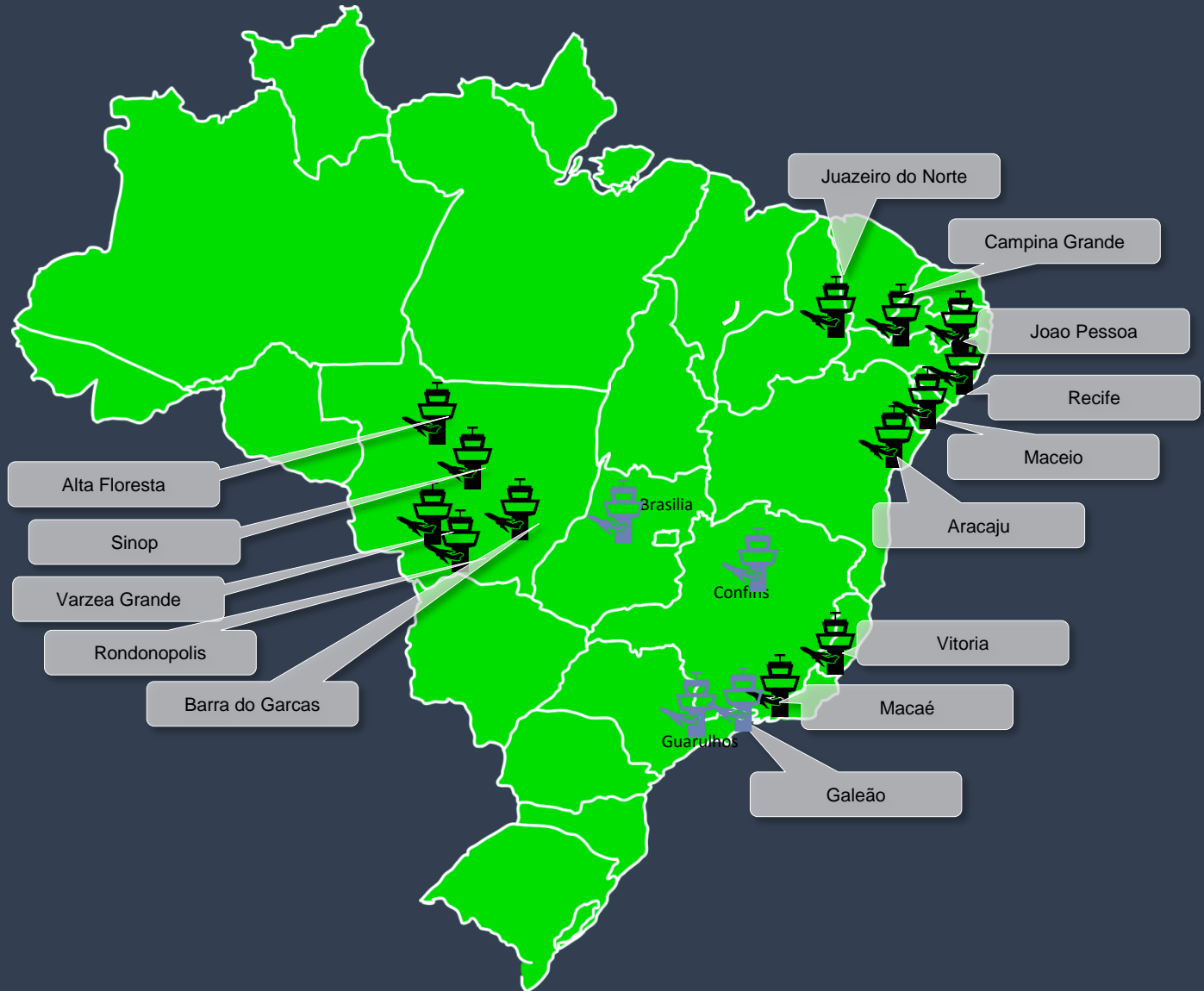
- Brownfield project
- Terminal area: 188.520 m<sup>2</sup>
- Estimated investments: € 2,87 mi
- Auction criterion: greatest grant





# Airports

# Joining public and private efforts in order to achieve efficient solutions and to improve the quality of airport infrastructure



## Legend



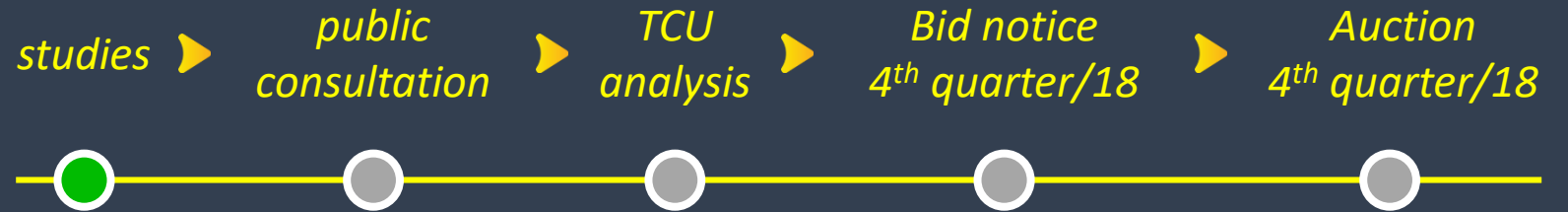
Airports  
(biddings)



Airports  
(shareholding  
selling)

# Airports – Studies for bidding (**Northeast cluster**)

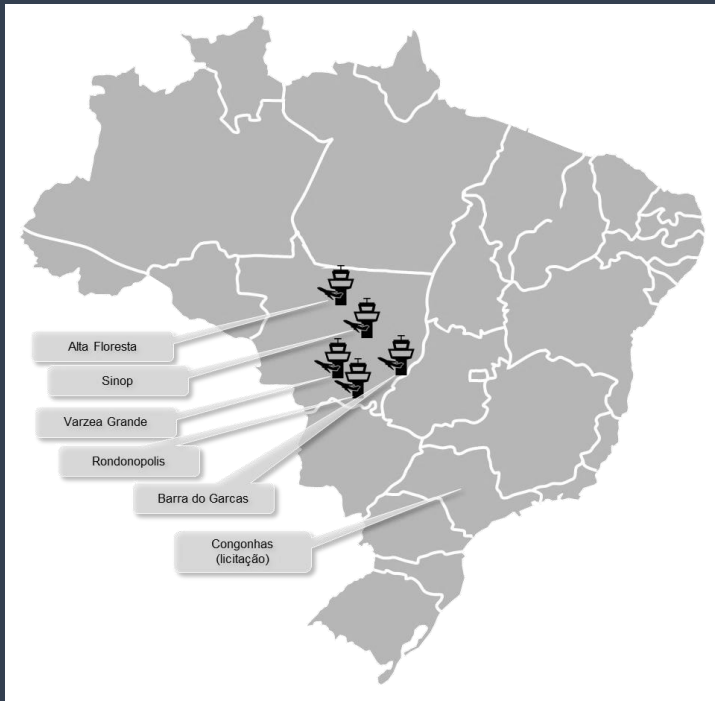
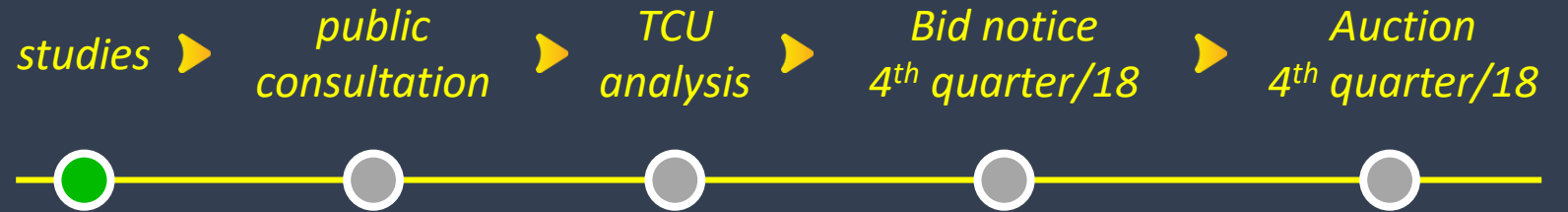
Recife/PE, Maceió/AL,  
João Pessoa/PB, Campina  
Grande/PB, Aracaju/SE and  
Juazeiro do Norte/CE



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

# 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

## 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

# Airports – Shareholding selling of Infraero's stake (49%) in airport concessions

Brasília/DF, Confins/MG,  
Galeão/RJ &  
Guarulhos/SP

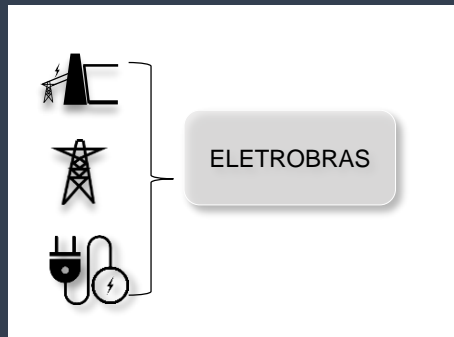


- Need to assess the rights of the Federal level emerging from Infraero's shareholdings aiming to plan potential future revenues with disposal or expenses with contributions. This situation is exacerbated by the current fiscal situation;
- As a result, it is expected to provide the Federal Government with information to support the management of shareholdings.

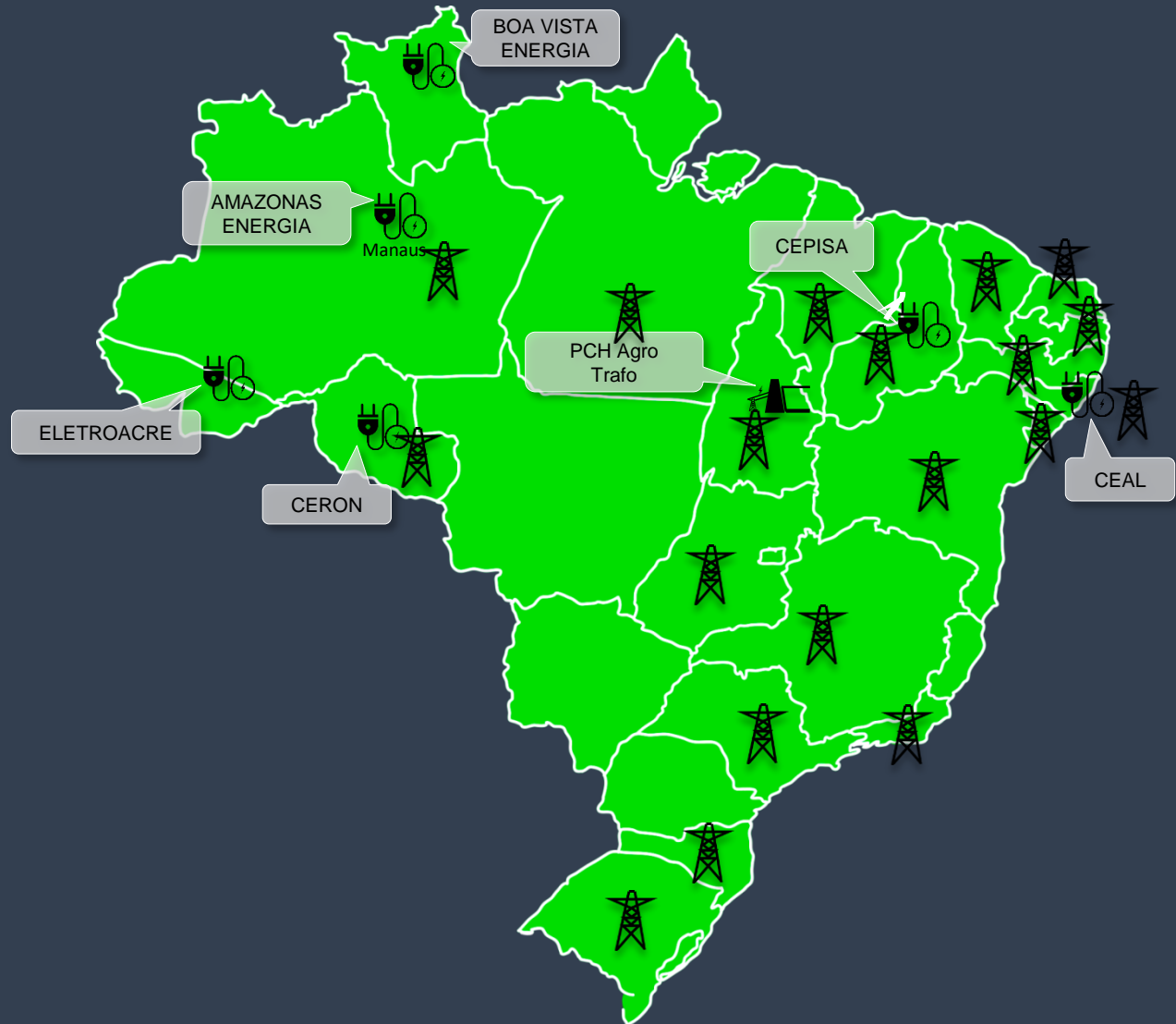
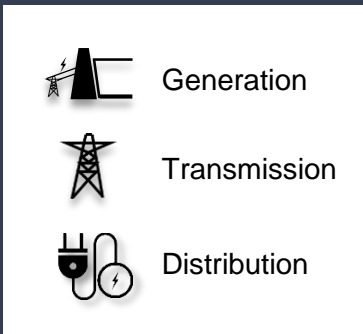


**Energy**

# Concession of power plants and transmission line & privatization of a power utility company



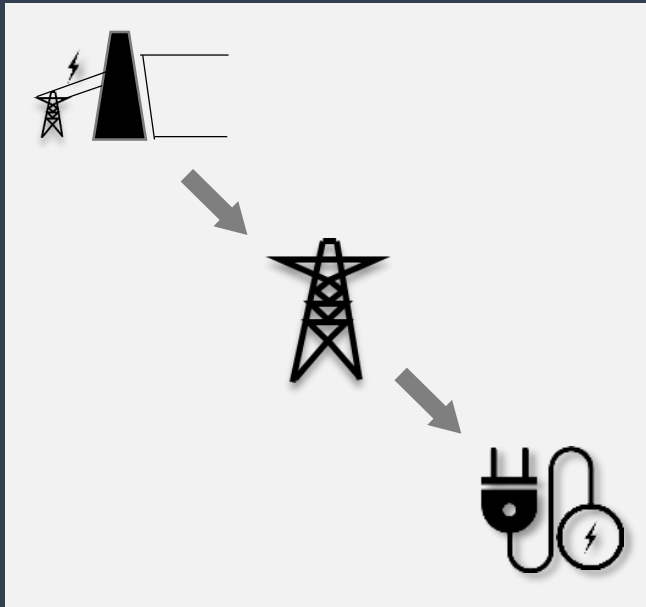
## Legend





# Eletrobras - Reorganization of the company will bring competitiveness and agility to the company's operations management

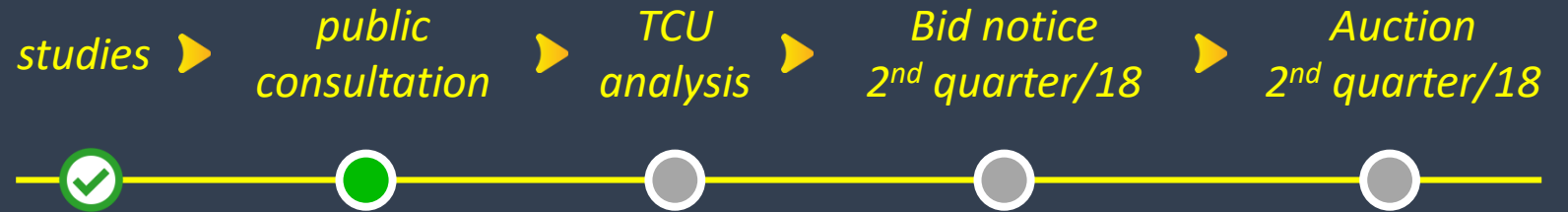
Eletrobras



- 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.

# Power – Amazonas Power Distribution S.A.

Eletrobras  
Amazonas Power  
Distribution S.A.



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

Amazonas Power  
Distribution's main activity is  
the distribution of electricity  
in 62 municipalities in the  
State of Amazonas

- 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.*

# Power – Boa Vista Power Distribution

## Eletrobras Boa Vista Power Distribution



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

The company operates in the distribution of electric power in the municipality of Boa Vista, and another 10 municipalities in the State of Roraima.

- 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*

# Power – Acre Electricity Company – ELETROACRE

Eletrobras  
Acre Electricity Company



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

It is the power distribution concessionaire responsible for serving the entire State of Acre, with 22 municipalities and a physical concession area of 164,222 km<sup>2</sup>.

- 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.*

# Power – Piauí Power Company – CEPISA

Eletrobras  
Piauí Power Company



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

It is the electricity distribution concessionaire of the State of Piauí, responsible for the service of 224 municipalities, covering the entire state of Piauí.

- 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.*

# Power – Alagoas Power Company – CEAL

Eletrobras  
Alagoas Power Company



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

It is the electricity distribution concessionaire of the State of Alagoas responsible for serving 102 municipalities, in a concession area of 27,848 km<sup>2</sup>.

- 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

Eletrobras  
Rondônia Hydroelectric  
Power Plants S.A.



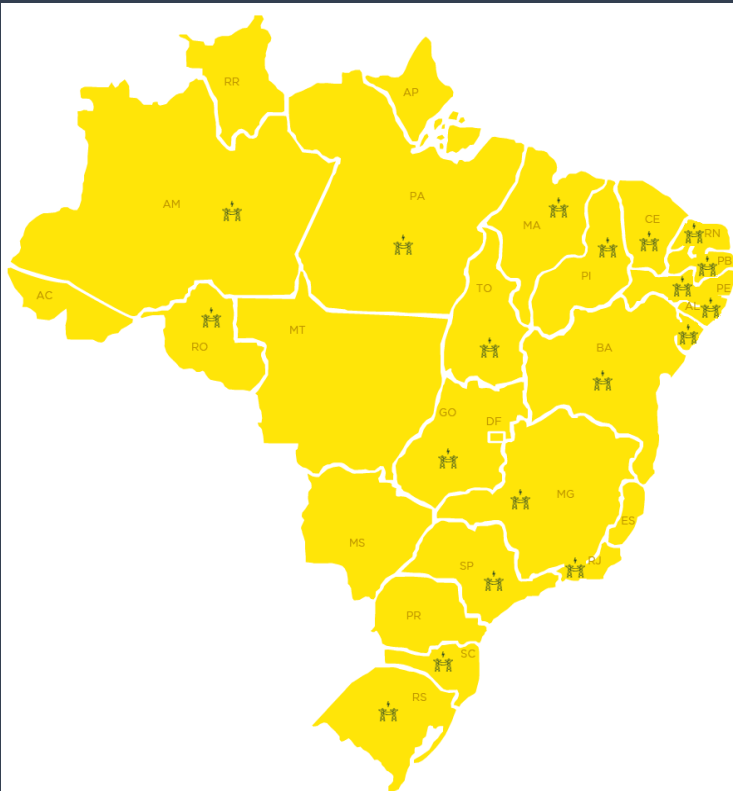
In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

CERON is responsible for the service of 52 municipalities in an area of 237,576 km<sup>2</sup>. In addition, 9 isolated systems are served by means of thermal park based on diesel oil.

- 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

## TRANSMISSION LINES INSTALATIONS



- 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: 6/28/18
- 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





# Oil and Gas

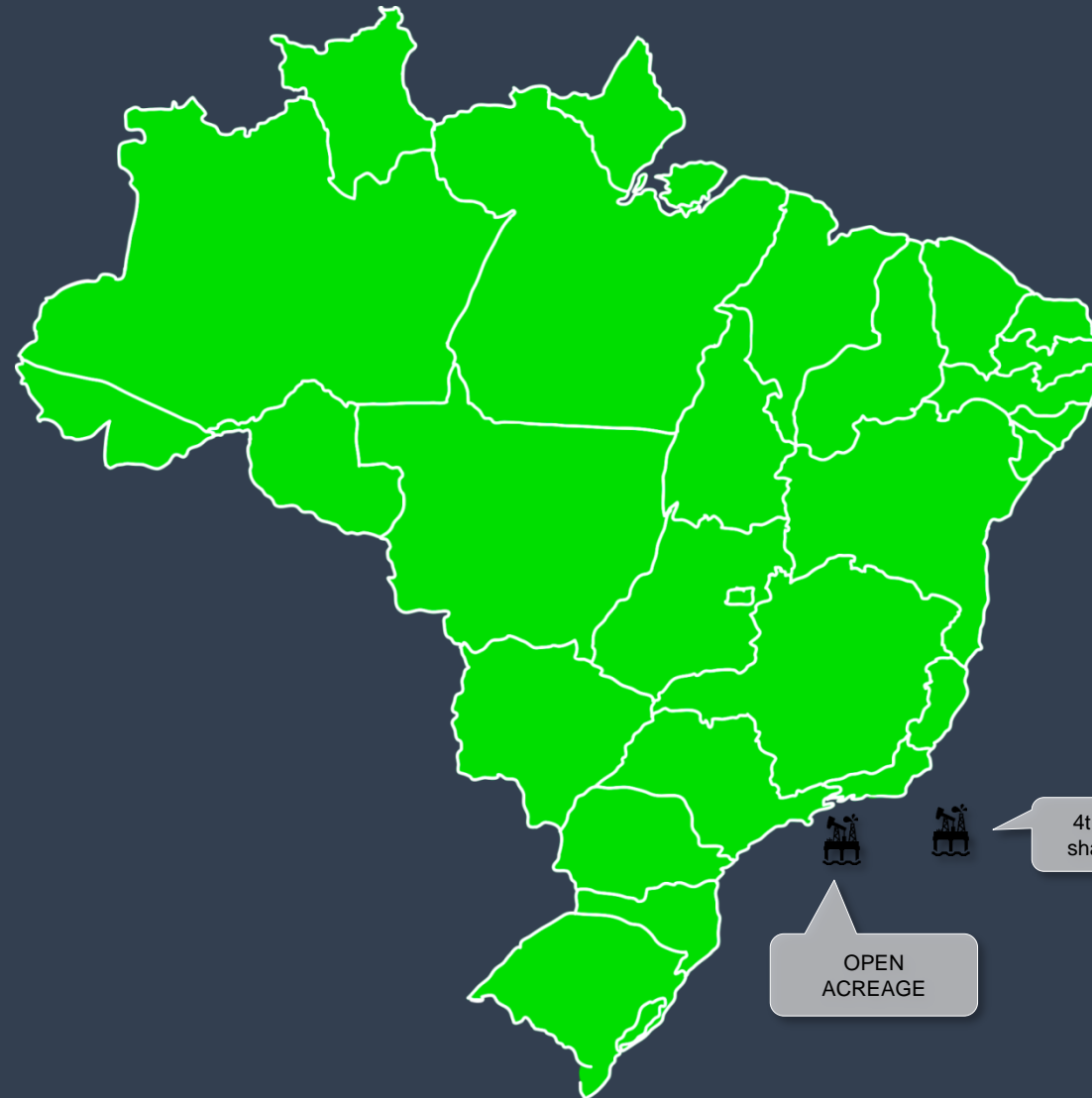
Projects that are strong drivers of the economy,  
a sector that represents almost 15% of the national GDP

Pre-salt reform approved in  
2016 has opened the sector

### Legend



Oil & Gas



OPEN  
ACREAGE

4<sup>th</sup> ROUND – Production-  
sharing bids – pre-salt layer

# Oil & Gas – Bidding round

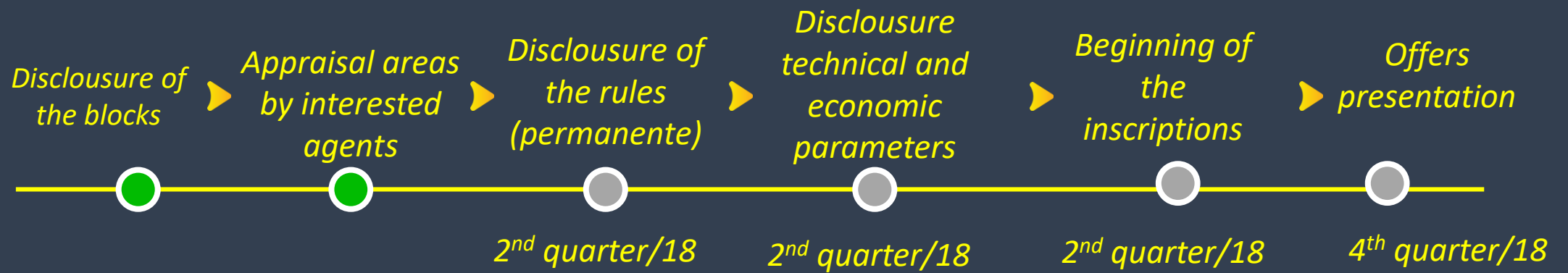
4<sup>th</sup> round of bidding  
Sharing regime of  
Pre-salt production

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



# Oil & Gas – Bidding round

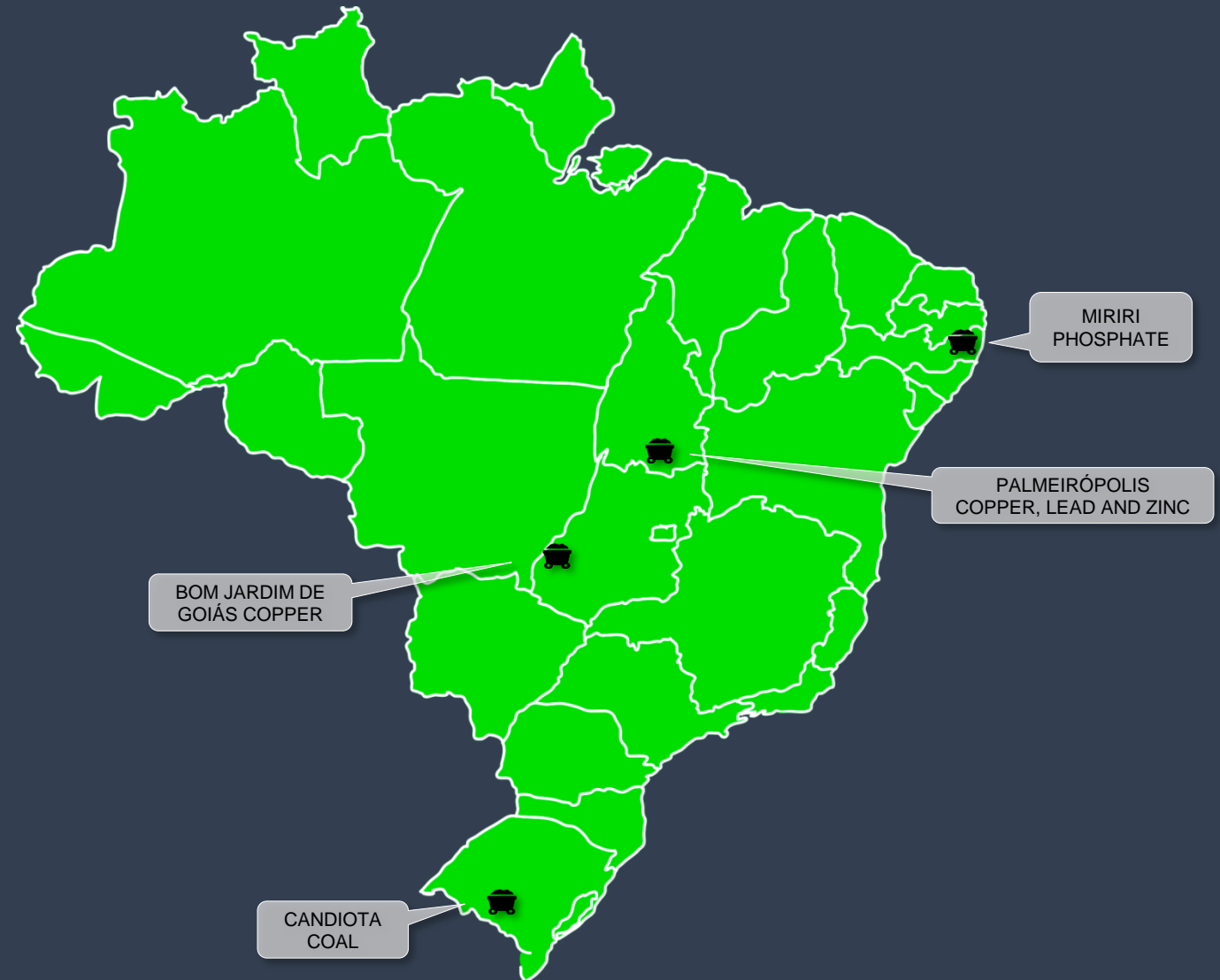
Open Acreage  
(Marginal Accumulation fields)





# Mining Rights

# New sector under concessions, mining allows the opening of attractive investment fronts



## Legend

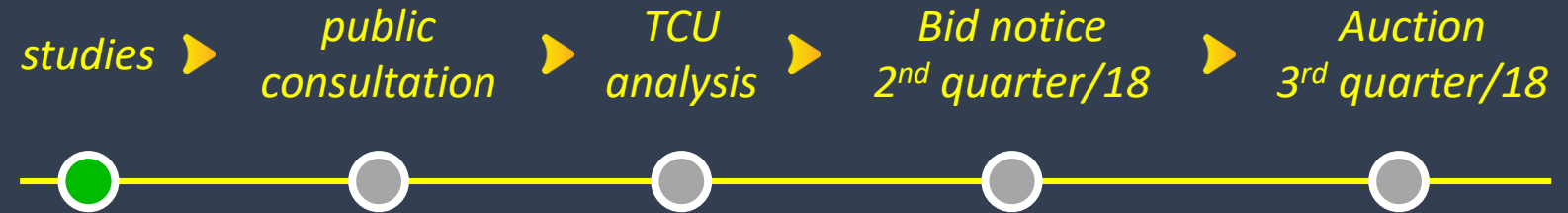


Minig

## Mining – 4 CPRM mining assets

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

The mineral deposits qualified in the PPI are in intermediate to advanced stage of research. The areas count on research projects approved by DNPM.



- 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



# Concession



# LOTEX concession

LOTEX



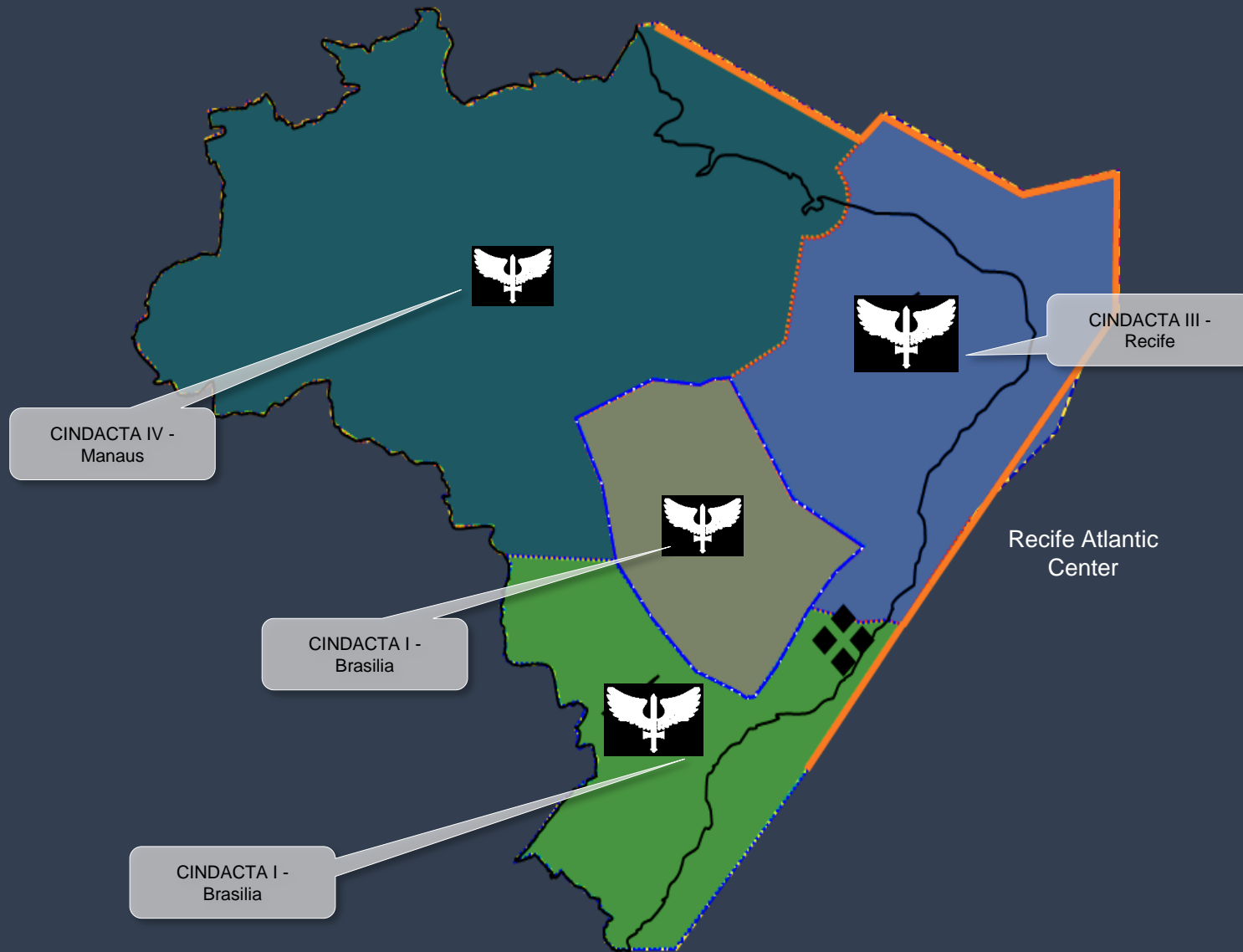
This lottery mode, “Raspadinha” (scratch card), as it is popularly known, has significant potential for commercialization in the country.

- 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

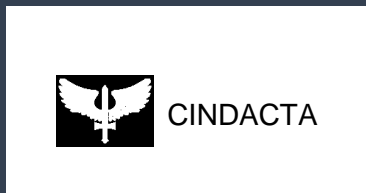


# Public-Private Partnership

# Public Private Partnership (PPP) for Brazilian Air Force's networks integrates management in an administrative mode with favorable value for money

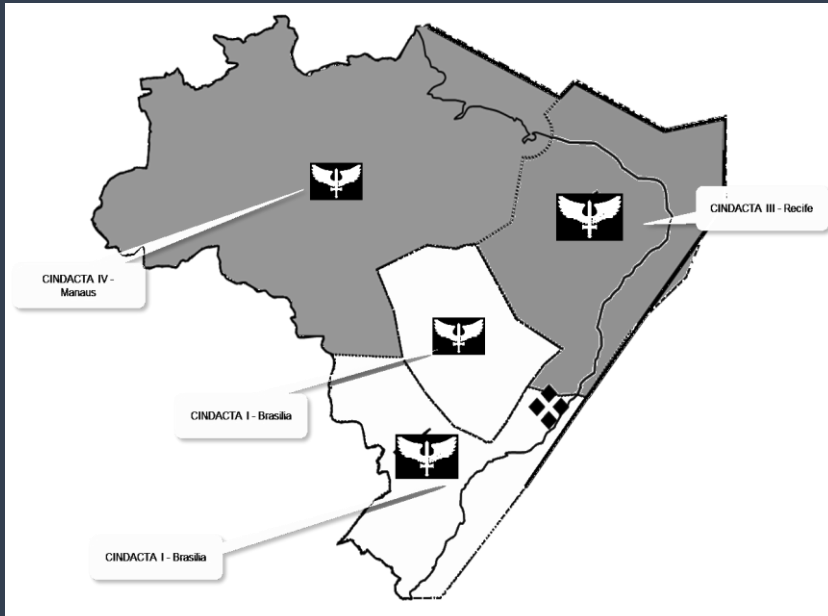


## Legend



# COMAER concession

COMAER

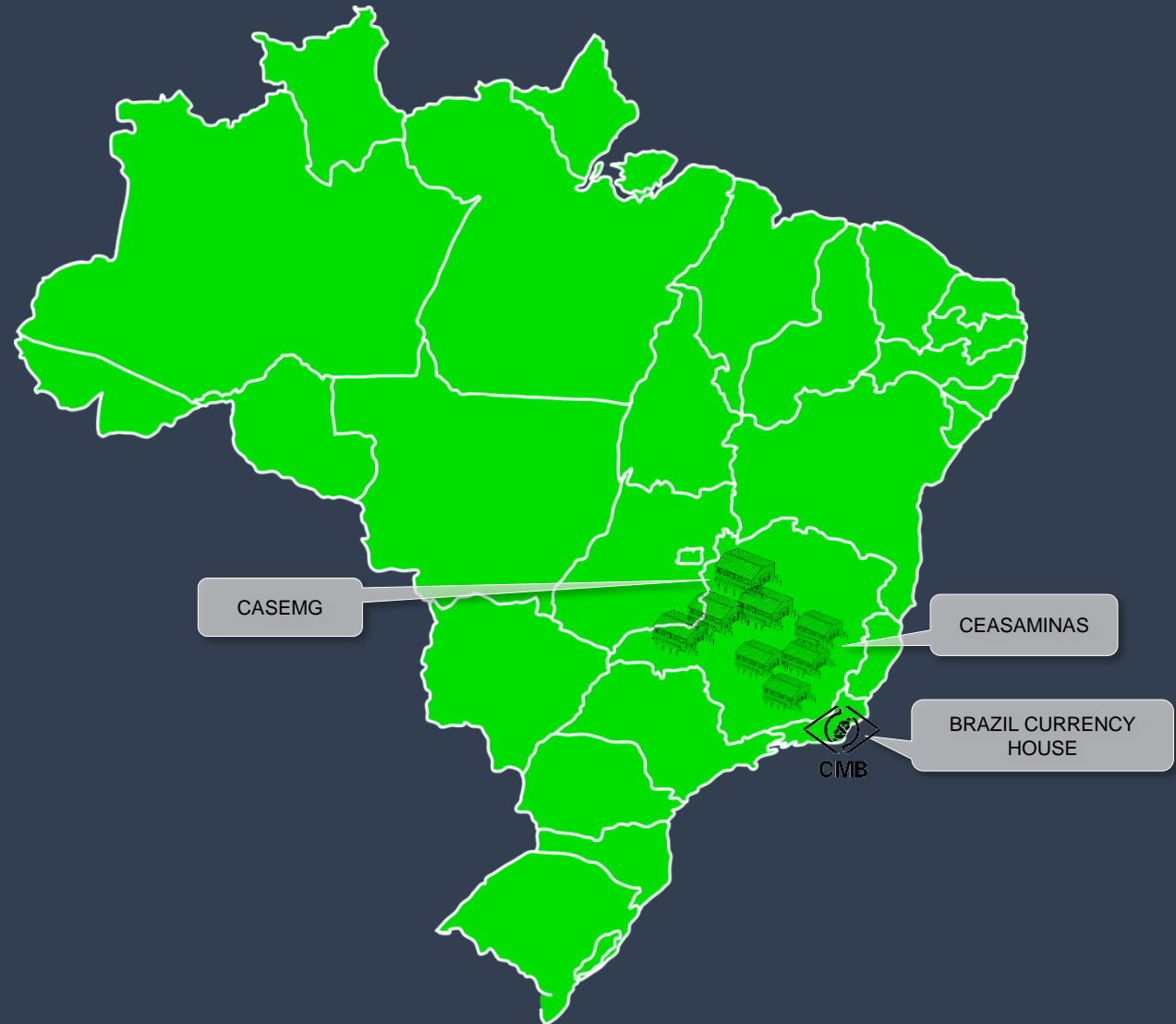


- 1st Federal PPP of Direct Administration ( Federal Act no. 11.079, 2004)
- Model: Administrative Concession
- Term: 25 years
- CAPEX: € 261 mi
- OPEX: € 524 mi
- Auction criterion: Lowest Monthly payment by the Public Administration
- Maximum Monthly public Administration Payment: R\$ 15.2 million
- 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



## Legend

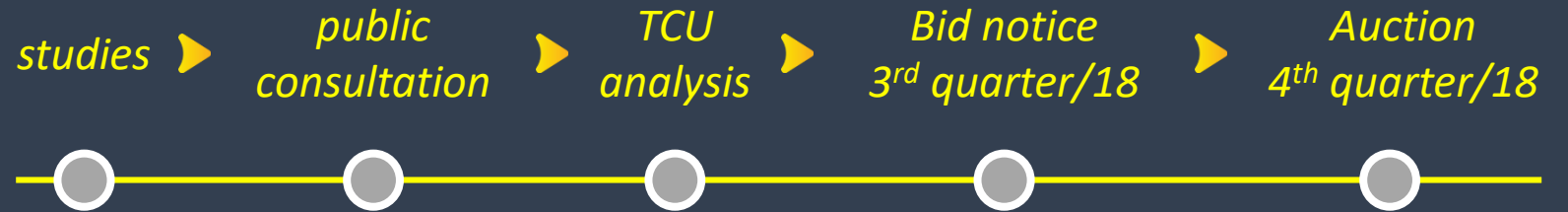
Supply

Finance

CMB

# CASEMG – Company of Warehouses and Silos of Minas Gerais

CASEMG



- 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

# CEASAMINAS – Supply center

CEASAMINAS



- 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.
- Included in the National Privatization Program – PND, in the year 2000, by Decree No. 3,654/2000.
- 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.



# CMB – Brazilian Currency House

CMB Currency House  
(privatization)



- 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.





# Closing remarks

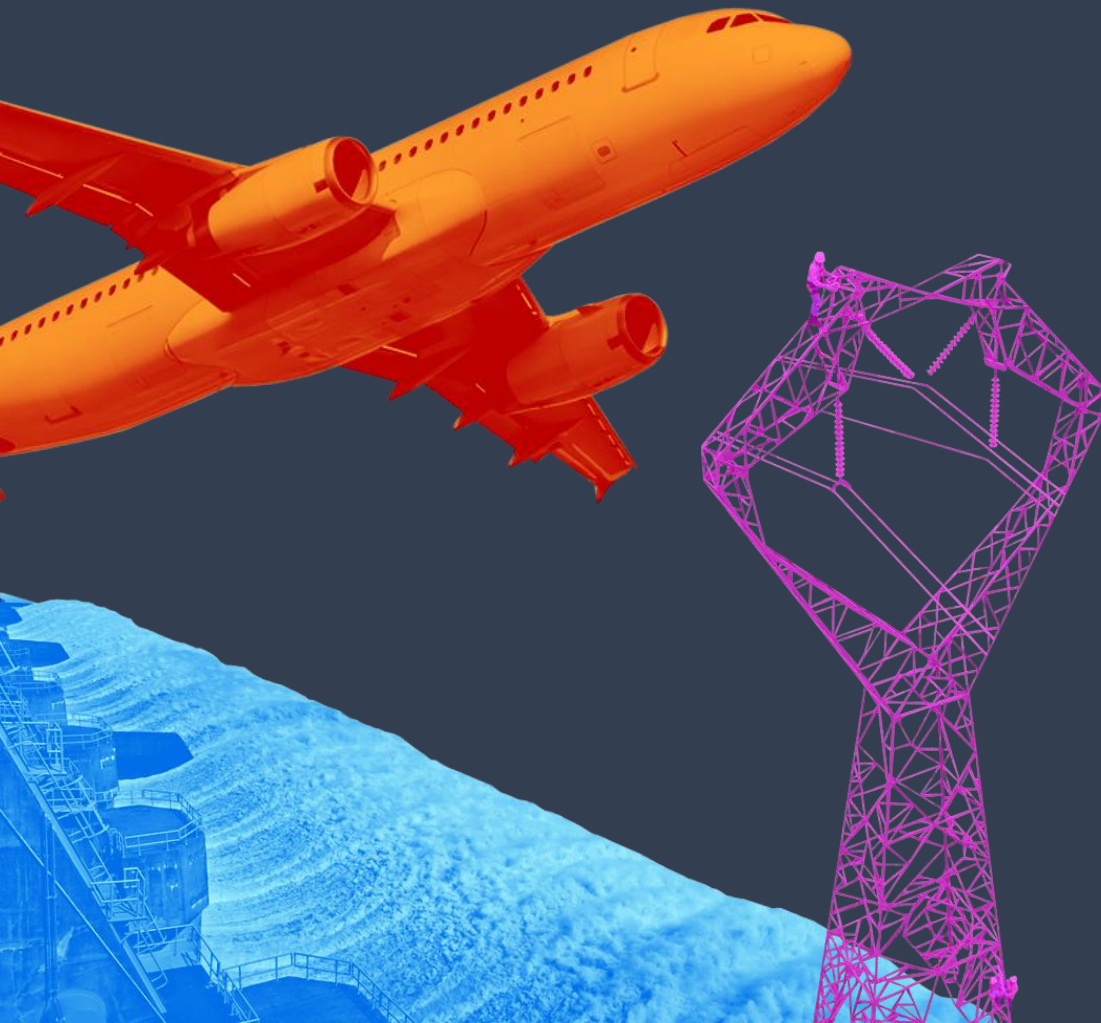
Governance, transparency and participation

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.

***Agora, é Avançar.***

▶ ▶ ▶ ▶ ▶ ▶ ***Parcerias***



***Agora, é Avançar.***

▶ ▶ ▶ ▶ ▶ ▶ ***Parcerias***

**Investment Partnerships Program**

Presidency's General Secretariat

(55) 61 3411- 6426 / 6438

[www.ppi.gov.br](http://www.ppi.gov.br)

