

PPP REPORT 2011 - POLAND



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Introduction

This publication contains information regarding the public-private partnership (PPP) projects that are currently being implemented and planned in Poland. The data presented in this study is a summary of the information contained in the report on the state of the PPP market in Poland, prepared by the Polish Institute for Public-Private Partnership (IPPP) in May 2011.

The research conducted by the IPPP, relating to the state of the PPP market in Poland, was covered by the honorary patronage of the Minister of the Economy and the President of the Public Procurement Office and was carried out with the financial and administrative support from the Warsaw office of the law firm Clifford Chance.

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PPP in Poland

Poland is a country with very good prospects for the development of the public investments and services market under the PPP model. The significant investment needs in Poland and, consequently, the demand for know-how and private capital, apply in practice to all types of hard infrastructure and social infrastructure. The Polish legal and administrative regulations relating to the conduct of investment and operating activities in the individual infrastructure subsectors are, as a rule, fully embedded within the EU regulatory system.

The Polish law system distinguishes between two main models for the co-operation between the public and the private sectors under the PPP model: a "pure" PPP model and a concession model. The differentiation between the PPP projects and the concession projects results from the adopted method of allocation of the economic risk connected with the implementation of the project between a public entity and a private investor. If the financial model provides that, in a given project, the private investor's fee will come from the public entity's budget and the public entity will bear the majority of the economic risk relating to the project, then the investment project implemented with the participation of a private investor will be implemented pursuant to the PPP Act, whereas if, in a project, the majority of the economic risk relating to its implementation is transferred to the private entity, such project will be a concession project.

The total value of the PPP agreements and the concession agreements concluded in Poland between February 2009 (when new regulations relating to PPP projects and concession projects entered into force) and 31 December 2010 amounted to approximately PLN 373 million¹ net. However, the value of the PPP projects and concession projects announced during the same period was many times higher and amounted to approximately PLN 2.4 billion net. The declared value of the PPP projects and the concession projects currently planned by the Polish local authorities is also impressive. It remains at a level of approximately PLN 10-11 billion. An example of this could be the PPP procedure announced in April 2011, regarding a waste management system for Poznań, with a nominal value of one project only amounting to PLN 700 million net. If the local authorities commence the implementation of the PPP projects in accordance with their declared intentions, in 2011-2012 Poland will become a very large and attractive market for foreign private investors interested in the implementation of PPP projects.

¹According to the National Bank of Poland foreign exchange rate as at 15 June 2011,
EUR 1 = PLN 3.93, GBP 1 = PLN 4.46, USD 1 = PLN 2.72, CHF 1 = PLN 3.24,
JPY 100 = PLN 3.39.

PPP in Poland

- I. List of procedures for the selection of a private partner or a concession holder announced between 1 January 2010 and 4 May 2011, with a value exceeding PLN 2 million.

No.	Project name	Announcement date	Co-operation model	Public entity/ concession authority	Sector	Estimated project value
						(PLN net)
1.	Construction and maintenance of a waste incinerating plant for the City of Poznań	8.04.2011	PPP	Poznań Municipality	Waste management	700 000 000
2.	Construction and maintenance of residential buildings allocated for social housing and service outlets	12.04.2011	Concession	Bolesławiec Municipality	Residential construction	23 645 000
3.	Construction and maintenance of a two-storey underground car park with a ground level area and the necessary infrastructure at Zespół Hali Stulecia in Wrocław.	12.04.2011	Concession	Wrocławskie Przedsiębiorstwo Hala Ludowa Sp. z o.o.	Car parks	60 000 000
4.	Design, expansion and adaptation of the building of Zasadnicza Szkoła Metalowa (<i>Metal Industry Vocational School</i>)	18.03.2011	Concession	Tychy Municipality	Regeneration	4 500 000
5.	Construction and redevelopment of student halls of residence for the Medical University in Lublin	12.03.2011	PPP	Medical University in Lublin	Residential construction	25 000 000
6.	Management of the town shopping and services centre in Gostynin	4.05.2011	Concession	Gostynin Municipality	Administration	20 000 000
7.	Management of the Neptun indoor swimming pool in Gliwice	1.02.2011	Concession	Gliwice Municipality	Sport and recreation	12 500 000
8.	Provision of services consisting in the management of the International Congress Centre and Hala Widowiskowo-Sportowa Spodek (<i>Entertainment and Sports Arena</i>) in Katowice	19.01.2011	Concession	Katowice Municipality	Sport and recreation	300 000 000 approx.
9.	Servicing and administration of the Collective Waste Collection Point at Nowohucka Street	10.02.2011	Concession	Management of Communal Infrastructure and Transport in Cracow	Waste management	6 500 000
10.	Construction and maintenance of an agricultural biogas plant with a co-generation unit	12.05.2010	PPP	Fundacja Bałtycka Eko-Energetyka	Energy	18 000 000
11.	Construction and maintenance of multifamily communal housing buildings	20.09.2010	PPP	Zblewo Municipality	Residential construction	8 000 000
12.	Construction and operation of an entertainment and sports arena	05.08.2010	PPP	Lubin Powiat	Sport and recreation	60 995 854

No.	Project name	Announcement date	Co-operation model	Public entity/ concession authority	Sector	Estimated project value
						(PLN net)
13.	Construction and maintenance of an indoor swimming pool	10.06.2010	PPP	Glucholązy Municipality	Sport and recreation	9 955 717
14.	Construction and maintenance of a sports and recreation centre	17.06.2010	Concession	Ożarów Mazowiecki Municipality	Sport and recreation	57 000 000
15.	Construction and maintenance of a two-storey underground car park with scope for extension, redevelopment of a bus station and crossroads together with the technical infrastructure, development of the area above the car park, construction of a transformer station and the entrance and exit in the Nowy Kleparz area	27.08.2010	Concession	Cracow Municipality	Car parks	65 000 000
16.	Construction and maintenance of an underground car park in Tuwima Street	01.09.2010	Concession	Łódź Municipality	Car parks	20 000 000
17.	Construction and maintenance of a bio-mass heat plant	30.09.2010	Concession	Piecki Municipality	Energy	4 000 000
18.	Construction and maintenance of a sports and recreation centre with a swimming pool in Puck	18.10.2010	PPP	Puck Municipality	Sport and recreation	80 000 000 - 120 000 000
19.	Construction and maintenance of a water sports centre; modernisation of swimming baths	20.09.2010	Concession	Chełm Municipality	Sport and recreation	5 000 000
20.	Construction and maintenance of bus shelters	18.05.2010	Concession	Capital city of Warsaw	Municipal furniture	80 000 000
21.	Construction and maintenance of "Park Wodny - Termy Nałęczowskie EURO SPA 2012"	23.02.2010	Concession	Nałęczów Municipality	Sport and recreation	80 633 000
22.	Construction and maintenance of an indoor swimming pool and ice rink in Słubice	19.11.2010	Concession	Słubice Municipality	Sport and recreation	30 779 036
23.	Construction and maintenance of a cemetery in Podgórk Tynieckie in Cracow, together with a chapel and a crematorium	02.06.2010	Concession	Cracow Municipality	Municipal management	25 000 000
24.	Construction and maintenance of an underground car park for passenger cars at Al. Focha	19.02.2010	Concession	Cracow Municipality	Car parks	14 754 098
25.	Redevelopment and maintenance of a communal building at Grzegórzecka Street	23.07.2010	Concession	Cracow Municipality	Culture	24 400 000

No.	Project name	Announcement date	Co-operation model	Public entity/ concession authority	Sector	Estimated project value
						(PLN net)
26.	Construction and maintenance of a fuel base at the Łódź Airport	24.11.2010	Concession	Port Lotniczy Łódź Sp. z o.o.	Fuel	17 760 000
27.	Construction and operation of the Water Park in Sanok	24.05.2010	PPP	Park Wodny Sanok Sp. z o.o.	Sport and recreation	49 180 000
28.	Redevelopment and maintenance of a Social Care Home in Kobylnica for the purposes of the Care and Treatment Centre and implementation of complementary tasks	20.8.2010	PPP	Kobylnica Municipality	Healthcare	4 295 128
29.	Regeneration of the building at Radziwiłłowska Street	3.02.2010	PPP	Małopolskie Voivodship - Teatr im. J. Słowackiego (J. Słowacki Theatre) in Cracow	Regeneration	6 461 396
30.	Regeneration, refurbishment, redevelopment and extension of the entertainment and sports arena "Okrażlak" together with neighbouring properties; management and maintenance of the facility	17.06.2010	PPP	Opole Municipality	Regeneration	52 340 340
31.	Provision of collective water supply and collective sewerage services in the Przygodzice Municipality	05.01.2010	PPP	Przygodzice Municipality	Water and sewage	24 571 778
32.	Provision of services consisting in the reconstruction and use of the Lubecki ship to provide public inland water passenger transport services	15.12.2010	PPP	Capital city of Warsaw	Transport	15 913 732
33.	Provision of collective water supply services in the Biskupice municipality, together with infrastructure refurbishment and maintenance services and the maintenance and operation of a sewage treatment plant	13.01.2010	Concession	Biskupice Municipality	Water and sewage	4 140 000
34.	Construction and maintenance of an indoor swimming pool, including the development of the site and access routes from the municipal roads, and the design and construction of the Sailing Centre in Żnin	05.02.2010	PPP	Żnin Municipality	Sport and recreation	49 000 000
35.	Construction and operation of a road providing a transport link to the investment site „Tuczna” in Dąbrowa Górnicza	17.05.2010	PPP	Dąbrowa Górnicza Municipality	Roads	80 000 000
36.	Redevelopment of the City Stadium in Olsztyn	23.06.2010	PPP	Olsztyn Municipality	Stadia	Over 200 000 000
37.	Construction and maintenance of facilities located in the vicinity of Zalew Nowohucki (Nowa Huta Reservoir)	3.11.2010	Concession	Cracow Municipality	Regeneration	8 000 000
38.	Development of the PKP railway station in Sopot and neighbouring areas	11.06.2010	PPP	Sopot Municipality	Regeneration	250 000 000

No.	Project name	Announcement date	Co-operation model	Public entity/ concession authority	Sector	Estimated project value
						(PLN net)
39.	Design, construction and operation of a multi-storey garage	20.01.2010	Concession	Nowy Targ Municipality	Car parks	7 595 838
40.	Design, construction and operation of an underground car park under Plac Bernardyński	24.05.2010	Concession	Poznań Municipality	Car parks	28 000 000
41.	Design, construction and operation of selected car parks at: ul. Poznańska, Os. J. III Sobieskiego, at the tram terminus, the intersection of Stróżyńskiego and Szymanowskiego Streets	13.07.2010	Concession	Poznań Municipality	Car parks	120 000 000
42.	Design, construction, financing and operation of at least one indoor swimming pool available to the general public as part of the municipal swimming pool construction programme in Poznań	18.11.2010	Concession	Poznań Municipality	Sport and recreation	48 000 000
43.	Design, construction, financing, operation and management of the municipal waste thermal processing system for the Płock Region	10.08.2010	PPP	Zakład Utylizacji Odpadów Komunalnych w Kobiernikach k/Płocka Sp. z o.o. (<i>Communal Waste Recycling Plant</i>)	Waste management	250 000 000
44.	Design and construction of the Recreation, Spa, Tourism and Recreation Park „Termy Gostynińskie”.	08.04.2010	Concession	Gostynin Municipality	Sport and recreation	285 000 000
45.	Design and construction of the „Termy Warmińskie” facility	11.03.2010	PPP	Lidzbark Powiat	Sport and recreation	111 150 000
46.	Construction and maintenance of a water park in Lubin	16.09.2010	PPP	Lubin Powiat	Sport and recreation	23 664 710
47.	Construction and operation of a water park in Dobrzeń Wielki	15.04.2010	PPP	Dobrzeń Wielki Municipality	Sport and recreation	35 300 000

II. Planned PPP projects

The table below contains a list of investment projects the implementation of which under the PPP formula was considered by public entities at the end of 2010/beginning of 2011.

No.	Location	Project description	Project value (PLN net)
1.	Białystok	Provision of stationary imaging diagnostics services using a PET-CT scanner, an MRI scanner and a CT scanner	56 000 000
2.	Bielsko-Biała	Construction and maintenance of multi-storey car parks in Bielsko-Biała together with potential accompanying facilities	140 000 000 approx.
3.	Bytom	Construction and maintenance of the Integrated Link between the Górnośląska Urban Area and the International Airport Katowice- Pyrzowice – Fast City Railway	86 000 000
4.	Bytom	Construction and maintenance of 3 hospitals in Bytom	100 000 000
5.	Chełm	Construction and maintenance of a water sports centre; modernisation of the Glinianki swimming baths in Chełm	4 000 000
6.	Chełm	Construction and maintenance of the Winter Sports Centre in Kumowa Dolina in Chełm	23 000 000
7.	Gdańsk	Construction and maintenance of underground car parks in Śródmieście (city centre)	200 000 000
8.	Gdańsk	Construction and maintenance of the Aquapark - Nadmorskie Centrum Rekreacji (NCRiW)	250 000 000
9.	Gdańsk	Construction and maintenance of the Korsarz sports arena at ul. Kościuszki –Legionów	36 500 000
10.	Gdańsk	Regeneration of Targ Węglowy (<i>Coal Market</i>) in Gdańsk city centre	Over 80 000 000
11.	Gdańsk	Regeneration of the Gdańsk Municipal Office building	Over 4 000 000
12.	Gdańsk	Regeneration of Targ Sienny (<i>Seed Market</i>) and Targ Rakowy (<i>Crayfish Market</i>) in the city centre	800 000 000
13.	Gdańsk	Regeneration of Wyspa Spichrzów (<i>Granary Island</i>) in the Old Town	450 000 000
14.	Gorzów Wlkp.	Construction and maintenance of the new Municipal Office building	Over 5 000 000
15.	Jaworzno	Development of a hospital in Jaworzno	Over 5 000 000
16.	Katowice	Construction and maintenance of a water park	200 000 000
17.	Katowice	Construction and operation of an underground car park and a shopping mall as part of Plac Dworcowy in Katowice and Plac Bolesława Chrobrego in Katowice	140 000 000 approx.
18.	Cracow	Development of the Municipal Office archives at ul. Na Załączu	39 000 000

No.	Location	Project description	Project value (PLN net)
19.	Cracow	Construction and development of an underground car park „PLAC BISKUPI”	29 000 000
20.	Cracow	Construction and maintenance of a multipurpose entertainment and sports arena with supporting facilities (Hala TS Wisla)	13 700 000
21.	Cracow	Construction and maintenance of an underground car park „KORONA”	18 000 000
22.	Cracow	Construction and maintenance of an underground car park „OLIMPIJKA”	20 000 000
23.	Cracow	Construction of communal flats in Cracow in co-operation with a private partner	10 000 000
24.	Cracow	Construction and maintenance of the Hala 100-lecia KS CRACOVIA	9 200 000
25.	Cracow	Construction of a Sports Centre at Eisenberga Street – Municipal Swimming Pool Complex	11 000 000
26.	Cracow	Construction of the Investor Service Centre (COI)	250 000 000
27.	Cracow	Development of the Sports and Recreation Centre KOLNA	17 300 000
28.	Krosno	Construction of the „Portius” Hotel and Shopping Mall	16 000 000
29.	Lublin	Construction and maintenance of a water park at Al. Zygmuntowskie	120 000 000
30.	Łódź	Construction and maintenance of a ground-level car park at ul. Mickiewicza/Wólczarska in Łódź	20 000 000
31.	Łódź	Construction and maintenance of an underground car park at Aleja Schillera in Łódź	20 000 000
32.	Łódź	Construction and maintenance of an underground car park at Plac 4 Czerwca 1989 r. in Łódź	20 000 000
33.	Łódź	Construction and maintenance of a ground-level car park at ul. Jaracza 57 in Łódź	20 000 000
34.	Łódź	Regeneration of the Municipal Stadium at Al. Unii in Łódź	150 000 000
35.	Łódź	Multi-family housing regeneration programme	620 000 000 (in stages)
36.	Łódź	Construction and maintenance of a waste incinerating plant in Łódź	888 000 000 approx.
37.	Łomża	Construction of a sports and entertainment arena in Łomża	20 000 000
38.	Łomża	Regeneration of the Market Hall in Łomża	15 000 000
39.	Łomża	Development of the PKS coach station and its surroundings	Over 10 000 000
40.	Olsztyn	Construction and maintenance of a biogas plant	18 000 000
41.	Płock	Construction and maintenance of 2 multi-storey car parks	24 600 000

No.	Location	Project description	Project value (PLN net)
42.	Plock	Construction and maintenance of a water park	135 000 000
43.	Plock	Construction and maintenance of a ski slope	48 000 000
44.	Plock	Construction and maintenance of a budget hotel	16 500 000
45.	Plock	Construction and maintenance of the city ring roads	Over 50 000 000
46.	Plock	Thermomodernisation of communal buildings	8 000 000
47.	Poznań	Design, construction and operation of an underground car park under Plac Bernardyński in Poznań	28 000 000
48.	Radom	Construction and maintenance of sports facilities at ul. Struga in Radom	220 000 000
49.	Ruda Śląska	Regeneration and extension of an entertainment and sports arena	Over 50 000 000
50.	Siemianowice Śląskie	Provision of services relating to the water and sewerage management, refurbishment and modernisation of the water and sewerage system in the town, along with infrastructure maintenance services	330 000 000
51.	Szczecin	Football stadium regeneration	250 000 000
52.	Toruń	Water Park in Toruń	30 000 000
53.	Toruń	Construction of an entertainment and sports arena in Toruń	120 000 000
54.	Tychy	Regeneration of an existing building of the Municipal Schools Complex in Tychy	60 000 000
55.	Warsaw	Construction and maintenance of 4 underground car parks (Plac Defilad, Plac Teatralny, Emilii Plater, Sienkiewicza)	90 000 000
56.	Warsaw	Construction and maintenance of a tram line to Piaseczno	450 000 000
57.	Warsaw	Construction and maintenance of a powiat hospital	200 000 000
58.	Warsaw	Construction of a technology park	500 000 000
59.	Warsaw	Construction and maintenance of underground car parks at ul. Spiska, Wawelska	20 000 000
60.	Warsaw	Construction and maintenance of multi-storey car parks in the Targówek district	12 000 000
61.	Warsaw	Development of the Hutnik sports club site (Bielany district)	200 000 000
62.	Warsaw	Construction and maintenance of a sports complex in Miedzeszyn	75 000 000
63.	Warsaw	Construction and maintenance of a swimming pool at ul. Ryżowa (Włochy district)	27 000 000
64.	Warsaw	Construction and maintenance of the „Arena Varsovia” entertainment arena (Targówek district)	400 000 000

No.	Location	Project description	Project value (PLN net)
65.	Warsaw	Construction of a hotel and sports complex out of multi-purpose sports and entertainment halls in Ursus	100 000 000
66.	Warsaw	Construction of a recreation and sports centre FORT WŁOCHY in Warsaw	85 000 000
67.	Warsaw	Regeneration of the KS Polonia centre at ul. Konwiktorska	900 000 000
68.	Wrocław	Construction and maintenance of the Municipal Swimming Pool in Wrocław	19 000 000
69.	Wrocław	Construction and maintenance of a 3.8 km section of a Z class public road including two bridges over the Oława and Odra rivers	390 000 000
70.	Wrocław	Construction and maintenance of 4 school swimming pools	24 000 000
71.	Wrocław	Construction and maintenance of a communal cemetery at ul. Awicenny	93 000 000
72.	Wrocław	Construction and maintenance of an underground car park including the necessary infrastructure under the Nowy Targ square in Wrocław, including the surface of the square and its development	100 000 000
73.	Zabrze	Construction and maintenance of a Passenger Centre in the Zabrze Municipality	60 000 000
74.	Żory	Construction and maintenance of an innovative museum complex in Żory	43 100 000
75.	Żory	Construction and maintenance of a Tennis Centre with hotel facilities in Żory	8 500 000
76.	Żory	Construction and maintenance of the Activity Centre in Żory	15 750 000

Our Infrastructure / PPP Group

The Warsaw office has a specialist group of lawyers who deal with infrastructure and PPP projects. Our clients include: local governments, municipal water and wastewater companies, waste-to-energy companies and other utilities, transport infrastructure operators, global and European financial institutions (EBRD, EIB), as well as infrastructure funds. Members of our Infrastructure / PPP Group are authors of the *Commentary to the Law on Public-Private Partnership in Poland*, published by C.H. Beck in 2010, and *Commentary to the Act on the Public Works Concession and Services Concession*, published by C.H. Beck in 2011. In 2010 we cooperated with the Institute for Public-Private Partnership on preparing the "Report on the investment needs and capabilities of local government entities in the context of co-operation with the private sector". This research related to Polish towns and cities which will play a key role in preparing Polish infrastructure for UEFA EURO 2012 and comprised an analysis of: the finances of the local government entities being surveyed, the projects for which those entities have long-term investment plans, and events hindering or preventing those entities from implementing projects with private partners. In 2011 we were appointed by the European PPP Expertise Centre (EPEC) to prepare a report on national obstacles to combining EU funds with public and private financing in PPP projects. EPEC is a collaborative initiative of the European Investment Bank, the European Commission and the Member States, and it is designed to strengthen the capacity of its public sector membership to engage in the preparation of PPP projects. Poland was the first EU member state in respect of which this evaluation was undertaken.

This Client briefing does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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