

Existing and expecting framework for PPP projects in Latvia

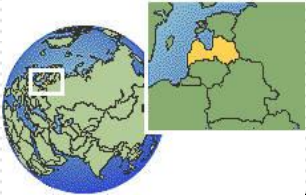
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Content



Country Profile

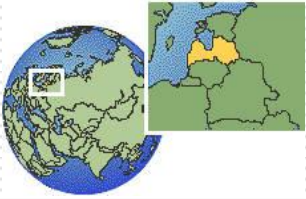


Legal setup – current situation and obstacles



Developments and plans with draft PPP law





Latvia 2007

- **Location: the shore of the Baltic Sea, bordered by Estonia to the North, Lithuania to the South, Russia to the East, and Belarus to the South East**
- **Population: 2.28 million**
- **Size 64,589 thousand km²**
- **Capital: Riga**
- **GDP per capita 54,7% of EU (target 100% by 2030)**
- **GDP growth 2007: 10%**
- **Inflation 10.1%**
- **Major foreign trade partners: Lithuania, Estonia, Germany, Sweden, Russia, Poland**
- **FDI inflow 4.7% of GDP - Sweden, Estonia, Germany, Netherlands, Denmark, Finland**
- **Public debt: 9% of GDP, Budget deficit +0.1%**





Legal setup – current situation and obstacles

Latvijas Republikas

Ekonomikas ministrija

Ministry of Economics:

- develops the PPP policy and coordinates its implementation;
- elaborates proposals for improvement of the legal and methodological base of PPP;
- cooperates with Latvian, EU and other international and foreign bodies on PPP policy issues;
- coordinates activities of state, local government and private sector in the area of PPP.



Latvijas Investīciju un attīstības aģentūra
Latvian Investment and Development Agency

Latvian Investment and Development Agency:

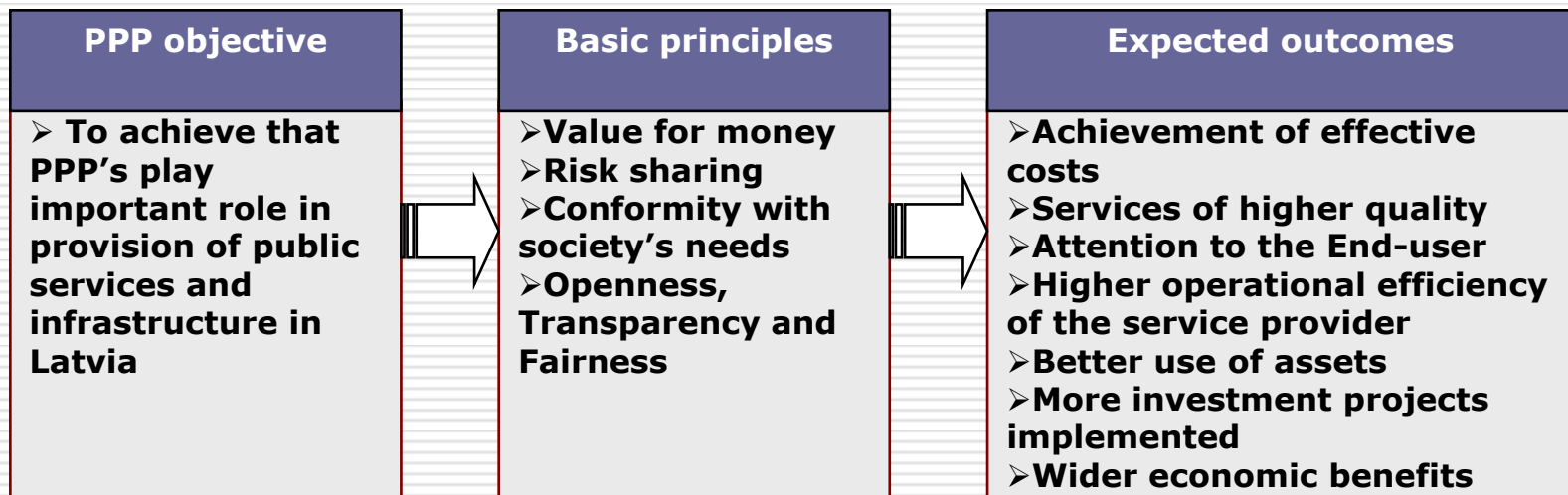
- assistance for implementation of PPP projects;
- proposals for promotion of PPP development;
- provision of informative and legal services;
- elaboration of standard documentation;



Legal setup – current situation and obstacles

Policy Framework Document 2005-2009

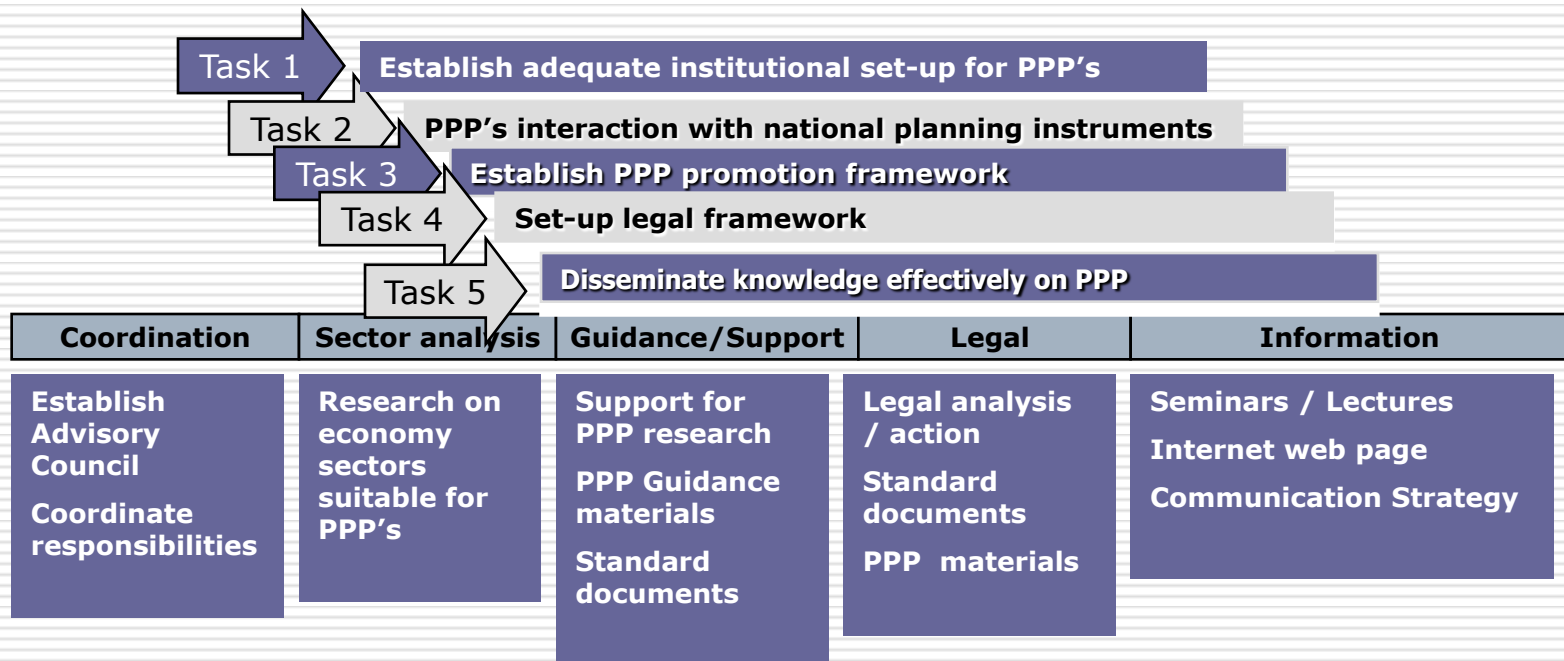
- ❑ PPP Policy Framework Document (adopted in 03/2005)
- ❑ PPP Action Plan 2006-2009





Legal setup – current situation and obstacles

□ PPP Action Plan 2006-2009





Legal setup – current situation and obstacles

Laws

Concession Law

Adopted in 2000, sets the procedures for concession type (user-pays) PPP transactions

Public Procurement Law

Adopted in 2006, sets the procedures for DBFO type PPP transactions

State Administrative Structure Law, Commercial Law

Sets the grounds for establishing Institutional PPP's, however as to private partner selection only principles of the EU Treaty shall be applied



Latvijas Republikas

Ekonomikas ministrija

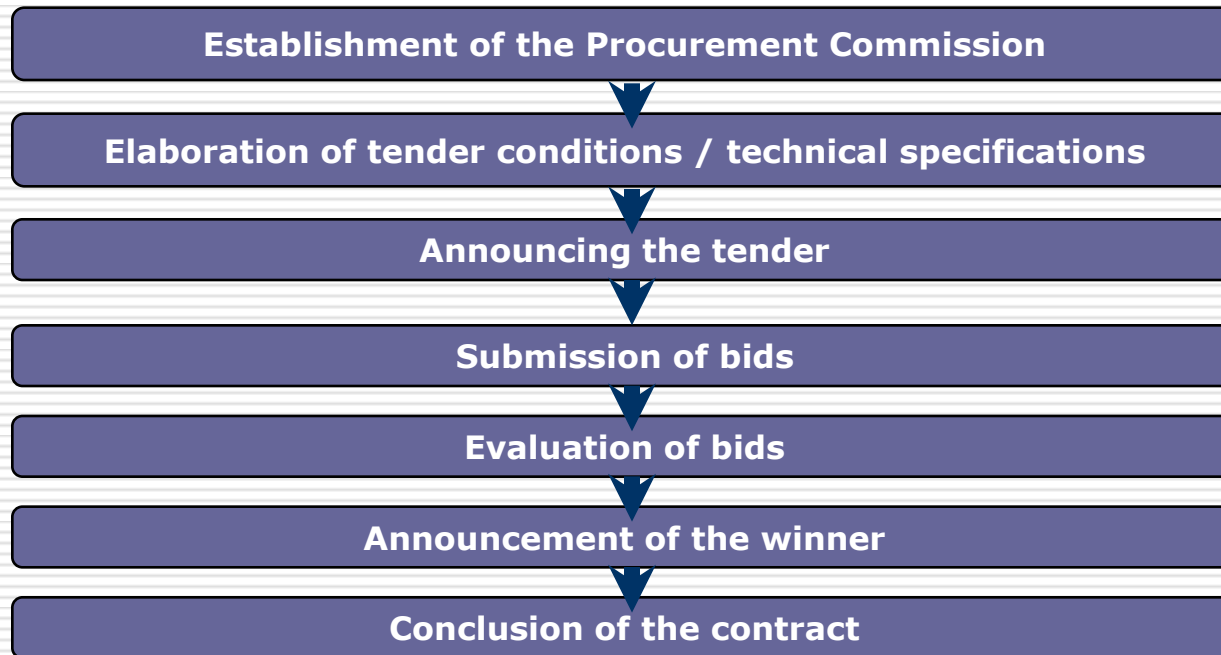
Ministry of Economics

Republic of Latvia



Legal setup – current situation and obstacles

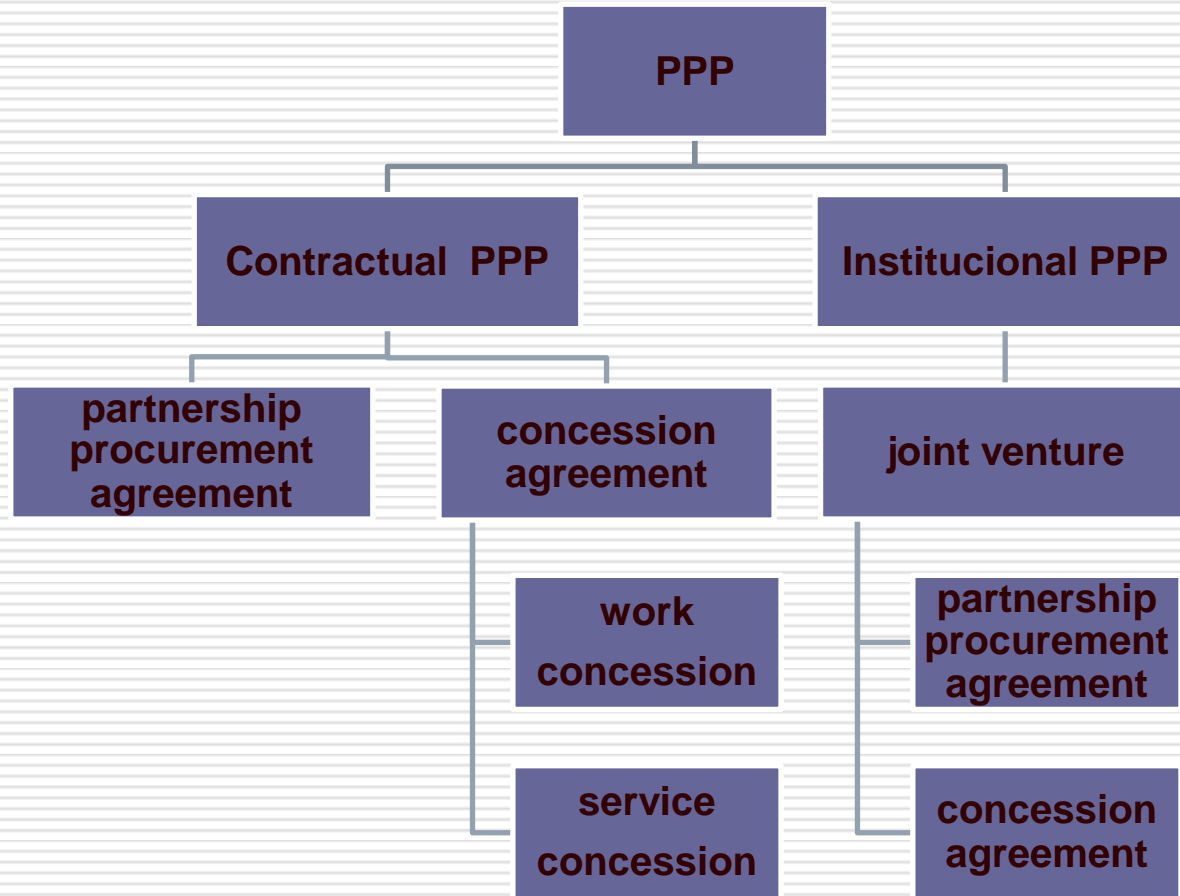
- Public Procurement Law. Procedure.



- The procedure under the Concession Law similar but different to the extent that the Contracting Authority shall describe just functional specifications not detailed technical specifications



PPP draft law





Developments and plans with draft PPP law

Contractual PPP		Institutional PPP
partnership procurement agreement	Concessions	Joint venture
Decision on PPP project is regulated by PPP law	Decision on PPP project is regulated by PPP law	Decision on PPP project is regulated by PPP law
Procedure governed by the procedures set in Public procurement law	Procedure governed by the PPP Law	Procedure for selection of private partner governed by the PPP Law or Public procurement law (it depends whether there will be concession agreement or partnership procurement agreement)



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□ **Draft PPP law defines following main terms:**

- Public private partnership;
- Institutional and contractual PPP;
- Concession agreement and partnership procurement agreement;
- Right to exploit the work or the services;
- Exploitation risks;
- Public partner and private partner;
- PPP resources;
- Special purpose vehicle;
- Sponsor;
- Others;





Developments and plans with draft PPP law

Main structure of the Draft PPP law:

- Definitions and scope of the PPP law;
- Monitoring of PPP procedure;
- Requirement for financial and economical assessments;
- Procedures for the award of concession agreement and for the selection for private partner in joint venture (concession agreement);
- Tender with/without prequalification;
- Competitive dialog;
- Procedures for examination for complains;
- The content for PPP agreement;
- Security interests;
- Financier's step-in right;
- Institutional PPP;
- Settlements and disputes;
- Communication and access of the public information;





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Thank you!

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