

# Case studies

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## Brazil

The private participation in road infrastructure in Brazil led to better management and investments in the rehabilitation of the network. Brazil has three levels of government (Federal, State and Municipalities), each one managed its own concessions providing a wide range of type of concessions, problems faced and solutions adopted. The case study presents the Federal and the Rio Grande do Sul's road concession programs.

## Urban Highway Concessions in Santiago, Chile

This is the first example in the world in which urban highways have been implemented in a city almost simultaneously with free-flow toll charges that are inter-operable, as the highways were tendered to four different operators. This project overcame a number of problems, especially planning issues like quality of customer service and public acceptance.

## A6 Motorway, Croatia

The company ARZ demonstrates the rapid progress of Croatia in the area of PPP ventures, which have driven motorway densities to record levels. The case study discusses many fundamental aspects of this project.

## France

France has a long history with toll roads since the enactment of the first law for toll motorways in 1955. The French toll motorway system has since traversed a number of schemes from a fully public system to a privatized system, although it has not been a constant evolution. The case study presents the development of toll motorways in France with respect to the main challenges faced.

## M1/M15 Motorway, Hungary

The M1/M15 Project is an ideal case study project as it shows how a major infrastructure project can be successfully implemented on a project finance basis, whilst also demonstrating that the combination of poor preparation and lack of political support can reverse the fortunes of a project very quickly.

## India

India is a country that has emerged in the past ten years as one of the leading proponents of PPP. It has been stemmed from its policy conclusion that its infrastructure needs are huge and cannot be met without additional funding through the development of PPP, a conclusion which is being increasingly demonstrated over time. Based on its successful use in the highways sector in India, the Annuity Concession model of PPP holds the potential to attract private finance into other sectors which often do not generate sufficient revenue to support BOT or concession type models, and provides valuable lessons to other governments looking for PPP solutions to leverage private finance without incurring dramatic increases in tariffs or user fees.

## Indonesia

Indonesia has come a long way in toll road development. Projects stretch back some 30 years and over 1,000 km have been built. However, the first major regulations and PPP initiatives in the late 1990s, were halted by the Asian crisis, whilst the second round of PPP measures have been slow to take off, even after the new PPP regulations were passed in 2005. Compared to many countries Indonesia has made substantial and possibly sufficient progress, with policy and regulatory framework, although more can always be done to improve regulations.

## Korea

Korea is a very good example of how effective governmental action has helped promote private capital investment in infrastructure and provide an extensive network of about 3,000 km of national highways. However, a main lesson from this country is the importance of initial arrangements for PPP, which may well not have been ideal. The importance of monitoring PPP programs and having flexibility, to adjust programs is thus important. Korea has made and continues to make substantial adjustments, as well as fine tuning, to its PPP regulations.

## Performance Based Contracts (PBC) in Serbia

The case study presents the rehabilitation and maintenance project financed primarily by international organizations and managed by the Public Enterprise Roads of Serbia (PERS). Particular features included in the contracts, such as, winter maintenance characteristics, safety and environmental issues.

## N4 Toll Road from South Africa to Mozambique

This project represents an example of a successful PPP toll road implementation in the African context. The project stems out of a political will for economic cooperation between the neighboring countries South Africa and Mozambique but which also has wider ramifications for other regional SADC countries.

## M6 Toll Road, UK

The case study presents the first and only motorway project with real tolls within the UK PPP program (except for major bridges). There was a major delay in implementation due to public objections both to the road and to the charging of tolls. The project was subsequently refinanced after opening, with overall financial benefits shared between government and concessionaire on non-contractual basis.

## United States

Although the private sector has always played a large part in the provision of public infrastructure in the USA (especially dealing with the water and waste sector), private participation has been slow to develop in transportation, in comparison with other countries. However, because of the increase in demand for highways and growing gap in state funding, various PPP methods have been recently developed.

## Zambia

Zambia has a successful and arguably under-recognized experience in performance-based contracts from which a number of lessons can be learnt. Over the past 10 years, these contracts have become the norm for a range of maintenance works.