BRAZIL

PPP MARKET



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InfraPPP Reports

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CONTENT

1. INTRODUCTION
2. PPP ACTIVITY
3. TOP REGIONAL COMPETITORS
4. TOP PROJECTS
5. TOP PLAYERS

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1. INTRODUCTION





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1.1. Introduction

Brazil

Brazil has the largest PPP market by far in LATAM, representing a 50% of the total number of projects and a 45% of the total investment volume in the continent.

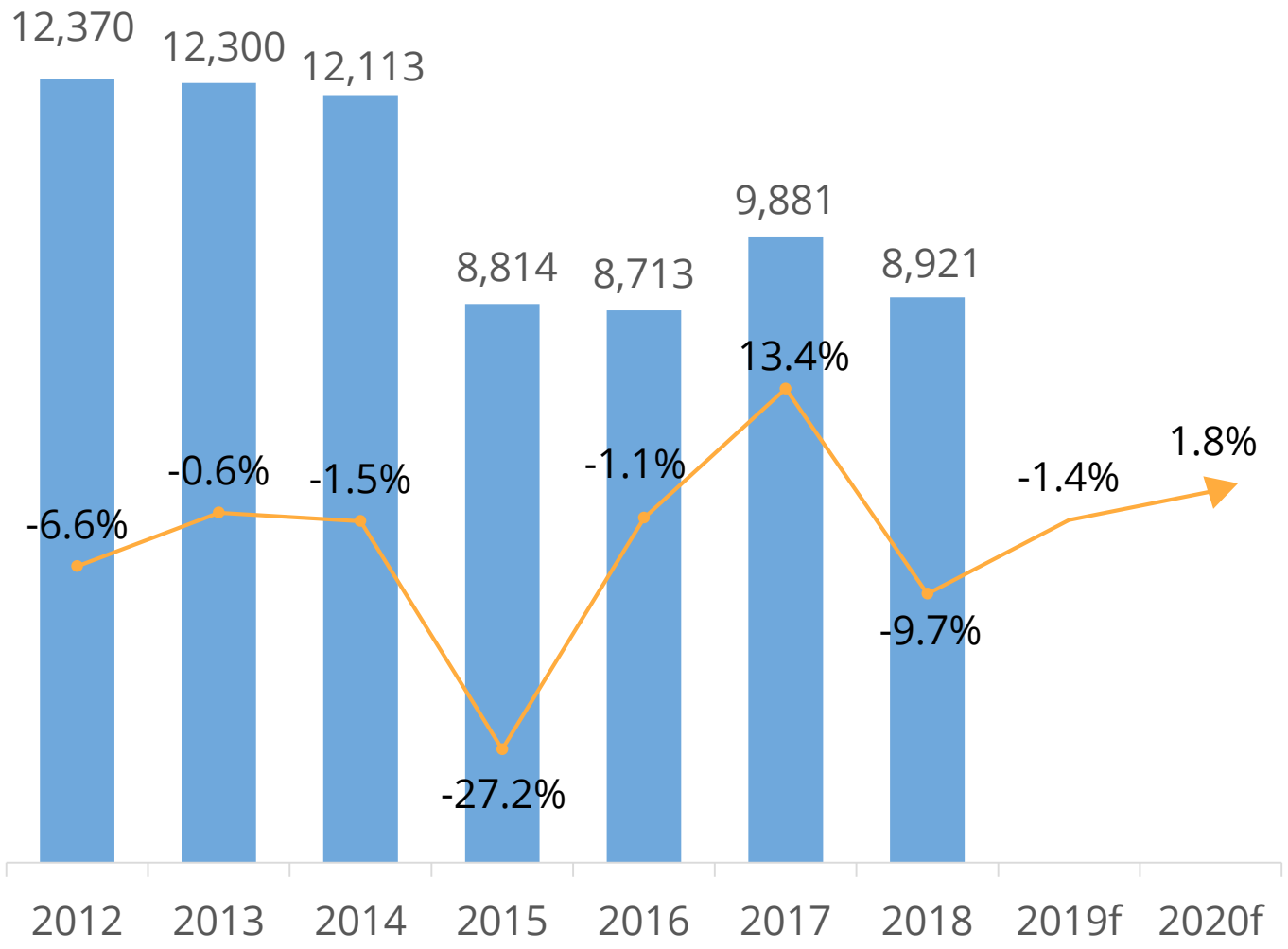
In the last years, the environment for public-private partnerships (PPP projects) in Brazil has evolved positively. The Government created the Investment Partnerships Programme in 2016 and the Project Support Fund in 2017, demonstrating political support for private investment in infrastructure.

In 2016 there was an abrupt restructuring of the Brazilian PPP market, favoring medium-sized companies and international participation. In 2019 investment in PPP projects reached USD 2.6 billion, after USD 0.5 billion in 2018 and USD 3.6 billion in 2017.

Source: Infrascope 2019, InfraPPP

1.2. GDP per capita. Brazil

USD and growth (%). 2012 – 2020F



The economic evolution of Brazil has been **irregular** during the last years, with a decrease of 9.7% in the GDP per capita in 2018. However, there are **signals of growth** for the following years with prospects of 1.8% growth for 2020.

Source: World Bank Data

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1.3. Infrascope

PPP score. Brazil, 2019 (1-100)

Overall score	**72**
Regulatory framework	63
Institutional framework	88
Operational maturity	74
Investment climate	74
Financial Facilities	63

Brazil performed well in the Institutional Framework, Operational Maturity and Investment Climate on PPP projects. However, Regulatory framework and Financial Facilities for infrastructure are still developing throughout the region. In summary, average score (72 over 100) assesses **Brazil as a developed* region for Public-Private Partnerships.**

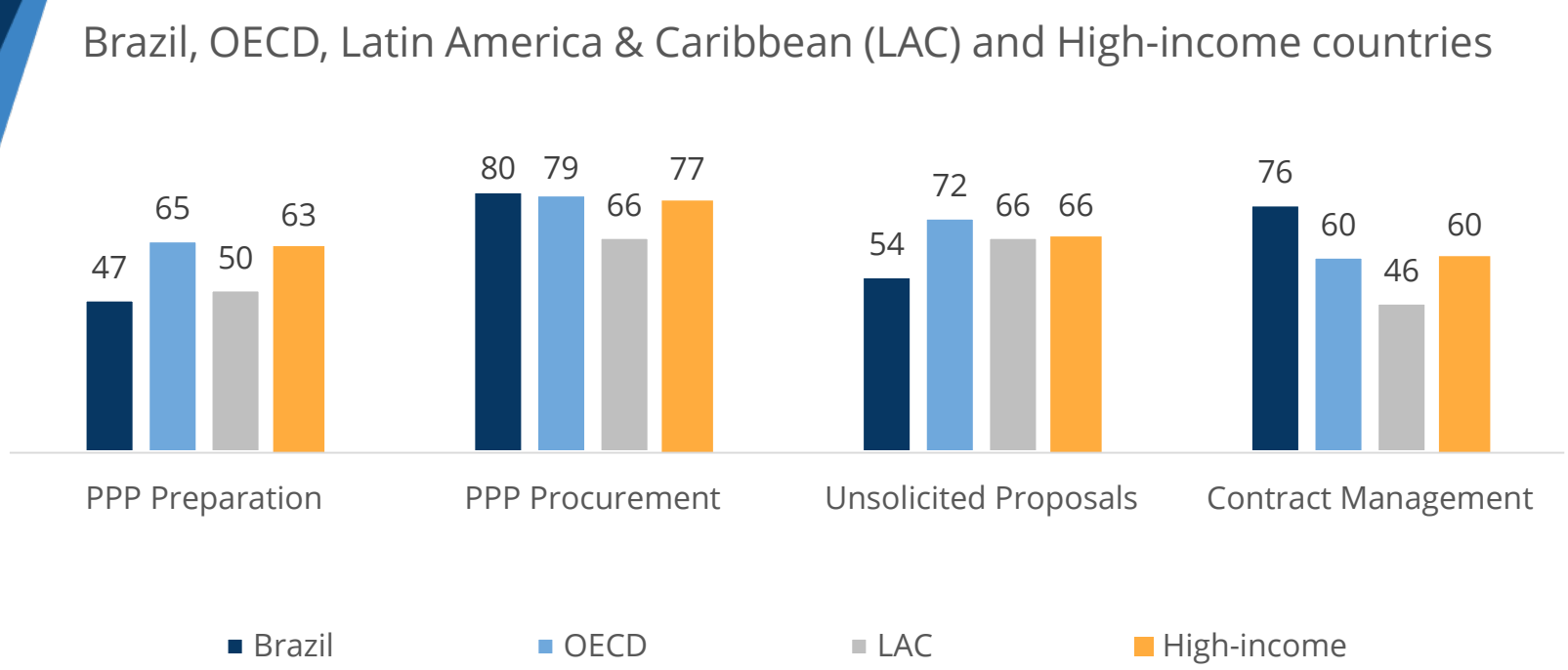
* Mature (80-100), Developed (60-79), Emerging (30-59), Nascent (0-29)

Source: The 2019 Infrascope

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1.4. Procuring Infrastructure PPP projects

PPP Regulatory Framework score



Brazil has solid scores in PPP Procurement and Contract Management (above LAC, OECD and High-Income countries). PPP Preparation and Unsolicited Proposals have both still room for improvement.

Note: The possible scores range from 0 to 100. The economies with the highest scores, nearing 100, are considered to have a PPP framework that is closely aligned with international PPP good practices.

Source: Procuring PPP projects Report. 2018

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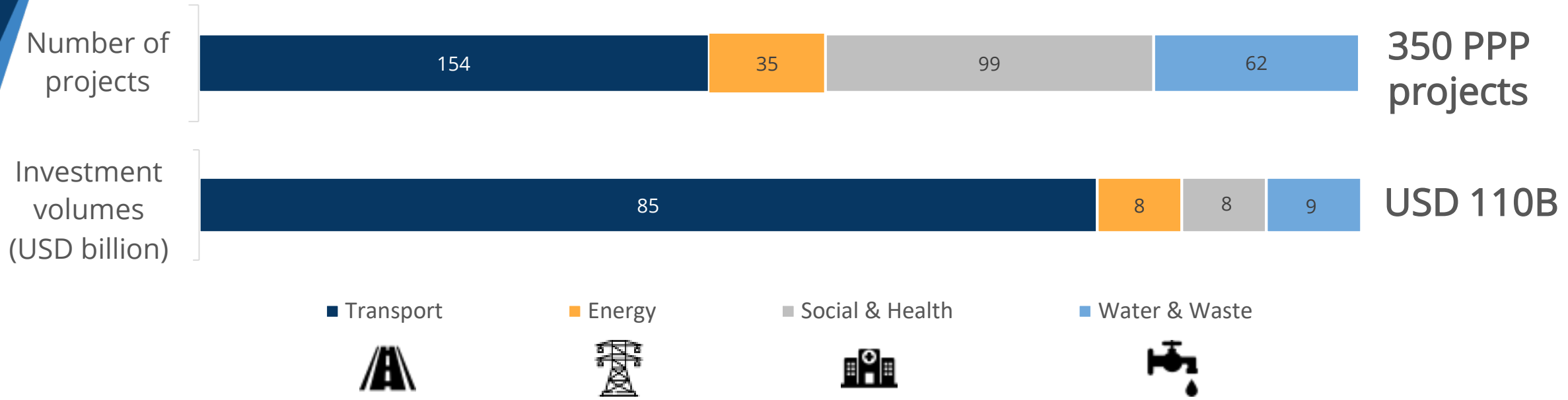
2. PPP ACTIVITY



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2.1. PPP Project portfolio by sector (Brazil)

Number of projects and investment volumes in USD



Transport sector leads the PPP market in Brazil in both number of projects and investment volumes (154 PPP projects and USD 85 billion). **Social & Health, Water, and Energy** share the remaining investment on PPP projects.

Note: The total amount of projects and investment involve all the projects in different stages until November 2019.

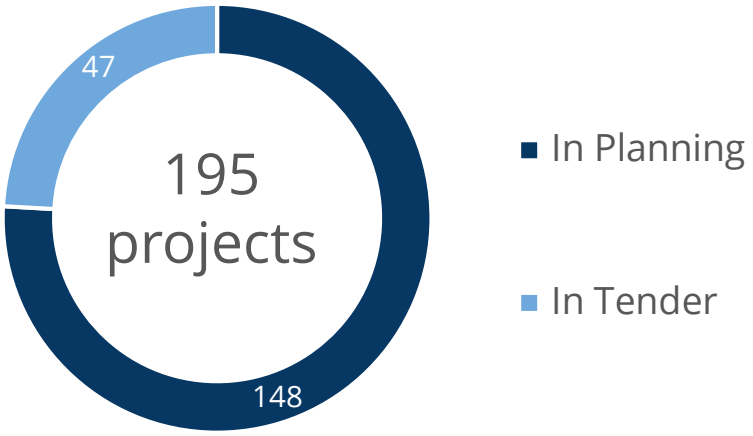
Source: InfraPPP World Project Database 2019

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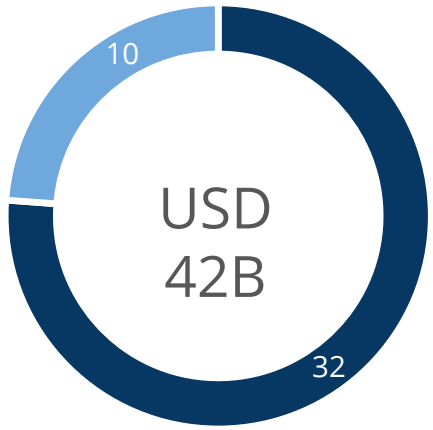
2.2. PPP Project portfolio by stage (Brazil)

Projects in pipeline (in planning + in tender*)

Number of projects



Investment volumes (USD billion)



Brazil has a pipeline composed of **195 PPP projects** involving a total forecasted investment of **USD 42 billion**:

- **In planning**: 148 projects – USD 32 billion.
- In tender: 47 projects - USD 10 billion.

* PPP projects at planning or tender stage.

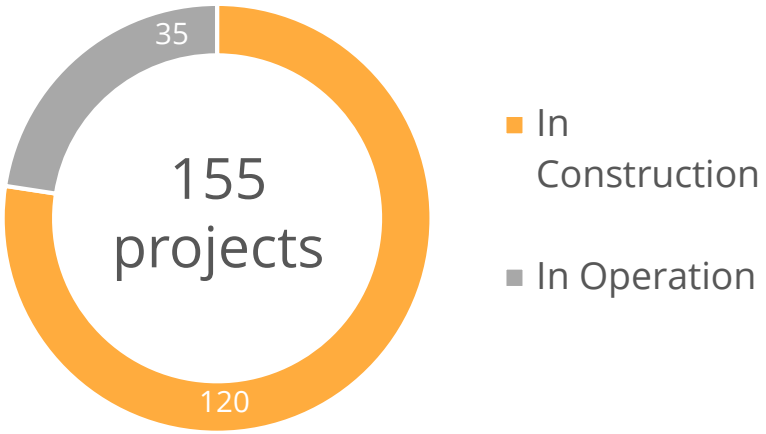
Source: InfraPPP World Project Database 2019

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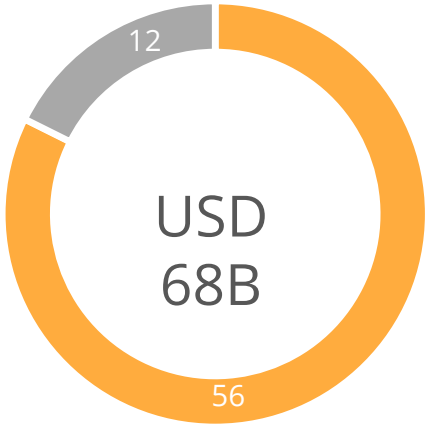
2.3. PPP Project portfolio by stage (Brazil)

Active projects (in construction + in operation)

Number of projects



Investment volumes (USD billion)



Brazil has a total of **155 active PPP** projects involving a total investment of **USD 68 billion**:

- In construction: 120 projects - USD 56 billion.
- In operation: 35 projects - USD 12 billion.

Source: InfraPPP World Project Database 2019

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3. TOP REGIONAL COMPETITORS



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3.1. Top PPP regional competitors.

PPP Activity 2018-2019

	PERU	COLOMBIA	CHILE	ARGENTINA
PPP projects in Pipeline	• Number: 14 • Value: USD 8B	• Number: 22 • Value: USD 6B	• Number: 10 • Value: USD 8B	• Number: 16 • Value: USD 7B
PPP projects active	• Number: 15 • Value: USD 6B	• Number: 20 • Value: USD 12B	• Number: 18 • Value: USD 6B	• Number: 8 • Value: USD 4B

Source: InfraPPP World Project Database 2019

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4. TOP PROJECTS





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4.1. TOP PPP projects in pipeline. Brazil.

Biggest projects in pipeline by investment volume – 2018/19

Source: InfraPPP World Project Database 2019

São Paulo intercity train network Phase I



- Country: Brazil
- Sector: Railway
- Stage: In planning
- Value: USD 8.5B
- Description:

Development and operation of a 431km long rail system divided in two routes, the Norte-Sul (north-south) and the Leste-Oeste (east-west).

Rail Freight Link PPP Project in Paraná



- Country: Brazil
- Sector: Railway
- Stage: In planning
- Value: USD 3B
- Description:

Implementation, operation, management and maintenance of a rail freight link between two cities of Paraná, Guarapuava and Paranaguá, where there is a port.

34,000-unit housing PPP in São Paulo



- Country: Brazil
- Sector: Housing
- Stage: In planning
- Value: USD 2.2B
- Description:

Construction of 34,000 houses across the city of São Paulo, as well as health clinics, schools, nurseries and commercial areas, to be located close to major public transport links.

Belo Monte transmission concession



- Country: Brazil
- Sector: Power transm.
- Stage: In planning
- Value: USD 1.3B
- Description:

Development of a transmission system that will connect the Xingu Converting Station to the Rio Terminal Converting Station, transporting energy generated by the Belo Monte Hydroelectric Plant (UHE) located in the state of Pará, northern Brazil..

4.2. TOP PPP active projects. Brazil.

Biggest active projects by investment volume – 2018/19

Source: InfraPPP World Project Database 2019

Guarulhos International Airport concession



- Country: Brazil
- Sector: Airport
- Stage: Fin. close
- Value: USD 9.4B
- Description:

The airport is the main international airport serving São Paulo. It was ranked first in terms of transported passengers, aircraft operations, and cargo handled in 2012 in Brazil. It was the busiest airport in Latin America by passenger traffic

1,405 MWe Angra 3 nuclear project



- Country: Brazil
- Sector: Renewables
- Stage: In construction
- Value: USD 5.4B
- Description:

The project involves the development of a 1,405 MWe nuclear reactor in Brazil.

The reactor works alongside the other two at Angra, which is between Rio de Janeiro and Sao Paulo.

Porto do Açu oil transshipment terminal



- Country: Brazil
- Sector: Port
- Stage: Awarded
- Value: USD 4.2B
- Description:

The project involves the development of a port terminal to move 21 million cubic meters of natural gas per day, as well as two thermoelectric plants for the handling and storage of liquefied natural gas in Porto do Açu in Rio de Janeiro.

Street lighting PPP in São Paulo



- Country: Brazil
- Sector: Street lighting
- Stage: Signed
- Value: USD 2.1B
- Description:

Modernization, optimization, expansion, operation and maintenance of the street lighting infrastructure of the city of São Paulo. In total, 535,713 points of LED lighting will be replaced, more modern and economical technology.



5. TOP PLAYERS



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5.1. TOP PPP projects Players (Brazil)

Number of deals* and investment volume - 2018/19



PROJECT OWNERS

- Neoenergia: 6 Deals. USD 0.2B
- CCR Group: 3 Deals. USD 2.1B
- Fortnot: 3 Deals. USD 0.5B
- Aegea: 3 Deals. USD 0.35B

FINANCIAL ADVISORS

- IFC.: 1 Deal.
- IDB: 1 Deal.
- Chikyoren: 1 Deal.
- B3: 1 Deal.

LENDERS

- BNDES: 6 Deals.
- CEF: 2 Deals.
- Chikyoren: 1 Deal.
- Banco do Nordeste: 1 Deal

*Deals: Operations involving PPP projects

Source: InfraPPP World Project Database 2019

If you are interested in getting more details of Brazil's projects, click the image below to visit our **PPP Reports section** and download this report's projects spreadsheet:

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The **excel spreadsheet lists all of the PPP projects** in development in Australia in the InfraPPP database.

Projects are organised by stage, with listings spanning from projects in planning to those in operation.

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