



cnc

Concesiones

Consejo Nacional de Concesiones

Private Initiative Program

2012



cnc

Concesiones

Legal Framework

- General Public Works Concessions Law (N°7762), its modifications (No 8643) and its regulation.
- Private Initiative Projects: Public Works with Public Services Private Initiative Projects Regulation



cnc

Concesiones

Concession of Public Works (CPW)?

- Administrative-Financial Contract
- The contracting agency asks a third party to Design, Finance, Build, Operate and Maintain the concession project.
- In exchange of considerations paid for by the users of the work **or** the beneficiaries of the service **or** any type of considerations paid for by the contracting agency.



cnc

Concesiones

Advantages of Concessions

- **Private Sector:**

- New business opportunities

- **Public Sector:** Infrastructure Development

- Transference of Technology
- Efficiency and Effectiveness of the private sector applied to meeting long term socioeconomic goals
- Private financing (not public debt)
- The owner is always the State



cnc

Concesiones

Risk Management: Risk is assumed by the party who is best fit to handle it.

Private Sector:

- Market Risk
- Construction Risk
- Design Risk
- Asset Obsolescence Risk
- Operative Risk

Public Sector:

- Force Major or unforeseen occurrences.



cnc

Concesiones

Efficiency and Effectiveness of the Private Sector

- Response time for unforeseen occurrences and emergencies
- Ability to react to technological changes
- Flexible budgeting and fund execution

The logo for CNC Concesiones features the letters 'cnc' in a bold, lowercase, sans-serif font. A stylized orange arrow with a white outline curves from the top left, passing behind the 'cnc' text and pointing towards the top right.

Concesiones

Private Initiative Concessions

There is a risk that the State doesn't have the funds to develop studies or the tools to identify new projects.

State {

- Proposed design or modification
- Planning and studies

Private {

- Financing
- Construction
- Maintenance, expansion, and operation



cnc

Concesiones

Private Initiative

Private agency proposals that are related to public works, including:

- Proposal for design or modification
 - Planning and Studies
 - Financing
 - Construction
 - Maintenance, expansion and operation
- CPW { PI



cnc

Concesiones

Phases in a Private Initiative

- Expression of Interest
- Proposal
- RFP and Tender
- Contract Awarding
 - Financing
 - Construction
 - Operation & Maintenance



cnc

Concesiones

Private Initiative: Expression of Interest

- Preliminary studies according to what is required by the private initiative regulation (environmental, technical, financial, and legal)
- Proposition of the necessary studies and their estimated cost
- Description of the project, its services and proposal of economic conditions (tenure, fees, etc.)



cnc

Concesiones

Private Initiative: Expression of Interest

Evaluation by the Administration → modifications

- Scope of the studies
- Proposal Adjustments
- Cost Analysis
- Distribution of Risk
- General conditions for approval

Requirements
for public
interest



cnc

Concesiones

Private Initiative: Proposal

- The advocate carries out the studies to define if it's technically, financially, socially, environmentally, and legally viable.
- Process monitoring by the Administration (Cost Analysis)
- Sufficient information for the preparation of the RFP



cnc

Concesiones

Private Initiative: Tender

- The basis for the RFP is defined by the administration, based on information given during the expression of interest phase.
- The proponent participates as an bidder in equal conditions to other interested parties.
- The RFP includes development and analysis costs.
- Process based on the General Concessions Law.

The logo for CNC Concesiones features the letters 'cnc' in a bold, lowercase, sans-serif font. A yellow swoosh with an arrowhead at the end curves over the letters from the top left to the top right.

Concesiones

Private Initiative: Awarding

- The concessionaire that was awarded the contract has to refund development costs (after the contract has been endorsed and before the starting date).
- Financing, Construction, Operation, Maintenance of the work



cnc

Concesiones

Private Initiative

Areas or sectors where concessions may have a positive impact in the quality of life of the community:

Transportation

- Transport: \$60 billion on investment in the next 25 years
- Education Infrastructure and Equipment : \$1 billion
- Infrastructure and Equipment : \$1 billion



cnc

Concesiones

Private Initiative

Areas or sectors where concessions may have a positive impact in the quality of life of the community:

- Management and treatment of solid waste
- Public buildings – required investment of one billion \$
- Accessible Housing
- Alternative Energy Sources; (change the public vehicle fleet from using fossil fuels to using FCEV)



cnc

Concesiones

Consejo Nacional de Concesiones

Programa de Iniciativa Privada

Contact:

Ing. José Humberto Zúñiga Jiménez
Private Initiative Program Manager

Email: jzuniga@cnc.go.cr , josehzuniga@gmail.com

Telephone: (506) 2253-0211, (506) 8381-9967

Thank You