



Republic of Kosovo
Ministry of Economy and Finance

1st US - Kosovo Trade Forum

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Presentation

By

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Presentation Overview

- ▣ Legislative & Institutional Framework
 - ▣ Scope of PPP Law
- ▣ Current Projects
- ▣ Project Pipeline Overview

Vast Infrastructure Development Opportunities and Needs

Urgent Infrastructure Development Needs

- Infrastructure gap of over € 5 billion (next 3 - 5 years)
 - Great opportunity for private participation
 - Need for additional resources and expertise of the private sector to assure Economic Efficiency

Expanded service coverage across all sectors

- Energy, Telecommunication, Transportation, Public Utilities

Why Invest in Infrastructure and Services? Public-Private Opportunities

- The Government of Kosovo is committed to create an attractive –investment friendly environment:

New PPP framework legislation

The PPP law is investor-friendly, in accordance with international best practices (UNCITRAL, EBRD, EC guidelines, etc.)

Extensive PPP project-pipeline in all sectors

Law On Publicly Owned Enterprises

Providing a transparent and predictable process of Private Sector Participation in POEs

Clearly articulated Government Policy on assuring Private Sector Participation in Publicly Owned Enterprises



Legislative PPP Framework

The Government of Kosovo is committed to create an attractive -investment friendly environment:

- ▣ Government declared PPP as a national priority
 - ▣ via policy directive in July 2008
- ▣ PPP and Concession Law No. 03/L-090
 - ▣ promulgated in August 2009

Legislative PPP Framework

Concession and other rights to utilize and/or exploit publicly owned infrastructure and/or provide public services in the following economic and social sectors:

- ▣ Government
- ▣ Transport
- ▣ Energy
- ▣ Heating Systems
- ▣ Water, Sewage, Recycling
- ▣ Telecommunication
- ▣ Sport and Recreation
- ▣ Health
- ▣ Education
- ▣ Tourism and Culture
- ▣ Public Housing



CURRENT PROJECTS

PPP & PRIVATIZATION PROJECT PIPELINE

Sector	Project Description
Air Transport	Prishtina International Airport ✓
Road Infrastructure	Route 7 (117km) : € 1.15 billion ✓ Route 6 (60km) : € 400M- 600M PPP
Telecommunication	Privatization of Post and Telecom of Kosovo
Energy Sector	<ul style="list-style-type: none"> • Distribution and Sales of Kosova Energy Corporation • Zhur Hydro Power Plant (300 MW) • New Kosova (up to 600 Mwh), mining, etc. • Renewable Energy
Municipal / Urban Regeneration/	<ul style="list-style-type: none"> • Public Parking / Transport • Public Buildings • Recycling / Waste • Sports & Leisure • Others
Railway Transport	Rail Link with Pristina International Airport
Education	Multiple School PFI

Sector: Air Transport

Prishtina International Airport - PPP

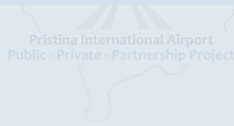
- **Project Data:**

- The only Airport in Kosova
- Over 1.3 mill pax annually
- Positive Pax growth every year
- Large potential of Expanding Customer base, non-aeronautical commercial activities

- **Public Private Partnership Model:**

- Design, Build, Finance, Operate, Transfer, 20 Year contract

- **Transaction Value: \$194 Million**



Sector: Telecommunication



Privatization of Post and Telecom of Kosovo

- **Project Data:**
 - Three core business units: Mobile, Land Line, and Post of Kosova.
 - Retained Earnings in FY 2009 48 MiL EURO
 - Over 1.2 million mobile sub-scribers
 - Over 250,000 Fixed Line customers
 - Expected Mobile sub-scribers by end of 2010: over 1.4 million
 - Largest coverage of mobile and telecom with over 95% coverage
- **Divestiture up to 75 % shares**
- **Competition:** 5 Strong International Companies have submitted their qualifications



Sector: Road Infrastructure

Route 6: Skopje – Mitrovica border with Serbia) Motorway

- **Project Data:**

- Connected to Pan-European Road Corridor VIII
- 80 KM motorway (4 lane)
- Kosovo's outlet to Pan European Corridor connecting to the strategic port of Thessaloniki
- Traffic Data: Over 25,000 vehicles per day

- **Public Private Partnership Model:**

- Build Operate Transfer

- **Transaction Value:** Over \$ 1 Billion



Sector: Water Transportation

Port of Shengjini

- **Project Data:**
 - Public asset of Republic of Albania
 - To be given for administration to the Republic of Kosovo
 - Regional Project - Great Potential for private participation
 - Universal Port – transportation of all kinds of goods
 - Intermodal Transportation Development
- **Public Private Partnership Model:**
 - Build Operate Transfer (BOT)
- **Transaction Value:** Feasibility Study underway

Pristina International Airport
Public - Private - Partnership Project



Sector: Central Solid Waste Land Fill

Kosovo Land Fill Management Company

- **Project Data:**
 - Investment Project to Increase and Modernize Land Fill Locations throughout Kosovo.
 - Five Land Fills with total Capacity of over 180,000 tonnes of solid waste with great potential for expansion.
 - Natural Monopoly
 - Currently faced with significant financial constraints
 - Donors interest for financial support
- **Public Private Partnership Model:**
 - Rehabilitate Operate Transfer (ROT)
- **Transaction Value:** \$ 4- 5 Million



Sector: Energy

Kosovo Electricity Distribution and Sales (KEDS)

- **Project Data:**
 - Distribution and Sales of Kosova Energy Corporation
 - Natural Monopoly - Distribution
 - Legal Monopoly - Sales
 - 350.000 costumers (households)
 - Effective and Independent Energy Regulator
- **Privatization:**
 - Divesture of up to 100 %o of Shares
- **Transaction Value:** around \$ 400 Million



Sector: Administration Buildings

Customs and Tax Administration Bldng

- **Project Data:**
 - Construction of two (2) administrative buildings with over 20,000 sqm.
 - Possibility to build commercial space within the grounds of the Tax and Customs Park
 - First project being implemented under PFI scheme for Public Buildings
 - Investment Needs approximately: 3 – 5 Million
- **Public Private Partnerships Model:**
 - Private Finance Initiative (PFI)
- **Transaction Value:** \$ 20Million



Conclusion

- Kosova has a modern and welcoming investment framework
- Policy Posture is decidedly pro-private sector
- Major pipeline of PPP and Privatizations in all sectors
- Kosova is committed to long-term sustainable growth by working together with the private sector



Thank you for your attention!

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Partnerships Kosovo