

# PPI

INVESTMENT  
PARTNERSHIPS  
PROGRAM

## CRES<sup>SC</sup>ER

Investment . Infrastructure . Employment



*Investment Partnership Program will lead infrastructure investments*

Update in Oct, 2017

## WHAT IS THE PPI?

The **Investment Partnerships Program (PPI)** was launched in May 2016, aiming to coordinate and supervise concessions and privatizations of Federal Government infrastructure projects.

**PPI's Special Department** supports Ministries and Regulatory Agencies in planning, modeling and monitoring the portfolio of projects, preserving their political and regulatory competences.

PPI's chief goals are (i) to extend **transparency, participation and governance** to a solid portfolio of projects, (ii) to encourage **competitiveness** among those potentially interested and their diversity, in terms of nationality and size of companies, and also (iii) to improve the **quality of services** provided to the Brazilian population.





## INVESTMENT PARTNERSHIPS PROGRAM PPI



When a project is qualified for the Investment Partnerships Program it's defined as a **NATIONAL PRIORITY.**



# MAIN NORMATIVE ACTS

STANDARD	SUBJECT
<b>Law no. 13334/16</b>	Creates the Investment Partnerships Program (PPI).
<b>Decree no. 9038/17</b>	Approves the new SPPI regimental structure within the General Secretariat of the Presidency of the Republic.
<b>PPI Resolution no. 01/16</b>	Establishes guidelines for the process of contracting PPI projects.
<b>1<sup>st</sup> RCPPI decrees</b>	Decrees No. 8873, 8893, and 8916 of 2016 have qualified the projects of the 1 <sup>st</sup> RCPPI as a national priority.
<b>Law no. 13448/17</b>	Establishes guidelines for the renovation of partnership agreements in the road, rail and airport sectors. It allows the use of arbitration procedure in those sectors and the constitution of a wholly-owned subsidiary by foreign companies.
<b>Decree no. 9036/17</b>	Prioritizes development policies in the States, Federal District and Municipalities (sanitation, lighting and piped gas) and confers priority treatment to projects in these sectors.
<b>Law no. 13365/16</b>	Eliminates the mandatory participation of Petrobras (30%) for block auctions in a production-sharing regime.
<b>Proposed Foreign Exchange Risk</b>	Permission to the use of variable grants owned by FNAC to address the exchange rate risk in airport concessions.
<b>Decree no. 8874/16</b>	Regulates the approval conditions of projects for special tax regime of infrastructure debentures.
<b>Decree no. 8875/16</b>	Abolishes the free access policy of brazilian railways.
<b>CNPE Resolution no. 7/16</b>	Provides for local content for bidding rounds of ANP's oil and natural gas areas.
<b>Decree no. 9048/17</b>	New Decree of the Port Sector.
<b>MPV no. 779/17</b>	It is permissible to conclude contractual additives that deal with the modification of the schedule of payments of the grants in the partnership contracts in the airport sector celebrated until December 31, 2016.





## AUCTIONS AND RENEWALS CARRIED OUT



Investment  
Partnerships  
Program

**CRESCER**  
Investment . Infrastructure . Employment

## AUCTIONS AND RENEWALS CARRIED OUT

PPI Projects:

**146**

**54**

Auctioned/renewed

**37% of the PPI portfolio in 15 months**

**BRL 33 billion**  
Planned investments



Airports

**4**

Concessions



Port Terminals

**7**

**3** Biddings

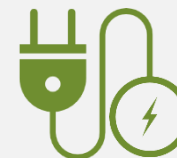
**4** Renewals



Oil and Gas

**2**

Concession for exploring areas with Marginal Fields accumulations and Exploration and Production



Power

**5**

**4** Biddings UHE

**1** Renewal PCH

**1**

Power Distribution (CELG-D)

**35**

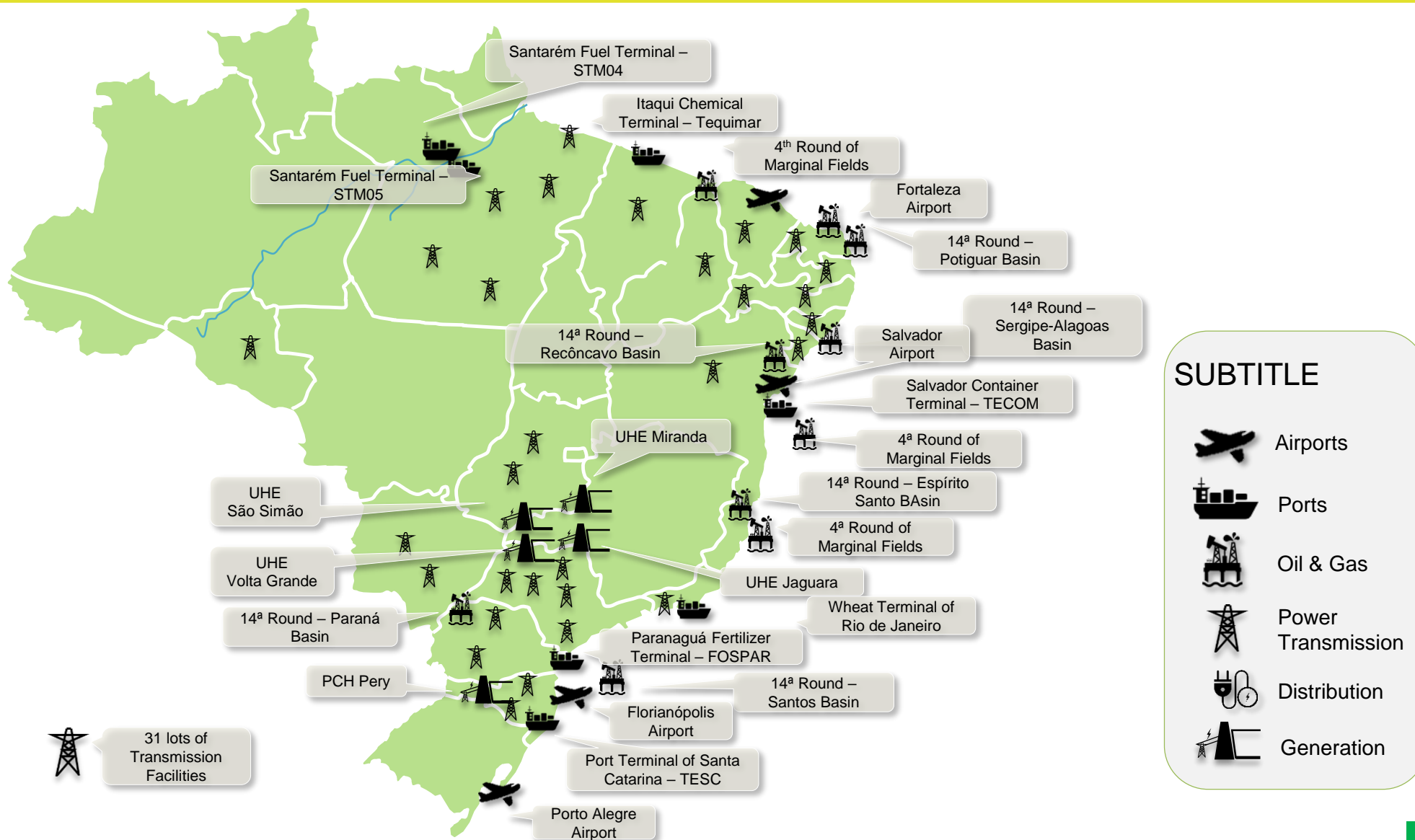
Transmission Lots

**31** Acquired

**4** Without proposal



# UNDERTAKINGS AUCTIONED/RENEWED



## SUBTITLE

- Airports
- Ports
- Oil & Gas
- Power Transmission
- Distribution
- Generation

## RESULTS OF AUCTIONS

Undertaking	Grant / Bonus (BRL)			Investments (BRL)
	Planned	Obtained	Average Premium	
Airport concessions	3.01 bi	3.72 bi	23,4%	6.61 bi
Port Terminals	15.0 mi	69.4 mi	360%	1,20 bi
Oil and Gas Concession (14 <sup>a</sup> )	1.7 bi	3.85 bi	126,5%	845 mi
Privatization of Power (Distribution)	1.71 bi	2.19 bi	28%	3.40 bi
Extension of Generation Plant	11 bi	12.13 bi	9,7%	8.17 bi
	<b>17.4 bi</b>	<b>21.9 bi</b>		<b>20.3 bi</b>
Sector	Discount (BRL)			Investments (BRL)
	Planned RAP	RAP Obtained	Average discount	
Power Transmission Concession	2.63 bi	1.67 bi	36%	12.73 bi
	<b>2.6 bi</b>	<b>1.7 bi</b>		<b>12.7 bi</b>

*Total investments expected in the auctions: **BRL 33 billion***





# ONGOING AUCTIONS AND RENEWALS



Investment  
Partnerships  
Program

**CRESCER**  
Investment . Infrastructure . Employment

# PROJETO CRESCER – IN PROGRESS

**92**

Projects

**BRL 105 billion**  
Planned investments



Highways

**8**

**4** Biddings

**4** Studies



Railways

**8**

**5** Renewals

**3** Biddings



Electric Power

**19**

UHE - **1** Extension

**11** Transmission Lots

**6** Distributors

**1** Privatization



Oil and gas

**5**

**3** Pre-salt sharing

**1** Exploration and Production

**1** Marginal accumulation



Mining

**4**

Concession to exploitation of Mining areas



Airports

**18**

**14** Concessions

**4** Shareholding selling



Port Terminals

**25**

**7** Renewals/ Rebalancing

**17** Biddings

**1** Expansion



COMAER

**1**

Public-Private Partnership (PPP)



Lottery

**1**

Concession of the right to exploit

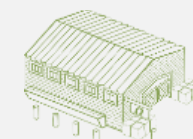


CMB

Currency House

**1**

Privatization



Supply

**2**

CEASAMINAS  
CASEMG  
Privatization

# LOGISTICS





# Logistics projects that promote the interconnection between important poles and cargo flow

## LOGISTICS

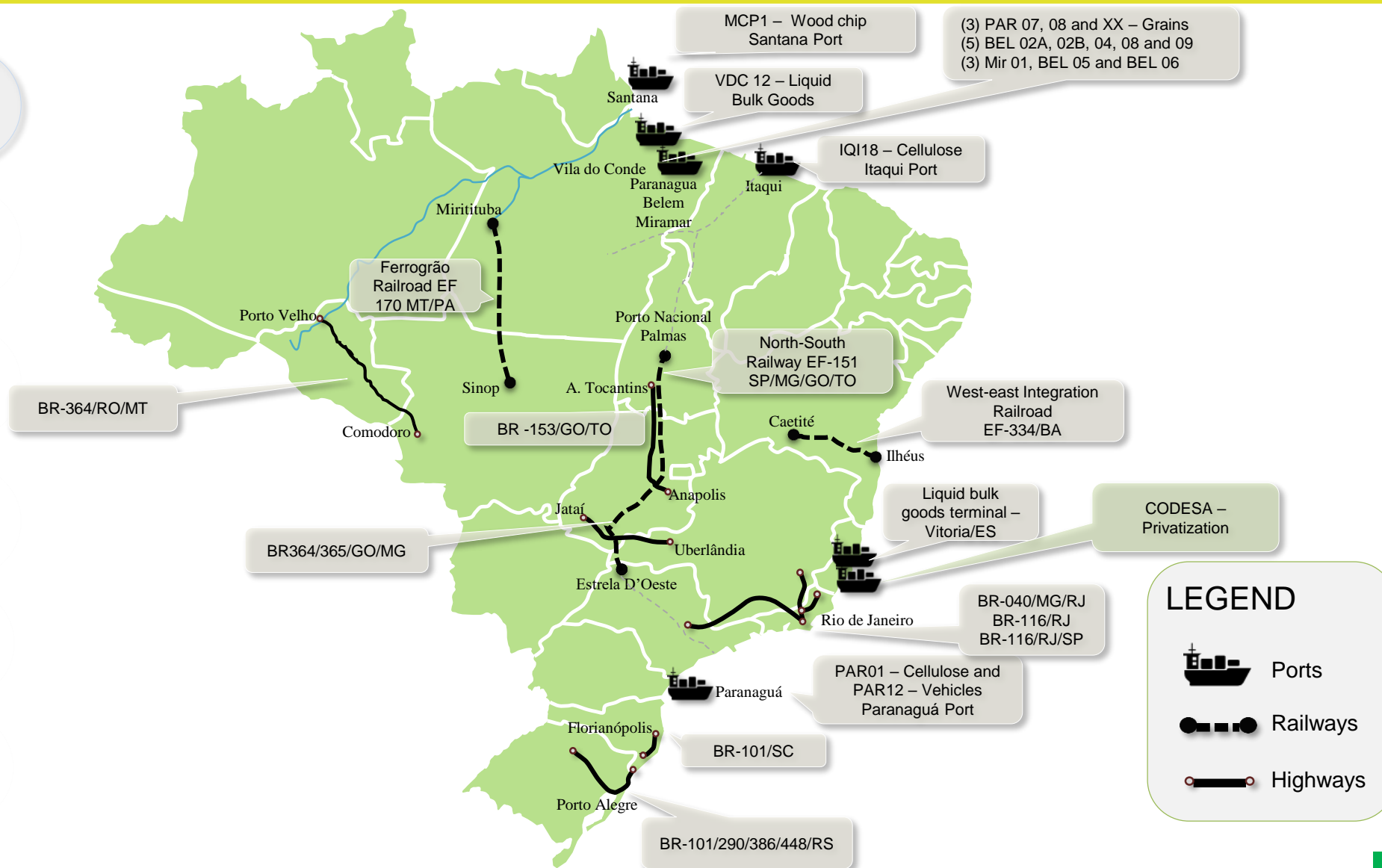
POWER

MINING

OIL & GAS

DEFENSE

SUPPLY &  
FINANCE





# Extensions qualified in PPI are intended to leverage new investments to improve production flow

## LOGISTICS

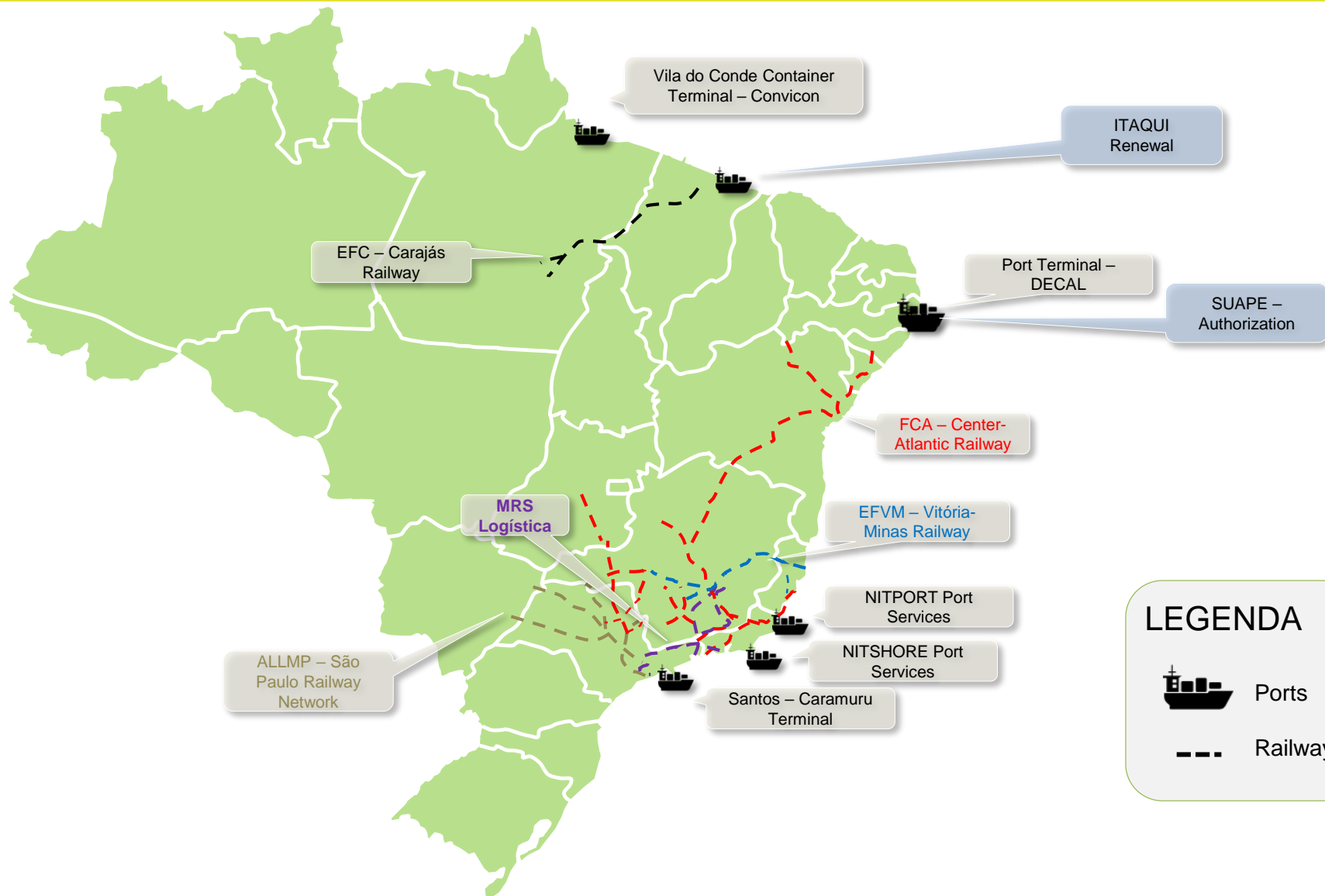
POWER

MINING

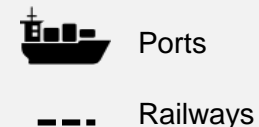
OIL & GAS

DEFENSE

SUPPLY &  
FINANCE



### LEGENDA





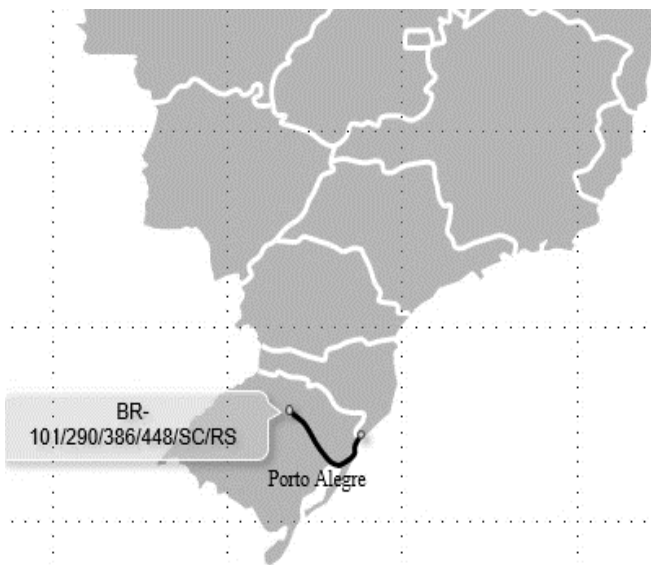
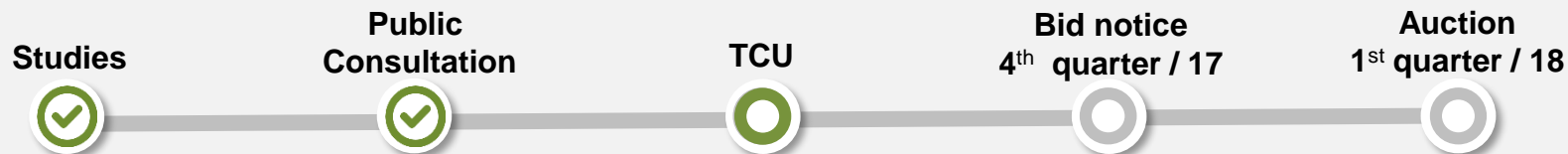
# Highways



Investment  
Partnerships  
Program

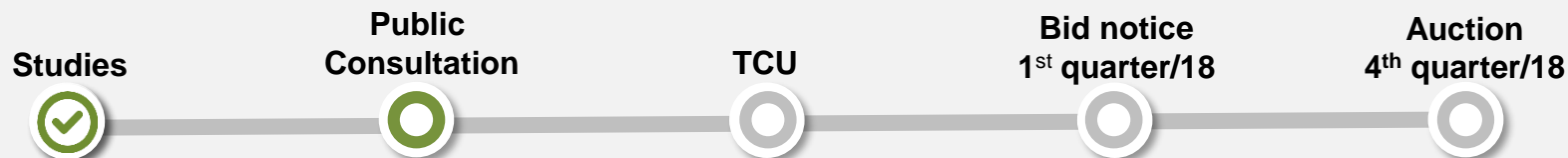
**CRESCER**  
Investment . Infrastructure . Employment

## Border SC/RS - Osório-RS Porto Alegre-RS Canoas-RS



- 473 km long
- Traffic: stretches with maximum daily traffic volume starting with 18 thousand vehicles/day in the 3<sup>rd</sup> year and reaching 35 thousand vehicles/day in the 30th year.
- Planned Capex: BRL 8.4 billion
- Planned Opex: BRL 5.3 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Importance: it comprises corridors in Porto Alegre Metropolitan Area and surroundings that are already intense and need interventions.

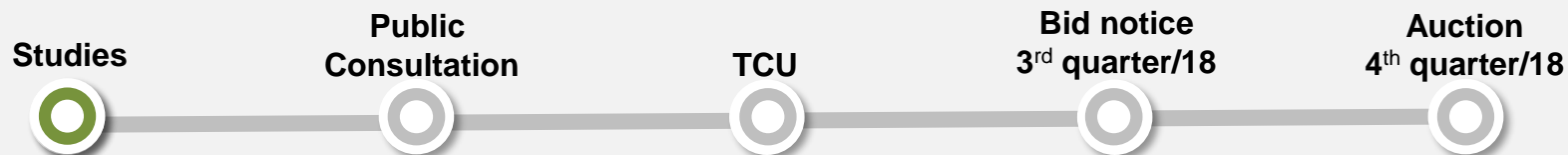
## Jataí-GO Uberlândia-MG



- 437 km long
- Traffic: 4.4 thousand vehicles/day in the 1<sup>st</sup> year of concession
- Planned Capex: BRL 2.0 billion
- Planned Opex: BRL 2.7 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Importance: relevant corridor for flowing of the agroindustrial production from southeast Goiás and Triângulo Mineiro – connects already granted stretches of BR-050 and BR-153, providing access to Southeast market and to Santos Port.

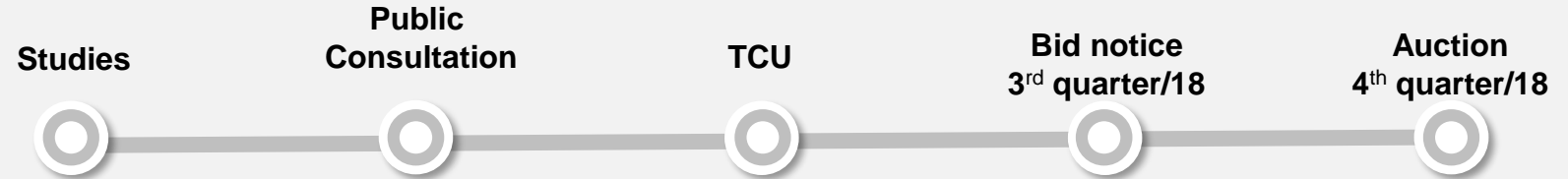


## South of Palhoça/SC to border between SC and RS



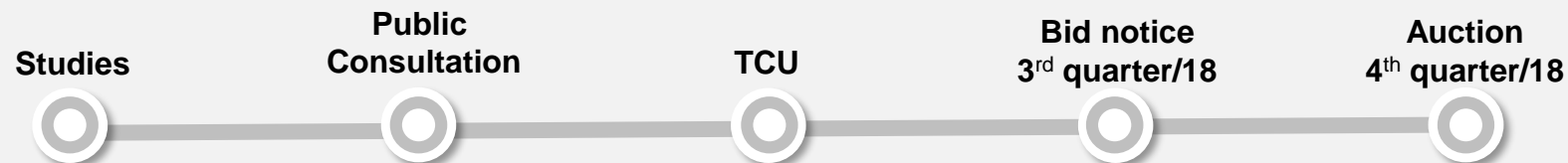
- 220 km long
- Traffic: stretches with average of 24 thousand vehicles/day
- Planned Capex: BRL 4.1 billion
- Planned Opex: BRL 4.5 billion
- Concession period: 30 years
- Auction criterion: lowest toll tariff
- Works will extend the capacity and provide better level of service by reducing accidents and traffic jams, improving trafficability and significantly contributing to the region economic development.

## Juiz de Fora to Rio de Janeiro



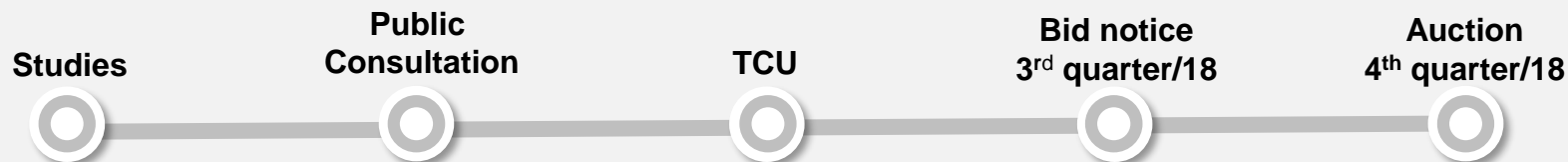
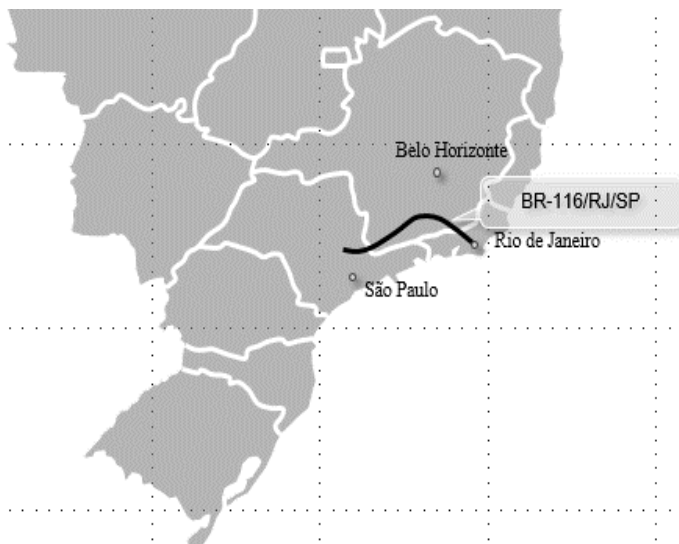
- Brownfield project
- 180 km long
- Traffic: average volume of 17 thousand vehicles/day
- The stretch is currently granted to CON CER. The current concession contract ends in March 2021
- Bidding for new concession before the end of the current contract
- Importance: it connects Rio de Janeiro and Juiz de Fora/MG. It is the main highway corridor between Minas Gerais and Rio de Janeiro states, in addition to being a relevant stretch of the radial highway that connects Brasília and Rio de Janeiro
- Hiring of feasibility studies for the project will occur in the 2<sup>nd</sup> semester 2017.

## Beyond Paraíba to BR-040



- Brownfield project
- 142.5 km long
- Traffic: average volume of 23 thousand vehicles/day
- The stretch is currently granted to CRT. The current concession contract ends in March 2021
- Bidding for new concession before the end of the current contract
- Importance: it is the only route, from Rio de Janeiro city, to by-pass Baía de Guanabara, providing access to Região dos Lagos, at the north of the state, and to North and Northeast regions of Brazil
- Hiring of feasibility studies for the project will occur in the 2<sup>nd</sup> semester 2017.

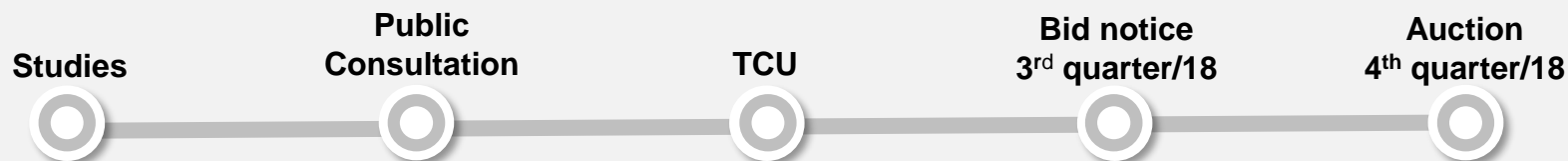
## Rio de Janeiro to São Paulo



- Brownfield project
- 402 km long
- Traffic: average volume of 42 thousand vehicles/day
- The stretch is currently granted to CCR. The current concession contract ends in March 2021
- Bidding for new concession before the end of the current contract
- Importance: it connects two major metropolitan areas in the country (São Paulo and Rio de Janeiro). Besides, the highway is part of the main connection between the Northeast and South regions of the country, crossing 34 cities
- Hiring of feasibility studies for the project will occur in the 2<sup>nd</sup> semester 2017.

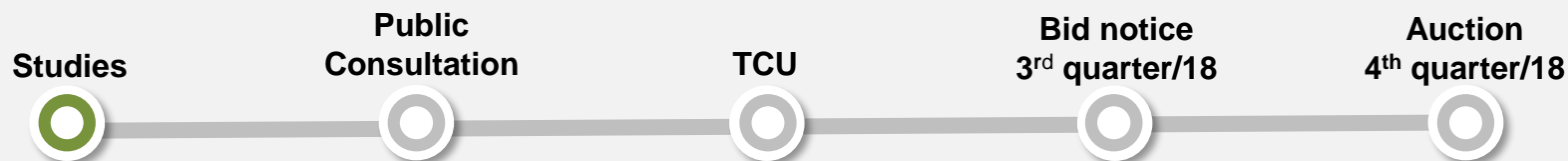
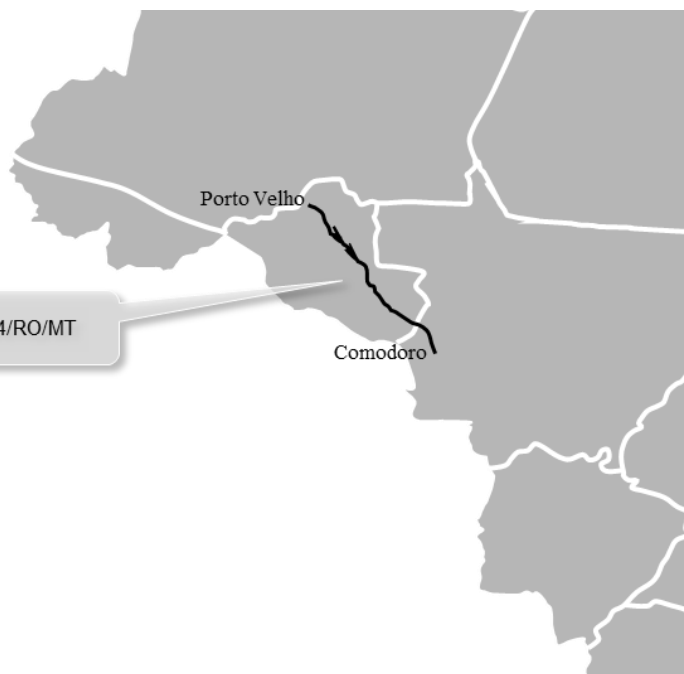


## Anápolis to Aliança do Tocantins



- Brownfield project
- 624.8 km long (Simple Track: 589.2km and Double Track: 26.5km)
- Estimated investment: BRL 8,0 bi
- The stretch is currently granted to Galvao SPE SA. Expiration due on 8/18/17
- Importance: it links the Mid-North of Brazil (states of Tocantins, Maranhão, Pará and Amapá) to the geo-economic region of the country. Due to this fact and in addition to the large flow of vehicles, the BR-153 is currently considered one of the main national integration highways in Brazil
- The contracting of feasibility studies of the project will be in the 4<sup>th</sup> quarter of 2017

## Porto Velho to Comodoro



- Brownfield project
- 806.3 km long (Simple Track : 783.9km and Double Track: 22.4km)
- Expected Capex: BRL 8 billion
- Expected Opex: BRL 3 billion
- The stretch in question already has a high volume of traffic, expected to become bottleneck with the expansion of agribusiness, in addition to being the only road link from Port Velho and the State of Acre to the other regions of Brazil.
- Importance: in addition to expanding road capacity by reducing transportation costs and travel time between the north-west of Mato Grosso and Port Velho, encourage the creation and consolidation of a new vector of grain outflows from the region's production areas.
- The delivery of feasibility studies for the project is scheduled for the 4<sup>th</sup> quarter of 2017



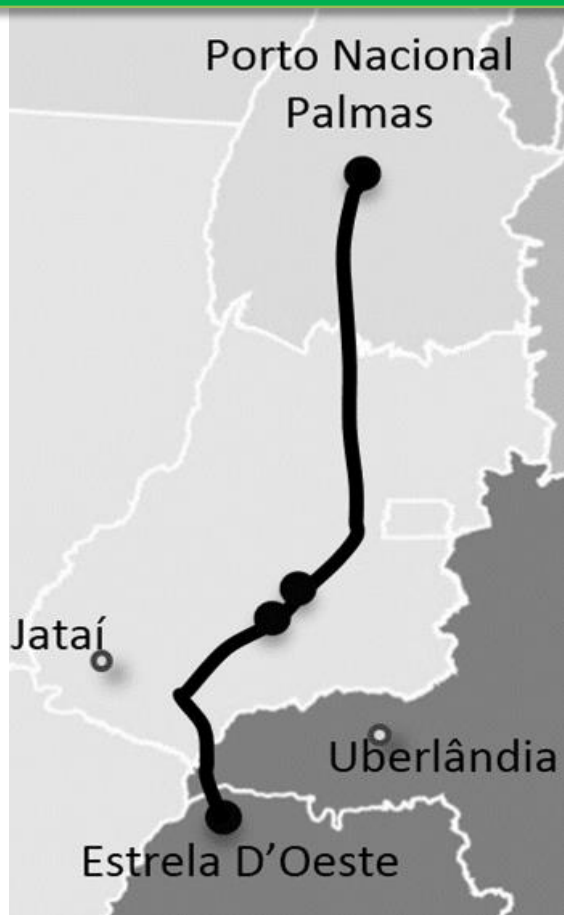
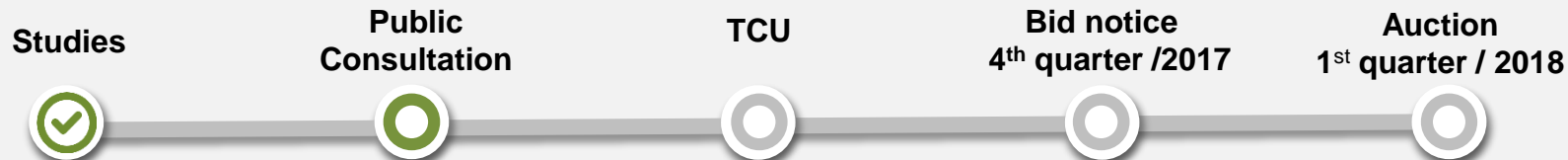
# RAILWAYS



Investment  
Partnerships  
Program

**CRESCER**  
Investment . Infrastructure . Employment

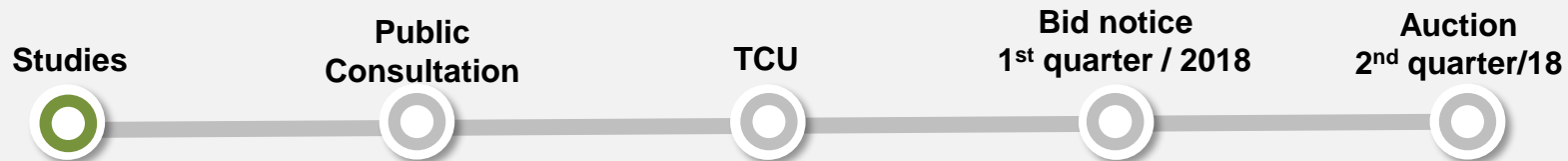
## EF-151 - Port Nacional-TO - Estrela D'Oeste-SP



- Backbone of the Brazilian railway system
- Length: 1,537 km
- Importance: it extends the railway connection of the country's central region to ALL Malha Paulista (Santos port) and to North/Northeast Ports (Itaqui and future Vila do Conde)
- Porto Nacional/TO – Anápolis/GO (855 km): work concluded
- Ouro Verde/GO-Estrela D'oeste/SP (682 km): 90% executed by VALEC; conclusion: Feb/18
- Planned investment: BRL 2.76 billion
- Planned cargo: 1.2 million tons in 2019 and 22.9 million in 2045 (net and solid bulks and general cargo)
- Auction criterion: highest grant value – minimum BRL1.63 billion
- Concession period: 30 years
- Public Consultation published on 6/27/17 (Closed on 8/11/17)

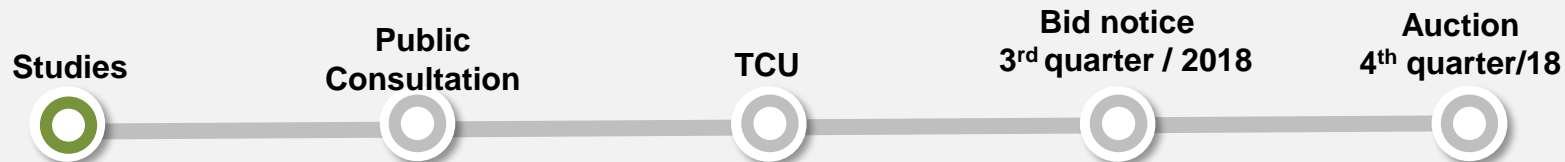


## EF-170 - Lucas do Rio Verde-MT - Sinop-MT Itaituba-PA



- New export railway corridor through Arco Norte
- Length: 1,142 km
- Importance: it aims at improving Middle-West agricultural production flow by connecting, in Pará state, to Miritituba Port.
- Greenfield undertaking
- Planned investment: BRL12.6 billion
- Planned cargo: 25 million tons in 2020 and 42 million in 2050
- Auction criterion: higher grant value (under study)
- Concession period: 65 years

## EF-334 - Ilhéus-BA - Caetité-BA



- Length: 537 km
- Importance: it will flow iron ore produced in Caetité/BA region and grain production from Bahia west region (Minas da Bahia Mineração – BAMIN) through Porto Sul, port complex to be built in the city of Ilhéus/BA surroundings, under the responsibility of Bahia State Government. It can also establish connection of the mentioned Port with FNS.
- Current situation: works under VALEC responsibility. Physical advance of 70.3% and received around BRL1,9 billion in investments.
- Auction criterion: highest grant value (under study)
- Planned investment: BRL1.14 billion to conclude works

## ALLMP, EFC, EFVM, FCA, MRS

Business Plan

Public Consultation

Technical and Legal Opinion

Collegiate Decision

Signature of Additive



- Stretches granted in the second half of the 90s decade to private enterprise
- Early extension of contracts to make public interest investments in networks feasible
- Total length: 12,675 Km
- Movement: 457 million t/year (90% of annual movement of national railways)
- Estimated investment: BRL 25 billion
- Period: 30 years
- Malha Paulista public hearing closed. (Contract expected for 2<sup>nd</sup> sem/2017)
- MRS Logística public hearing in the 2<sup>nd</sup> sem/17. (Contract expected for 2<sup>nd</sup> sem/2017)
- Ferrovia Centro-Atlântica S.A,
- Estrada de Ferro Vitória a Minas,
- Estrada de Ferro Carajás, public hearing in the 2<sup>nd</sup> sem/17. (Contract expected for 1<sup>st</sup> sem/18).

Business Plan	Public Consultation
✓	✓
✓	○
○	○
✓	○
✓	○





# PORTS

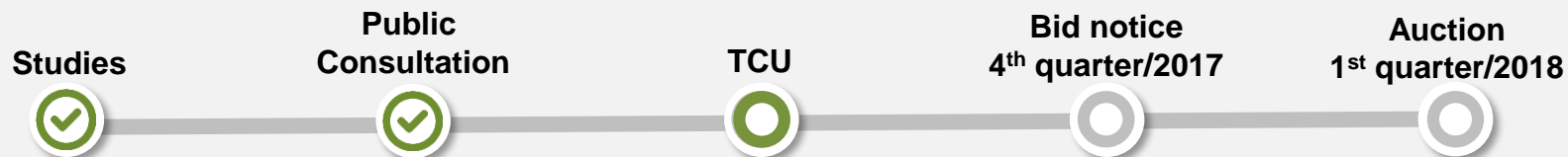


Investment  
Partnerships  
Program

**CRESCER**  
Investment . Infrastructure . Employment

## PORTS – Lease of cellulose mill in the port of Paranaguá

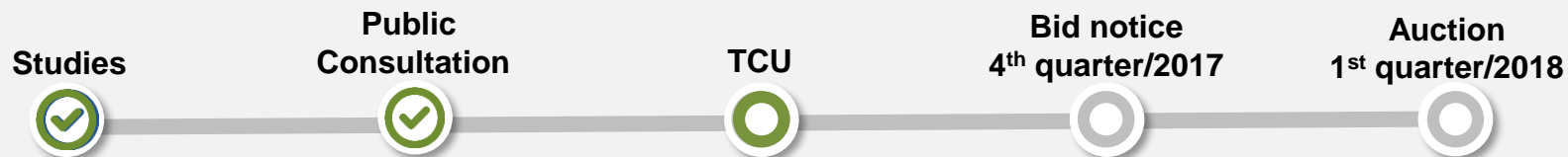
**PAR01**



- Greenfield project
- Terminal area: 28,000 m<sup>2</sup>
- Estimated investments: BRL102 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1.3 million tons/ year (general cargo)
- Amount to be invested: BRL102 million



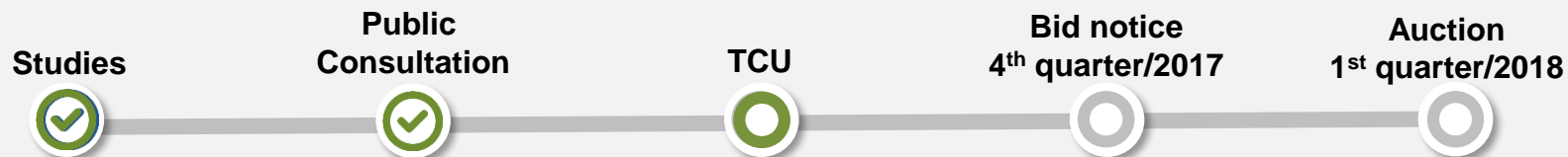
## PAR12



- Greenfield project
- Terminal area: 28,000 m<sup>2</sup>
- Estimated investments: BRL102 mi
- Contract period: 25 years
- Auction criterion: highest grant
- Capacity: 1.3 million tons/year (cellulose)
- Amount to be invested: BRL102 million

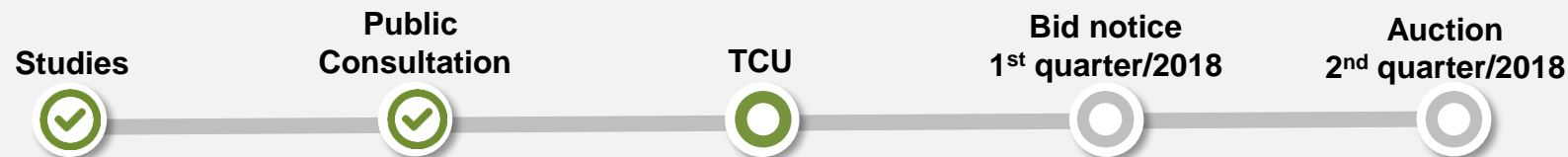
## PORTS – Lease of terminal for handling of general cargo (cellulose) in the port of Itaqui, Maranhão

**IQI18**



- Greenfield project
- Terminal area: 53,000 m<sup>2</sup>
- Estimated investments: BRL 221 mi
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1.5 million tons/ year (cellulose)

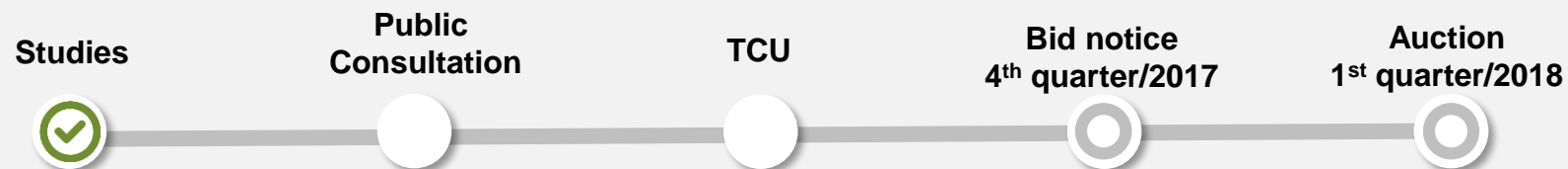
### MCP1



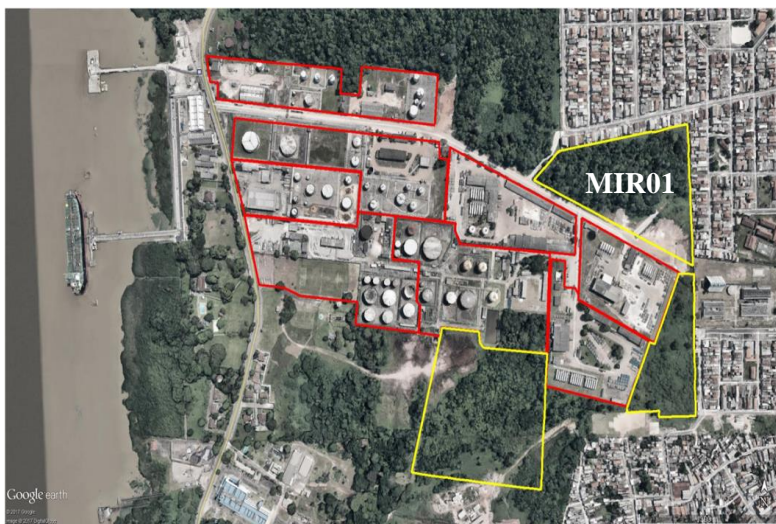
- Brownfield project
- Terminal area: 22,000 m<sup>2</sup>
- Estimated investments: BRL 61 million
- Contract term: 25 years
- Auction criterion: greatest grant
- Capacity: 1 million tons/ year (wood chip)
- Published at public consultation on 7/5/17 (consultation until 8/3/17)

## PORTS – Expensive assignment of Miramar LPG terminal at the Port of Belém/PA

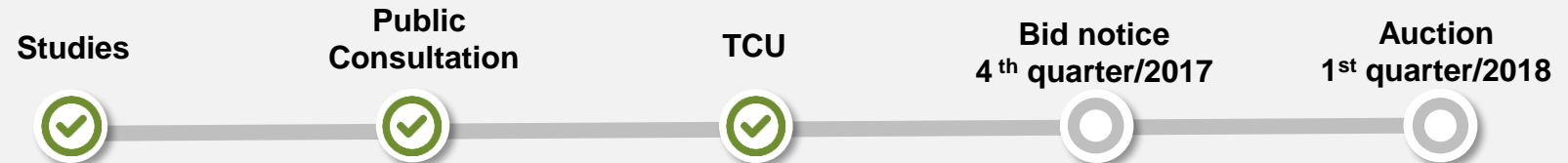
### MIR01 (GLP)



- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the gas market in the northern region.
- Estimated investments: BRL 0,065 bi
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 64.8 thousand tons/ year



## BEL05 (GLP)

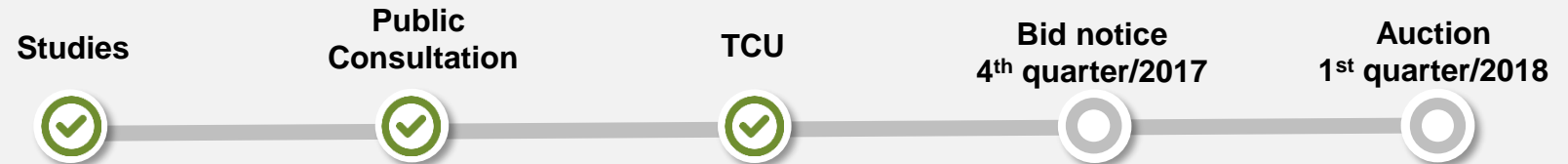
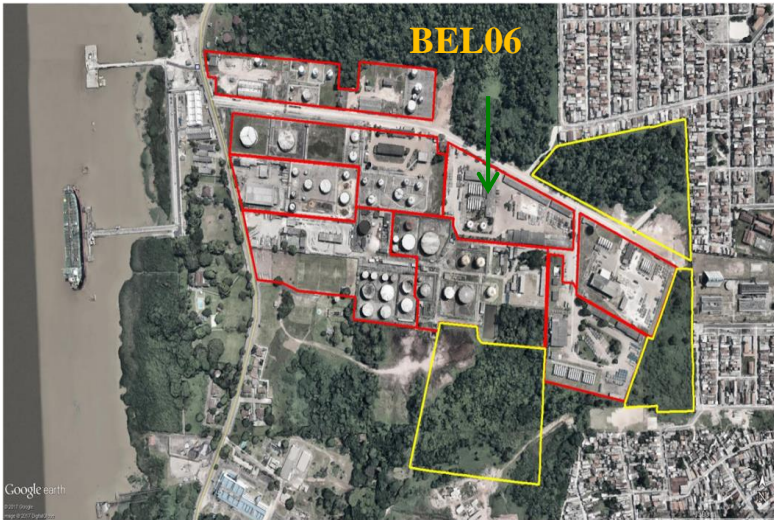


- Greenfield project
- Market: maintenance of gas operating conditions in the northern region
- Estimated investments: BRL 0,051
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 86.4 thousand tons/ year



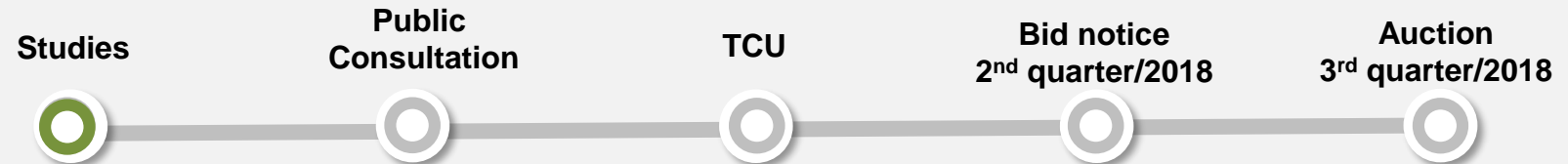


## BEL06 (GLP)

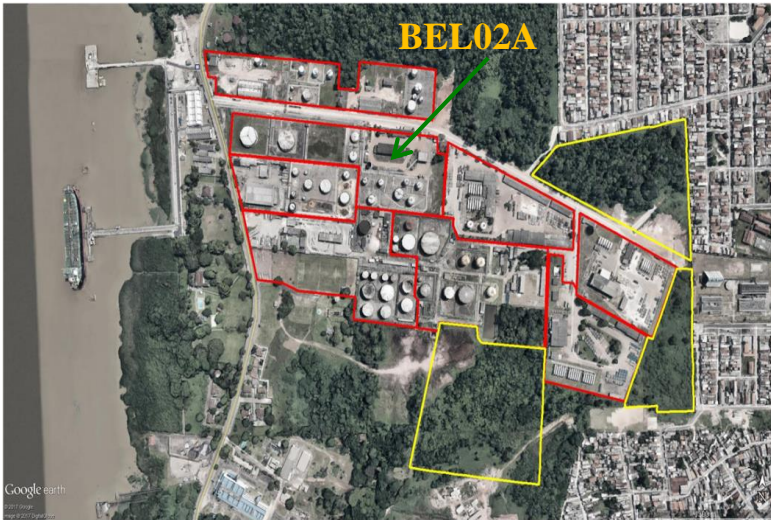


- Greenfield project
- Market: maintenance of gas operating conditions in the northern region
- Estimated investments: BRL 0,052 bi
- Contract term: 20 years
- Auction criterion: greatest grant
- New capacity: 82.8 thousand tons/ year

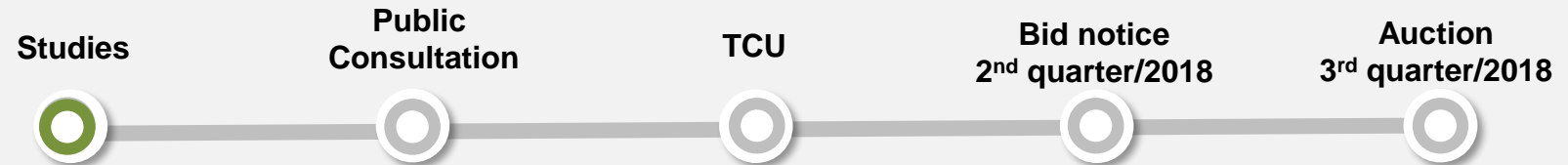
## BEL02A (Fuel)



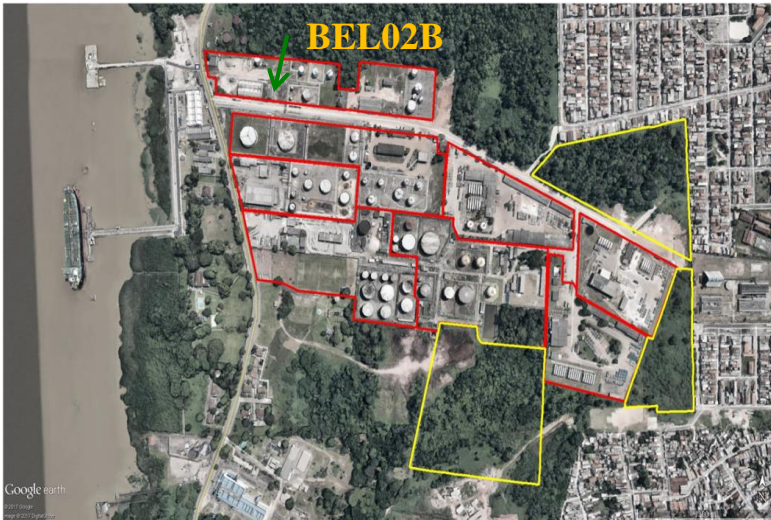
- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



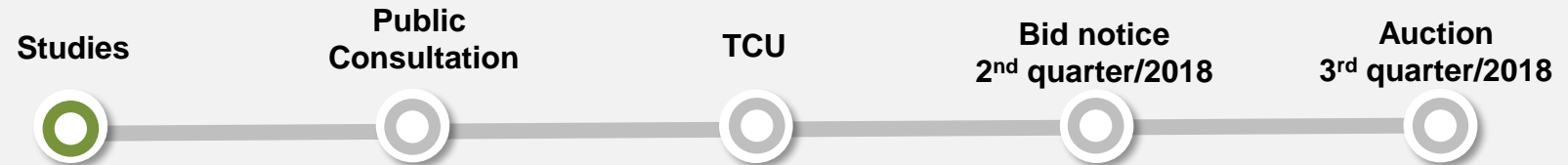
## BEL02B (Fuel)



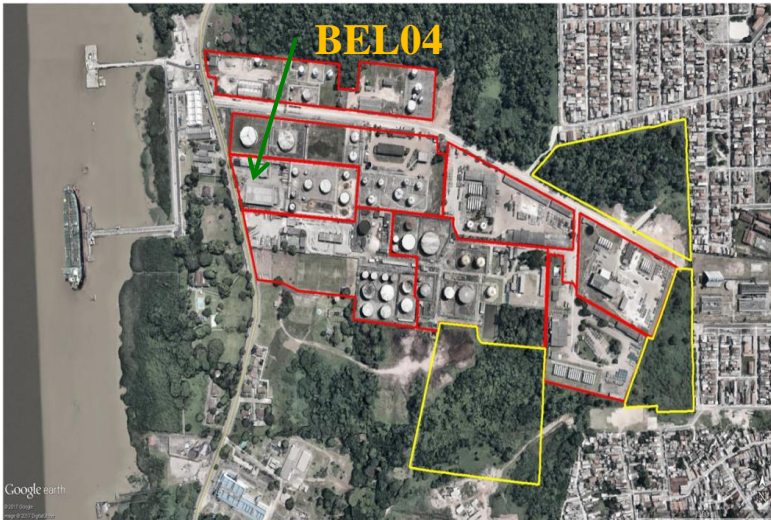
- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



## BEL04 (Fuel)

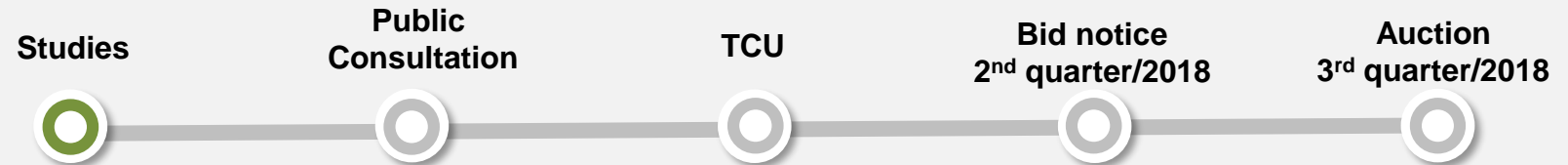


- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study

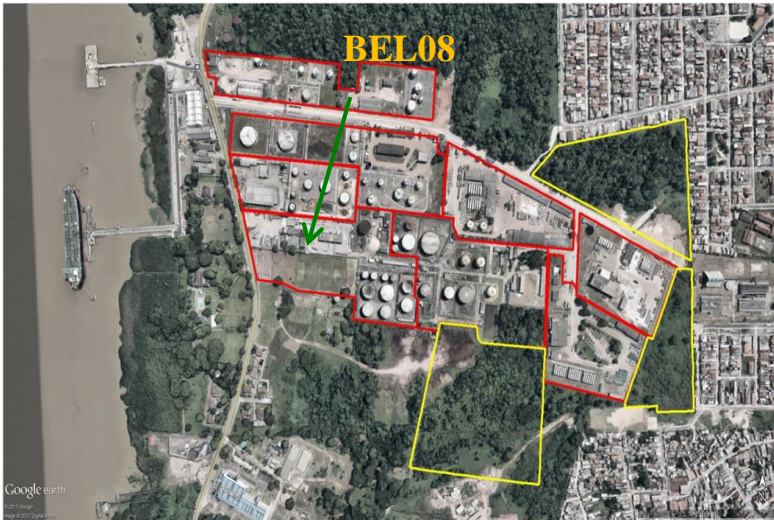




## BEL08 (Fuel)

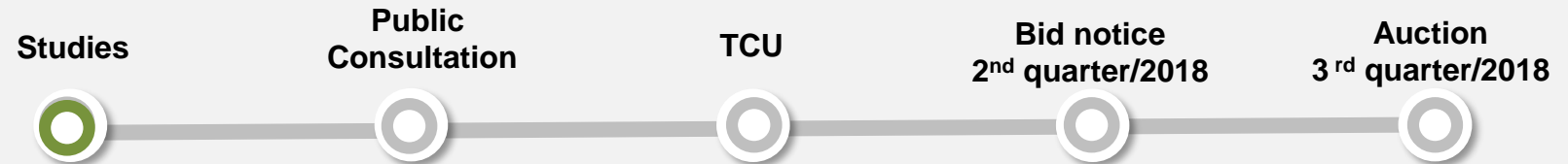


- Greenfield project
- Market: expanding the supply of these port services and expanding the number of players in the fuel market in the northern region.
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study

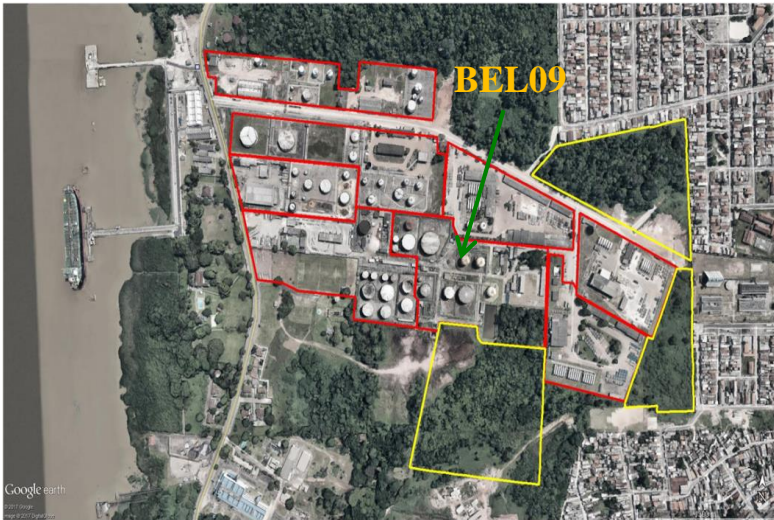




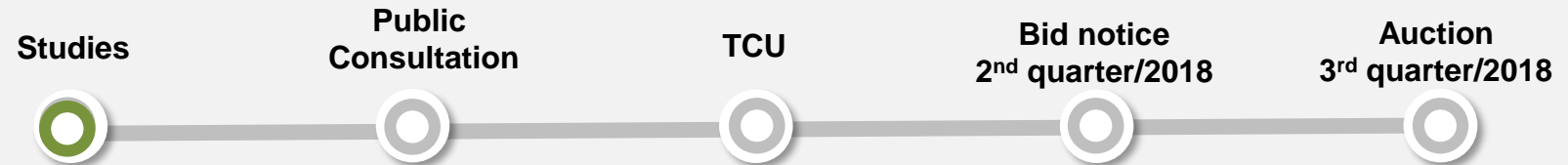
## BEL09 (Fuel)



- Greenfield project
- Market: maintaining the operating conditions of the fuel market in the northern region
- Estimated investments: under study
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: under study



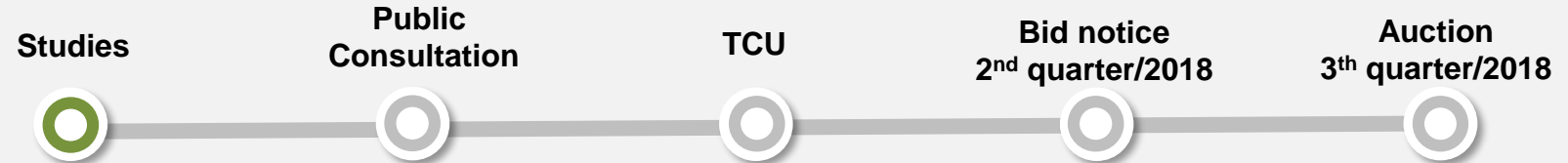
## VDC12 (Fuel)



- Greenfield project
- Market: increasing the number of players in the fuel market in the north.
- Estimated investments: BRL 0,410 bi
- Contract term: 25 years to 35 years
- Auction criterion: greatest grant
- New capacity: 4 million tons

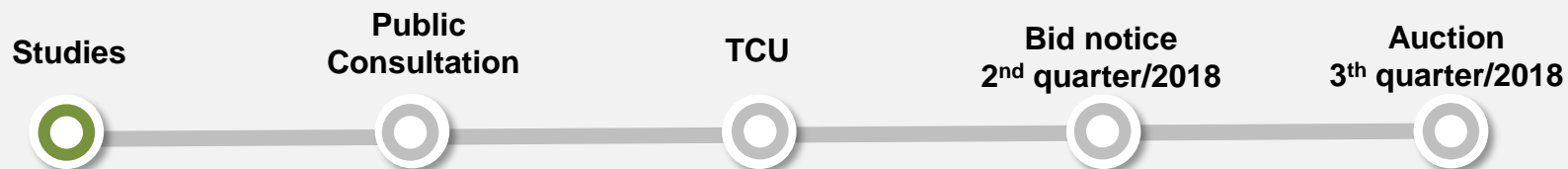


## TGL (Fuel)

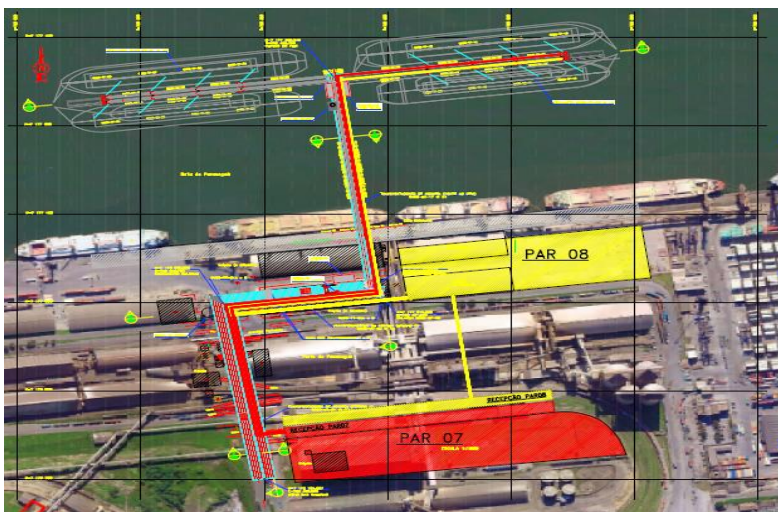


- Greenfield project
- Market: increased capacity to move fuels in the Greatest Vitória region, given the current capacity deficit.
- Estimated investments: BRL0,187 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 4.3 million tons

## PAR07 (Solid bulk)

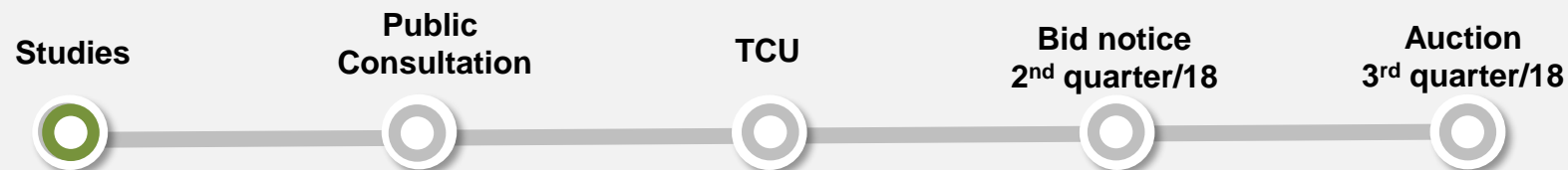


- Greenfield project
- Market: to meet the expected export demand in the port of Paranaguá
- Estimated investments: BRL 0,328 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 5.1 million tons

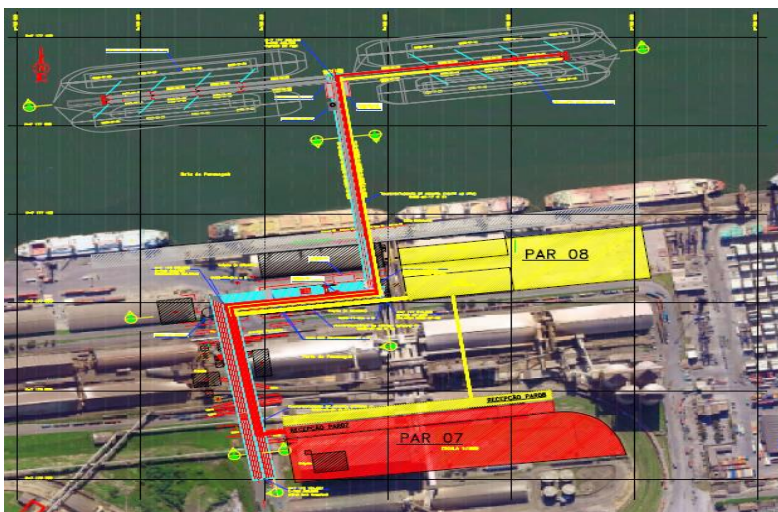




## PAR08 (Solid bulk)

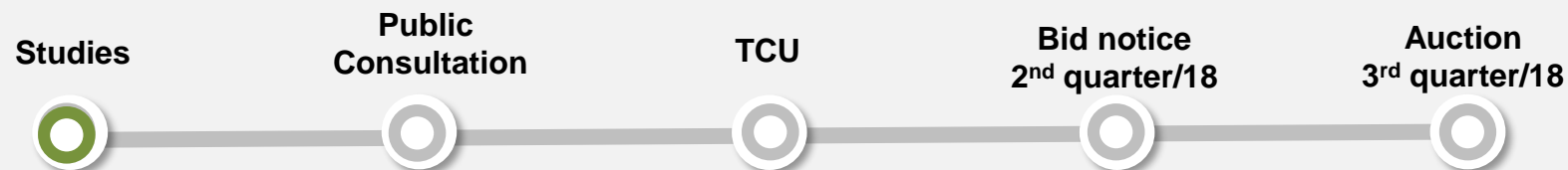


- Greenfield project
- Market: to meet the expected export demand in the Port of Paranaguá
- Estimated investments: BRL 0,4 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 4.6 million tons



# PORTS – Lease of terminal for the handling of solid bulk goods in the Port of Paranaguá/ PA

## PARXX (Solid bulk)

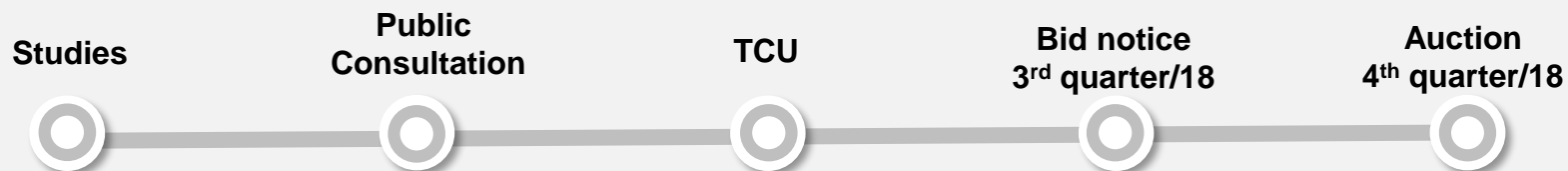


- Greenfield project
- Market: to meet the expected export demand in the Port of Paranaguá.
- Estimated investments: BRL0,123 bi
- Contract term: 35 years
- Auction criterion: greatest grant
- New capacity: 3 mi tons



# PORTS – Privatization of port infrastructure of the Espírito Santo Docks Company (CODESA) in the Port of Vitória

## CODESA (privatization)



- Market: more efficient port asset management, streamlining investments in infrastructure, as well as disposing of the public investment coffers currently required by it
- Responsible for the studies: BNDES
- Investments: to be defined
- New capacity: to be defined



**CARAMURU, DECAL, CONVICON, NITPORT, NITSHORT, COPI/ITAQUI, AGROVIA/SUAPE**

Approval of investment plan

EVTEA approval

Amendment signature



- Extension of contracts with the goal of making public interest investments in the port sector viable.
- 7 Brownfield projects
- Total area of the terminals: 332,000 m<sup>2</sup>
- Total investments: approximately BRL 813 million
- Term of renewal of contracts for **Early Renewals (5 contracts)**:  
 CONVICON (15 years)  
 NITPORT (10 years)  
 NITSHORE (10 years)  
 CARAMURU (25 years)  
 COPI/ ITAQUI (20 years)
- **Rebalancing (2 contracts)**:  
 DECAL  
 AGROVIA/SUAPE





# AIRPORTS

# Need to add the public efforts to the private ones, in search of efficient solutions and improve the quality for airport infrastructure

## LOGISTICS

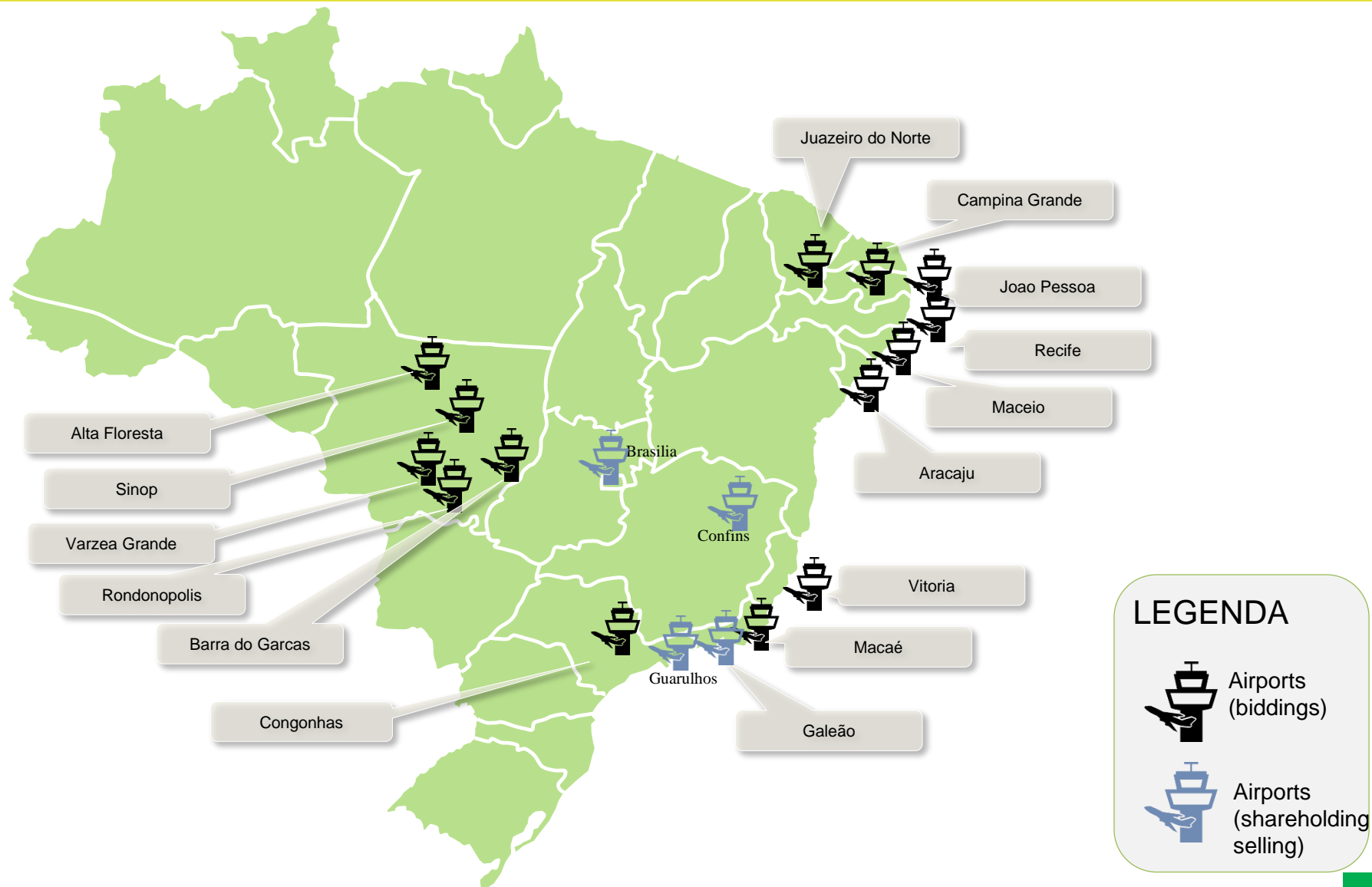
POWER

MINING

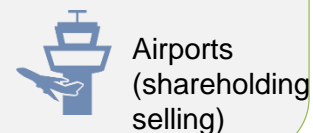
OIL & GAS

DEFENSE

SUPPLY &  
FINANCE

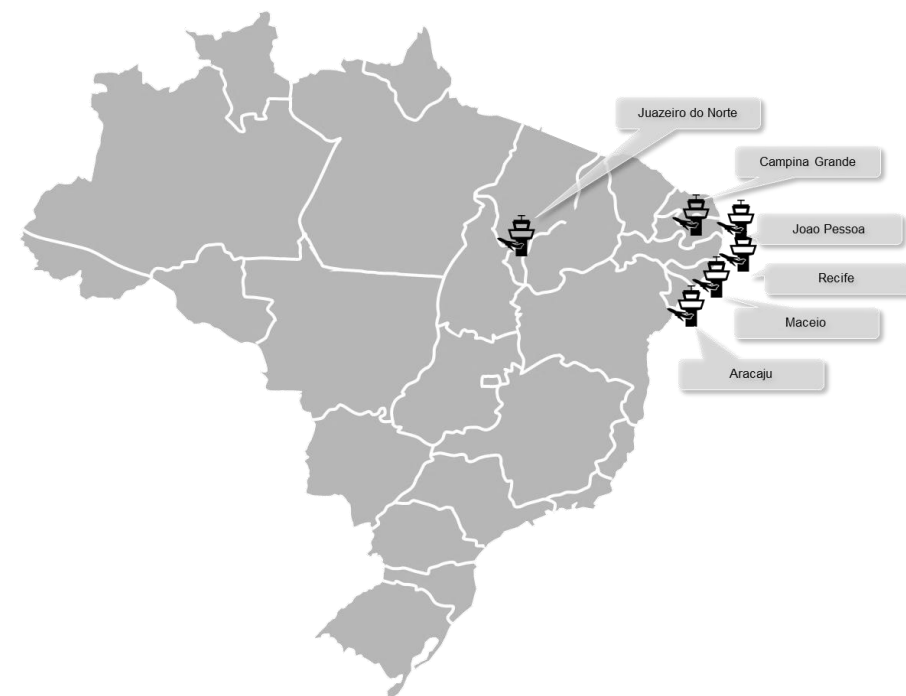
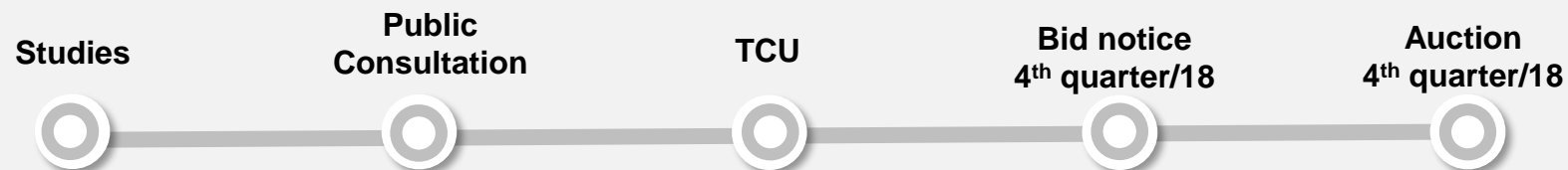


### LEGENDA



## AIRPORTS – Studies for bidding (Northeast Region)

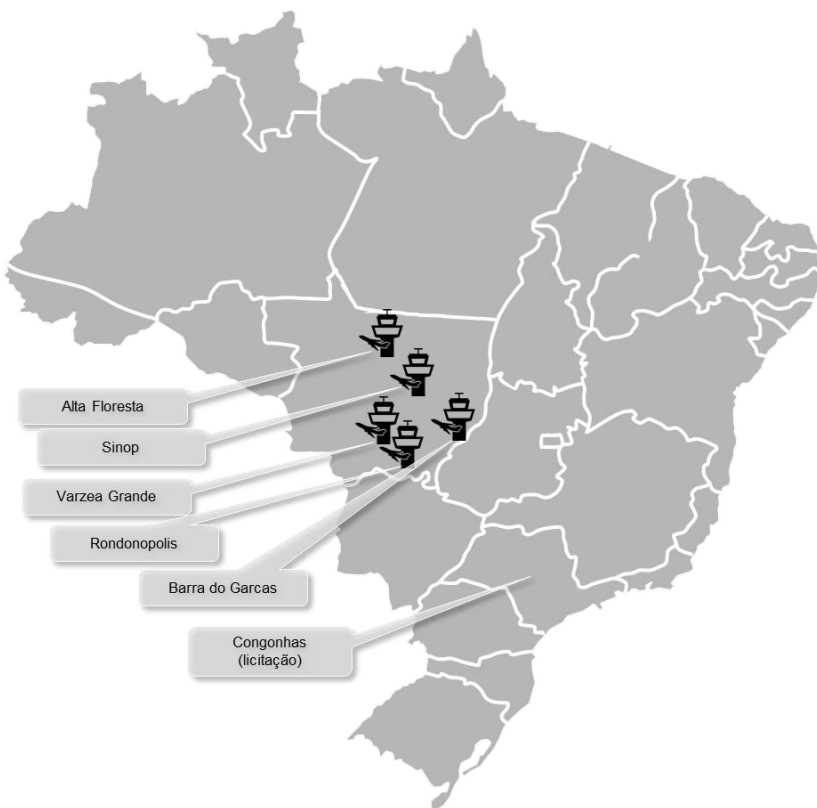
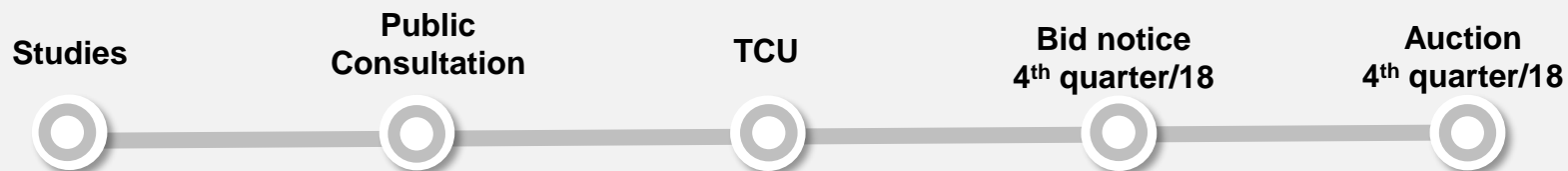
**Recife/PE, Maceió/AL, João Pessoa/PB, Campina Grande/PB, Aracaju/SE and Juazeiro do Norte/CE**



- Studies for bidding and evaluation for possible block concession
- Brownfield projects
- Passenger flow: (2016) 12,11 milhões passengers/year
- Estimated investments: BRL 2.67 bi
- Estimated grants: BRL 2,06 bi
- Contract term: 30 years
- Entity in charge of studies: ANAC

## AIRPORTS – Studies for bidding (Central-West Region)

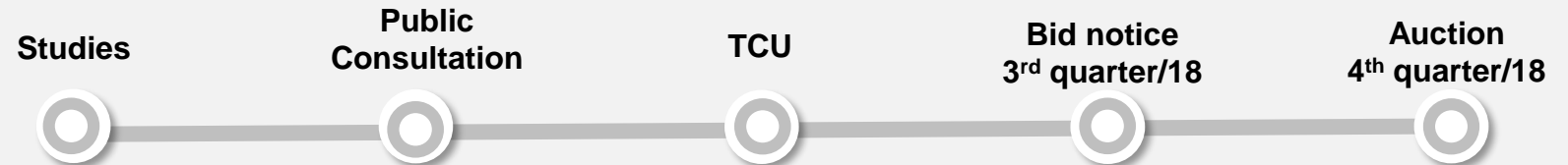
### Várzea Grande, Rondonópolis, Alta-Floresta, Sinop and Barra do Garças/MT



- Studies for bidding and evaluation for concession in blocks
- Brownfield projects
- Passenger flow: (2016) 3.43 million passengers/ year
- Estimated investments: BRL1.08 bi
- Estimated grants: BRL 0,204 bi
- Contract term: 30 years
- Entity in charge of studies: ANAC (The Brazilian National Civil Aviation Agency)

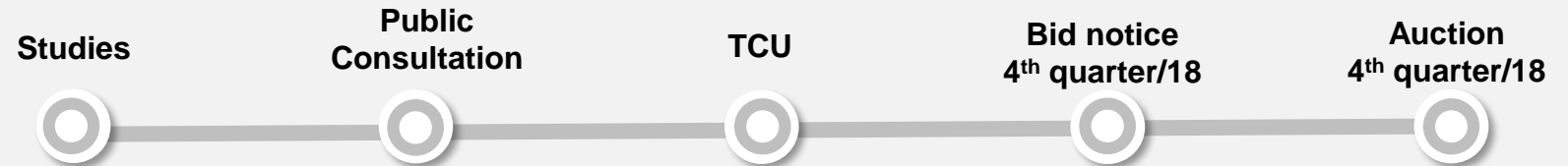


## Congonhas/SP



- Brownfield projects
- Passenger flow: (2016) 20.8 million passengers/ year
- Projection for 2044: 27.2 million passengers/ year
- Estimated investments: BRL1.83 billion
- Estimated grants: BRL 5,6 bi
- Contract term: 30 years
- Entity in charge of studies: ANAC

## Vitória/ES



- Studies for bidding
- Brownfield projects
- Passenger flow: (2016) 3.12 million passengers/ year
- Estimated investments: BRL 0,78 billion
- Estimated grants: BRL 0,72 bi
- To transfer funds to the FNAC (grants), Infraero (PDV) and the Federal, States and Municipalities levels (taxes)
- Contract term: 30 years
- Entity in charge of studies: ANAC (The Brazilian National Civil Aviation Agency)



## Macaé/RJ

Studies

Public Consultation

TCU

Bid notice  
4<sup>th</sup> quarter/18

Auction  
4<sup>th</sup> quarter/18

- Studies for bidding
- Brownfield projects
- Aerodrome with vocation to serve the offshore oil industry chain
- Passenger flow: (2016) 318 thousand passengers/years
- Investments in progress: BRL 0,108 billion
- Contract term: 30 years
- Entity in charge of studies: ANAC (The Brazilian National Civil Aviation Agency)



Macaé

**Brasília/DF, Confins/MG,  
Galeão/RJ & Guarulhos/SP**



- Need to assess the rights of the Federal level emerging from Infraero's shareholdings aiming to plan potential future revenues with disposal or expenses with contributions. This situation is exacerbated by the current fiscal situation.
- As a result, it is expected to provide the Federal Government with information to support the management of shareholdings.





# ENERGY

# Concession of power plants and transmission line & privatization of a power utility company

LOGISTICS

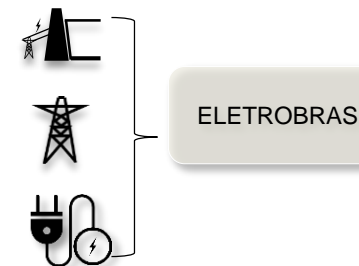
**POWER**

MINING

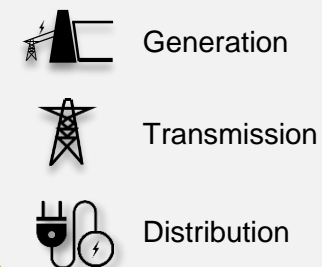
OIL & GAS

DEFENSE

SUPPLY &  
FINANCE



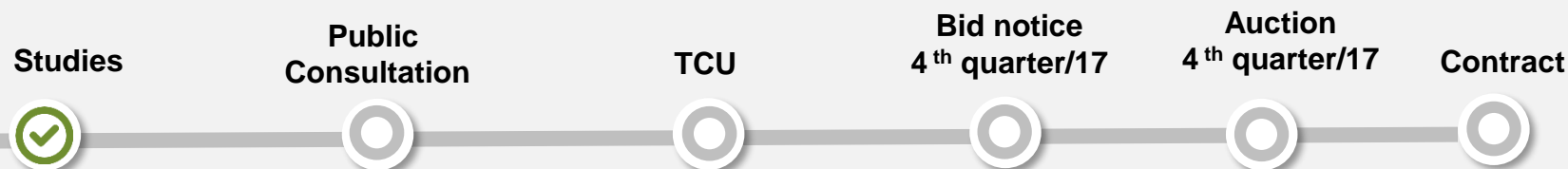
## LEGENDA



# POWER– 11 TRANSMISSION LINES INSTALATION

## TLs

Paraná, Piauí, Ceará, Pará, Tocantins, Bahia, Rio Grande do Norte, Paraíba, Minas Gerais and Pernambuco

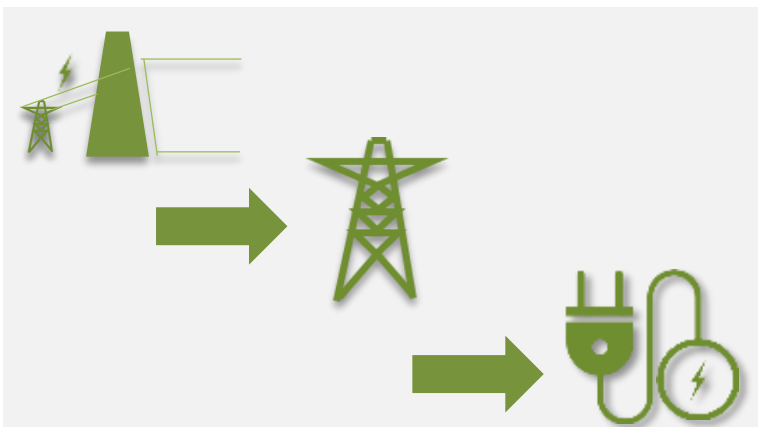


- Greenfield projects
- Model: common concession
- Term: 30 years
- Capacity expansion: 10,416 MVA
- Extension of transmission lines: 4,919 km
- Entity in charge of studies: ANEEL and MME/ EPE
- Auction criterion: offer of the lowest amount of Annual Revenue Allowed (RAP)
- Lots planned: 11 lots
- Total investments: BRL 8.85 billion



# ELETROBRAS - Reorganization of the company that will bring competitiveness and agility to the company in the management of its operations

## ELETROBRAS

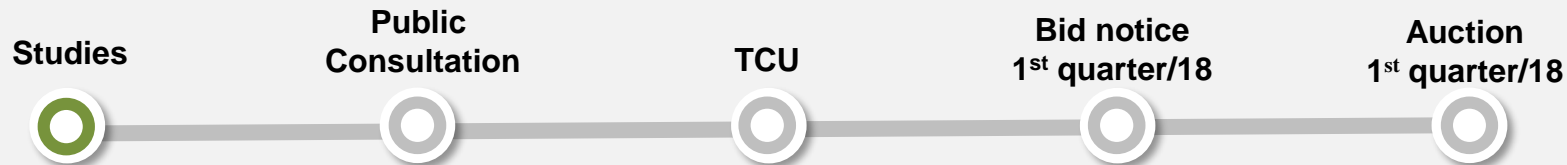
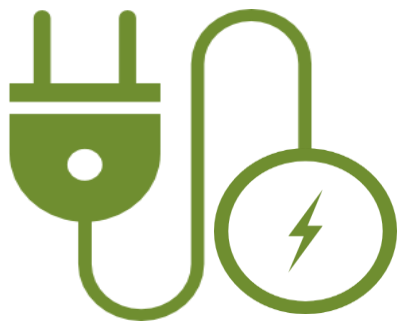


- **Model: privatization**
- Conditions:
  - I – financial return to the Federal government;
  - II – meeting the highest governance requirements;
  - III – limitation of the voting power of the shareholders with greater equity stake, in order to guarantee the democratization of Eletrobras' capital control;
  - IV – special share of the capital stock of Eletrobras to the Union, which grants it special powers in relation to changes in the corporate name, corporate objects or Eletrobras headquarters or companies controlled by it;
  - V – offer of part of the shares representing the capital of Eletrobras to its employees and employees of the companies controlled by it directly or indirectly ;
  - VI – reduction of charges of the electric energy sector, with priority targeting for the costing of the Social Energy Tariff;
  - VII – commercialization of electricity under an independent production regime; and
  - VIII – development of a program to revitalize the water resources of the São Francisco Basin, directly or indirectly through its subsidiary Companhia Hidro Elétrica do São Francisco - CHESF.



## ELETROBRAS Amazonas Power Distribution S.A.

Amazonas Power Distribution's main activity is the distribution of electricity in 62 municipalities in the State of Amazonas.

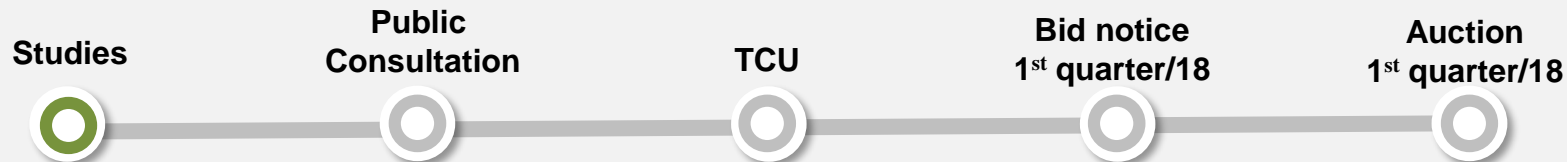
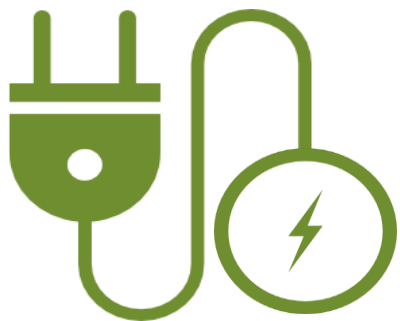


In addition to the privatization of the company, the project contemplates the granting of a concession agreement:

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 589,332 consumers
- *Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.*

## ELETROBRAS Boa Vista Power Distribution

The company operates in the distribution of electric power in the municipality of Boa Vista, and another 10 municipalities in the State of Roraima.

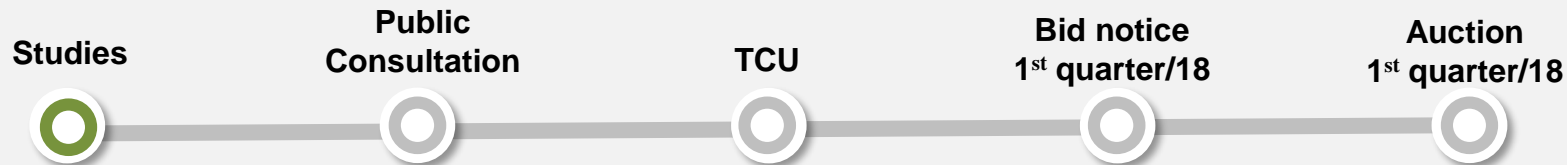
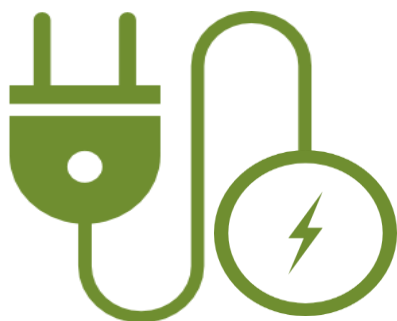


In addition to the privatization of the company, the project contemplates the granting of a concession agreement:

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 106,620 consumers
- *Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects*

## ELETROBRAS Acre Electricity Company

It is the power distribution concessionaire responsible for serving the entire State of Acre, with 22 municipalities and a physical concession area of 164,222 km<sup>2</sup>.

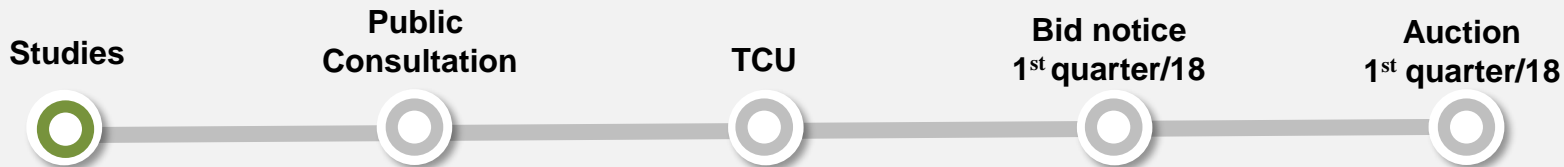
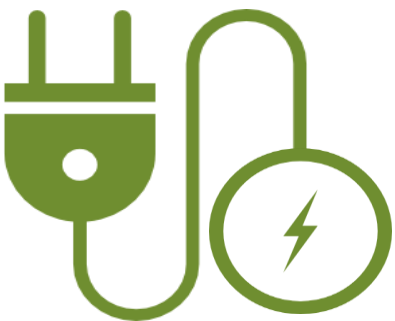


In addition to the privatization of the company, the project contemplates the granting of a concession agreement:

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 242,693 consumers
- *Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.*

## ELETROBRAS Piauí Power Company

It is the electricity distribution concessionaire of the State of Piauí, responsible for the service of 224 municipalities, covering the entire state of Piauí.

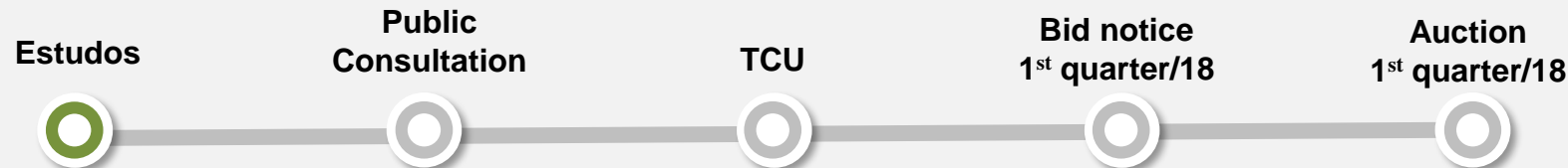
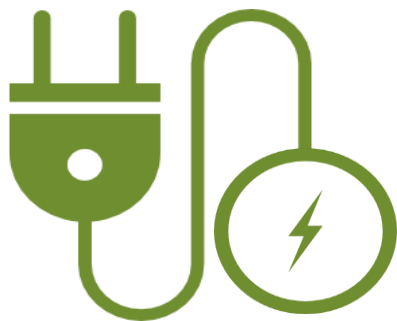


In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 1.17 million consumers
- *Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.*

## ELETRONBRAS Alagoas Power Company

It is the electricity distribution concessionaire of the State of Alagoas responsible for serving 102 municipalities, in a concession area of 27,848 km².



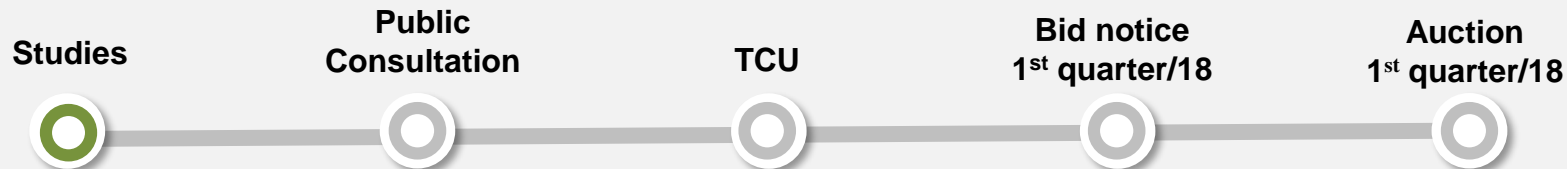
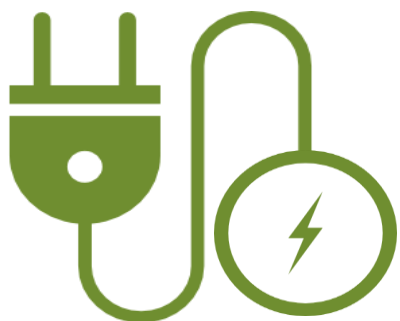
In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 1.045 million consumers
- *Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.*



## ELETRONBRAS Rondônia Hydroelectric Power Plants S.A.

CERON is responsible for the service of 52 municipalities in an area of 237,576 km². In addition, 9 isolated systems are served by means of thermal park based on diesel oil.



In addition to the privatization of the company, the project contemplates the granting of a concession agreement.

- Brownfield project
- Model: privatization + concession
- Term: 30 years
- Estimated minimum price: to be defined by studies contracted by BNDES
- Consumers served: 589,332 consumers
- Challenge: need to define strategy (regulatory treatment) to enable companies that have high indebtedness, taking into account economic, operational and financial aspects.



# OIL & GAS

# Projects that are strong drivers of the economy, a sector that represents almost 15% of the national GDP

LOGISTICS

POWER

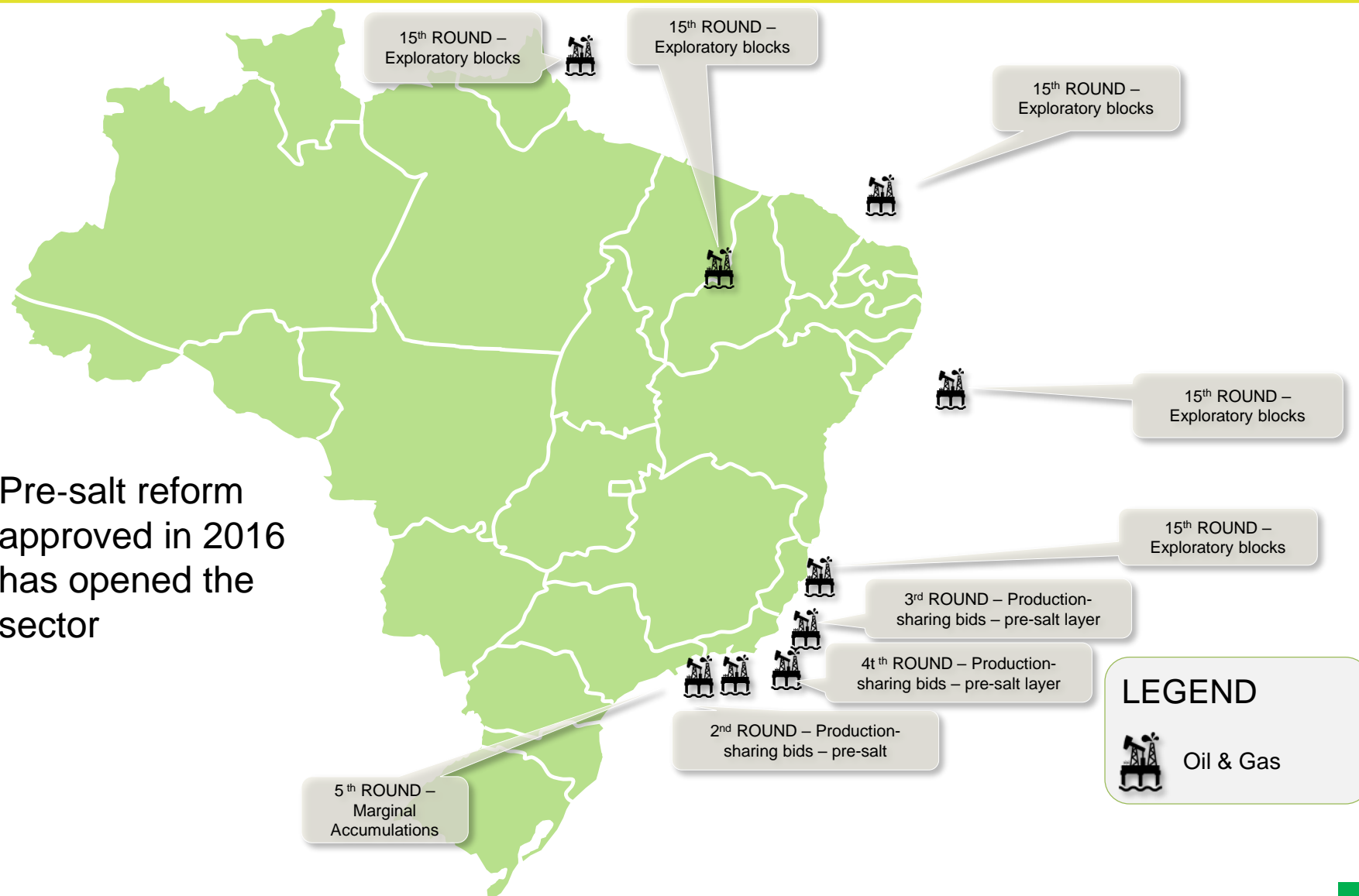
MINING

**OIL & GAS**

DEFENSE

SUPPLY & FINANCE

Pre-salt reform approved in 2016 has opened the sector

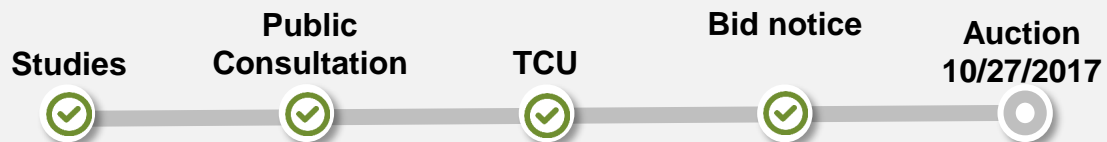


## 3<sup>rd</sup> round of **bidding**

Sharing regime of  
**Pre-salt production**



Minimum grant  
BRL **4.35** billion

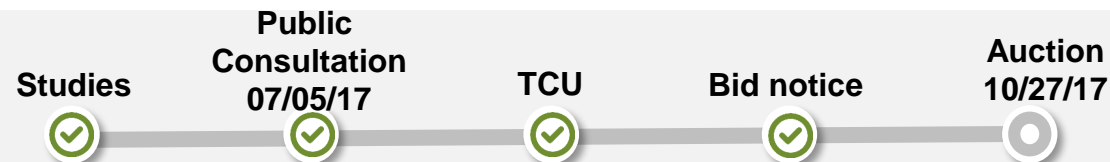


## 2<sup>nd</sup> round of **bidding**

scheme:  
**production sharing**  
(unitized areas)



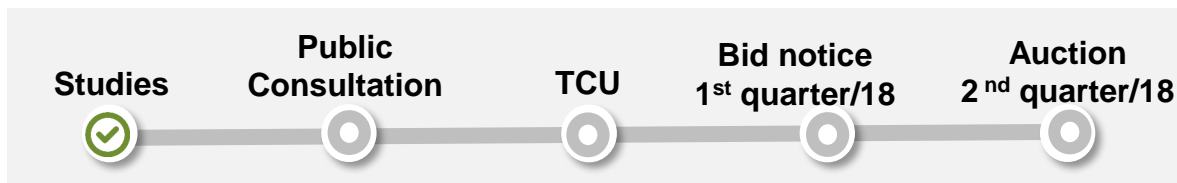
Minimum Grant  
BRL **3.4** billion



### 4<sup>th</sup> round of **bidding** Sharing regime of **Pre-salt production**



Minimum grant  
BRL **1.45** billion





## 5<sup>th</sup> round of **bidding** Marginal Accumulations

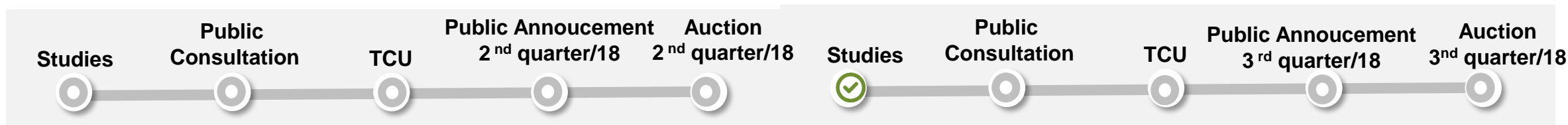


Minimum grant:  
**to be defined**

## 15<sup>th</sup> round of **bidding** Exploratory blocks of **production and natural gas**



Minimum grant  
**BRL 5.7** billion



A large yellow mining truck is parked on a rocky surface, with a yellow excavator loading it with material. The background shows a mining operation with a large pile of rocks and a cloudy sky.

# MINING



Investment  
Partnerships  
Program

**CRESCER**  
Investment . Infrastructure . Employment

# New sector under concessions, mining allows the opening of attractive investment fronts

LOGISTICS

POWER

**MINING**

OIL & GAS

DEFENSE

SUPPLY &  
FINANCE



LEGENDA



Mining

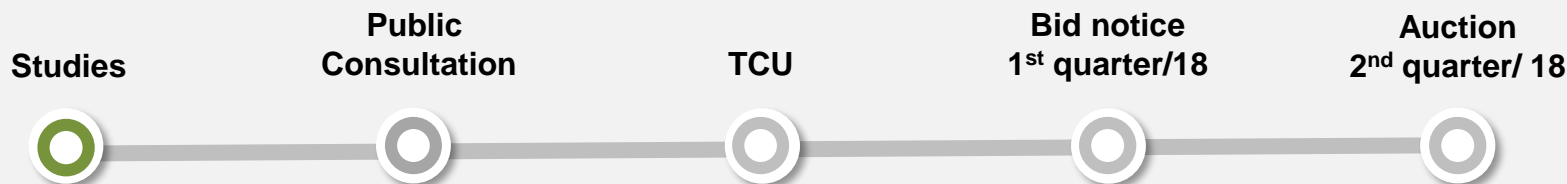
**Phosphate (Miriri-PE/PB)**

**Copper, Lead and Zinc (Palmeirópolis-TO)**

**Coal (Candiota-RS)**

**Copper(Bom Jardim-GO)**

The mineral deposits qualified in the IPP are in intermediate to advanced stage of research. The areas count on research projects approved by DNPM.



**Miriri:** There is a strong demand for phosphate in Brazil today, and the country imports about 43% of what it consumes, which is basically used in the agricultural sector.

**Palmeirópolis:** These are small areas, but with high potential for increasing reserves and good location of infrastructure (being served by roads and railways).

**Candiota:** coal has its main use for thermoelectric plants in the region (such as President Médice Thermoelectric Power Plant). Other thermoelectric plants are being deployed nearby, some in the licensing phase.

**Bom Jardim:** Copper from Bom Jardim de Goiás can bring great importance to the local and national economy, especially for its applicability in civil construction (hydraulic installations, gas, firefighting, reservoirs, electrical connectors, among others).

Conclusion of studies (forecast): Dec/ 17

Criteria to be defined



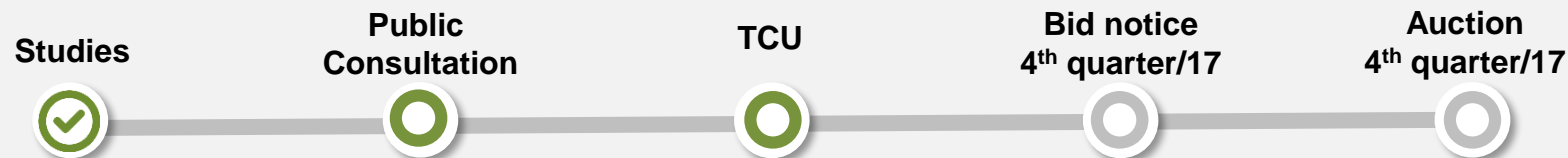
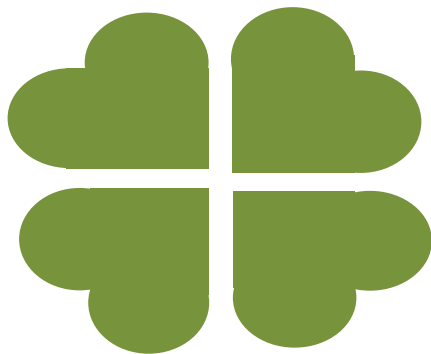


# CONCESSION



## LOTEX

This lottery mode, “Raspadinha” (scratch card), as it is popularly known, has significant potential for commercialization in the country.



- The Exclusive Instant Lottery (LOTEX) was created by Federal Law No. 13.155/15
- Agencies involved: Ministry of Finance
- Responsible for the studies: BNDES
- Completion of studies: Aug/ 17
- Auction criterion: greatest grant

# Public Private Partnership (PPP) for Brazilian Air Force's networks integrated management in an administrative mode with favorable value for money

LOGISTICS

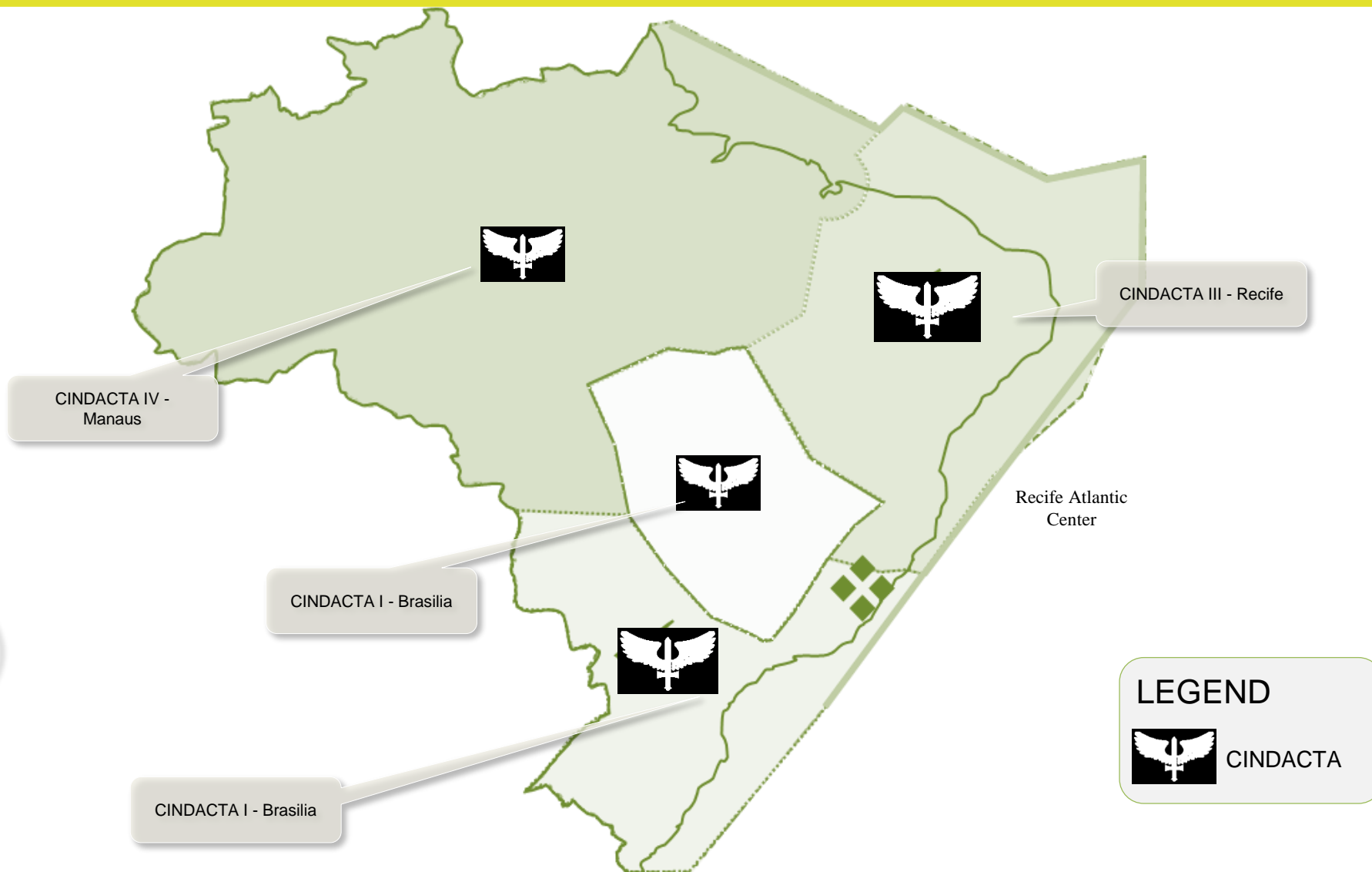
POWER

MINING

OIL & GAS

**DEFENSE**

SUPPLY &  
FINANCE



LEGEND



CINDACTA

## COMAER

Studies



Public Consultation



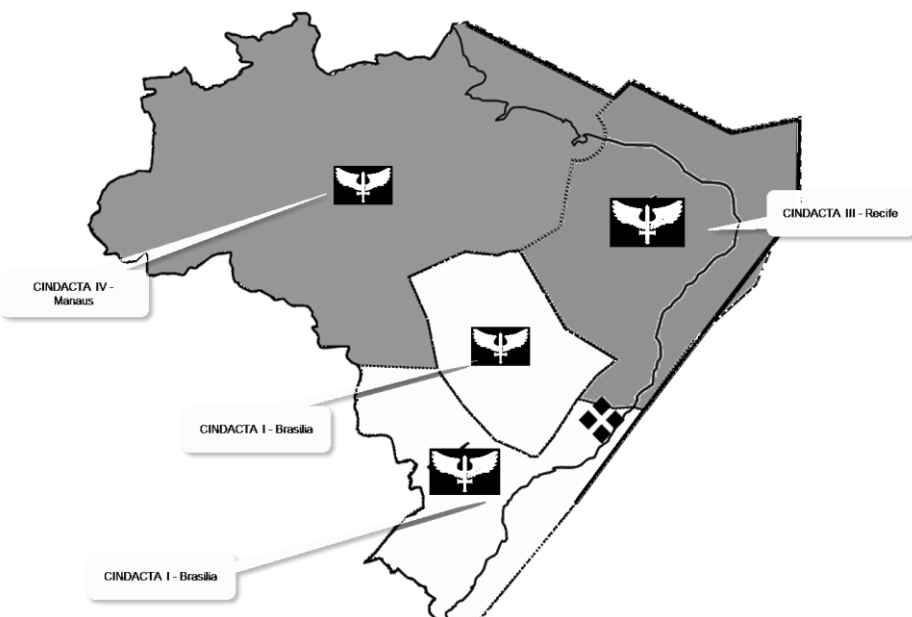
TCU



Bid notice  
4<sup>th</sup> quarter /17



Auction  
1<sup>st</sup> quarter/18



- 1<sup>st</sup> Federal PPP of Direct Administration ( Federal Act no. 11.079, 2004)
- Model: Administrative Concession
- Term: 25 years
- CAPEX: R\$ 1.09 bi
- OPEX: R\$ 2.19 bi
- Auction criterion: Lowest Monthly payment by the Public Administration
- Maximum Monthly public Administration Payment: R\$ 15.2 million
- Guarantee Payment Consideration: FGIE/ ABGF – 6 monthly public administration payments



# STATE SUPPLY COMPANIES



Investment  
Partnerships  
Program

**CRESCER**  
Investment . Infrastructure . Employment

# New sectors within the scope of the concessions that allow the opening of attractive investment fronts

LOGISTICS

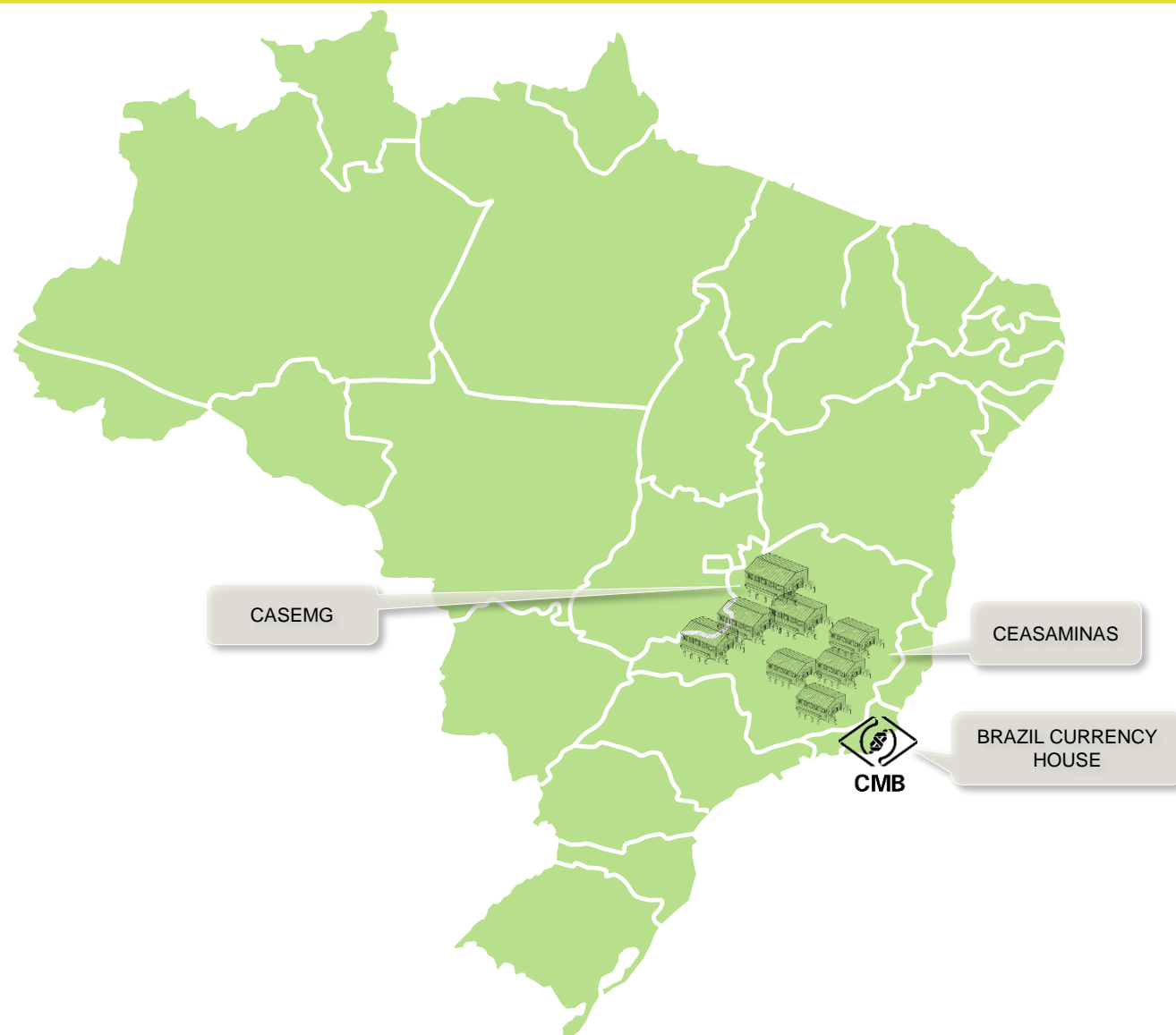
POWER

MINING

OIL & GAS

DEFENSE

**SUPPLY &  
FINANCE**



## LEGEND



Supply



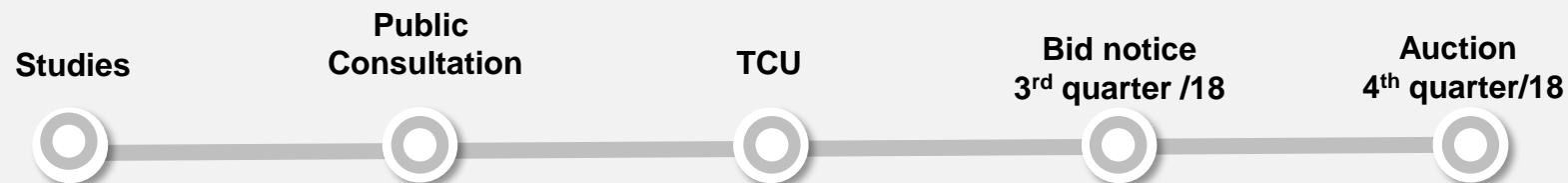
Finance

CMB



# CASEMG – Company of Warehouses and Silos of Minas Gerais

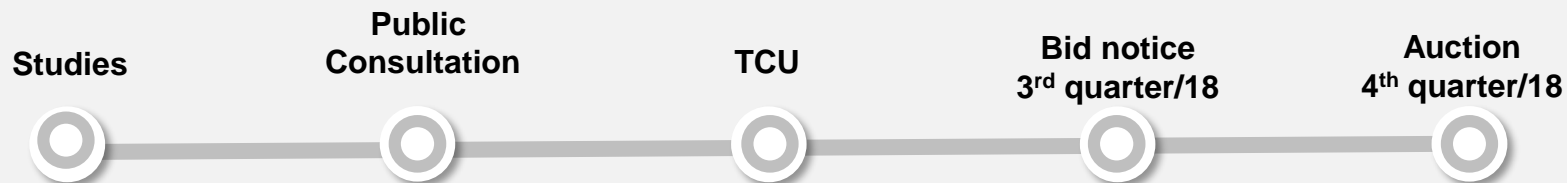
## CASEMG



- Bodies involved: Ministry of Agriculture, Livestock and Supply
- A mixed-capital company, 92.29% of it belong to the Federal Government
- Has 18 storage units (4.3% of static storage capacity of MG)
- In the period from 2011 to 2016 the company presented a cumulative loss of BRL16.8 million

## CEASAMINAS – SUPPLY CENTER

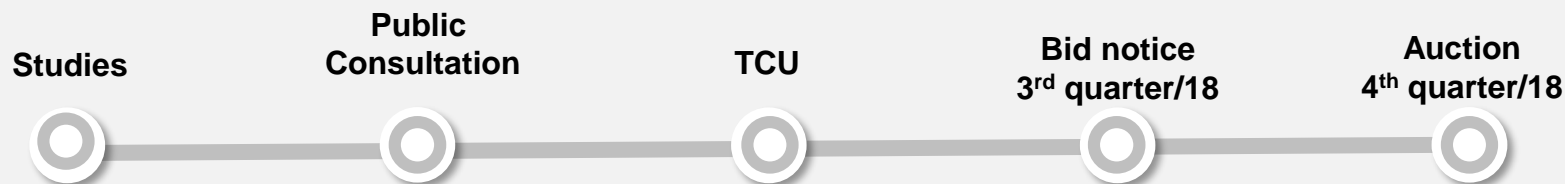
### CEASAMINAS



- Bodies involved: Ministry of Agriculture, Livestock and Supply
- CEASAMINAS: a mixed capital company, with a registered capital on 12/31/15 of BRL 26 million, represented by 5 nominative common shares – 99.57% owned by the Federal Government.
- Included in the National Privatization Program – PND, in the year 2000, by Decree No. 3,654/2000.
- 6 warehouses in MG: counties of Contagem, Juiz de Fora, Caratinga, Governador Valadares, Uberlândia and Barbacena.
- In 2016, 2.5 million tons of products were marketed in the 6 warehouses.

# CMB – Brazilian Currency House

## CMB (privatization)



- Agencies involved: The Ministry of Finance
- Main sources of revenue:
  - contracts entered into between the company and the Central Bank of Brazil (BCB) for the supply of banknotes and coins, respectively, in the amounts of BRL 279.14 million and BRL 272.53 million, totaling BRL 551.67 million.
  - other incomes are provided by the CMB, as well as services rendered to the Federal Police Department (BRL172.13 million) and to the Ministry of Foreign Affairs (BRL 21.14 million).
  - beverage Production Control System (SICOBEB): the largest source of revenue of CMB. In 2016, this product accounted for more than 62% of the company's gross sales.



## CLOSING REMARKS

## CLOSING REMARKS

**GOVERNANCE, TRANSPARENCY AND PARTICIPATION**

**REDEMPTION OF POLITICAL POWER (MINISTRIES) AND  
TECHNICAL CAPACITY (REGULATORS)**

**LEGAL AND ENVIRONMENTAL SECURITY, RATIONALITY,  
ACCOUNTABILITY AND PREDICTABILITY**

**COMPETITIVENESS AND PUBLIC INTEREST**

**MONITORING AND IMPROVEMENT**







**PPI**

**INVESTMENT  
PARTNERSHIPS  
PROGRAM**

**CRESCER**

Investment . Infrastructure . Employment

Secretary of the Investment Partnerships Program  
(55) 61 3411-6426 - [www.ppi.gov.br](http://www.ppi.gov.br)