

# Next steps to take PPP projects forward



VÍÐSKIPTARÁÐ

ÍSLANDS

STOFNAÐ 1917

Arion bank - October 2, 2019

Ásta Sigríður Fjeldsted

Iceland Chamber of Commerce

# PPP

bringing together the  
private and public sector.



A black and white photograph of a road tunnel entrance. The tunnel is a large, arched structure with a dark interior. The road leads into the tunnel, and there are guardrails on both sides. The landscape is hilly and appears to be in a rural or mountainous area. The sky is filled with clouds.

infrastructure  
development  
is a pre-  
requisite

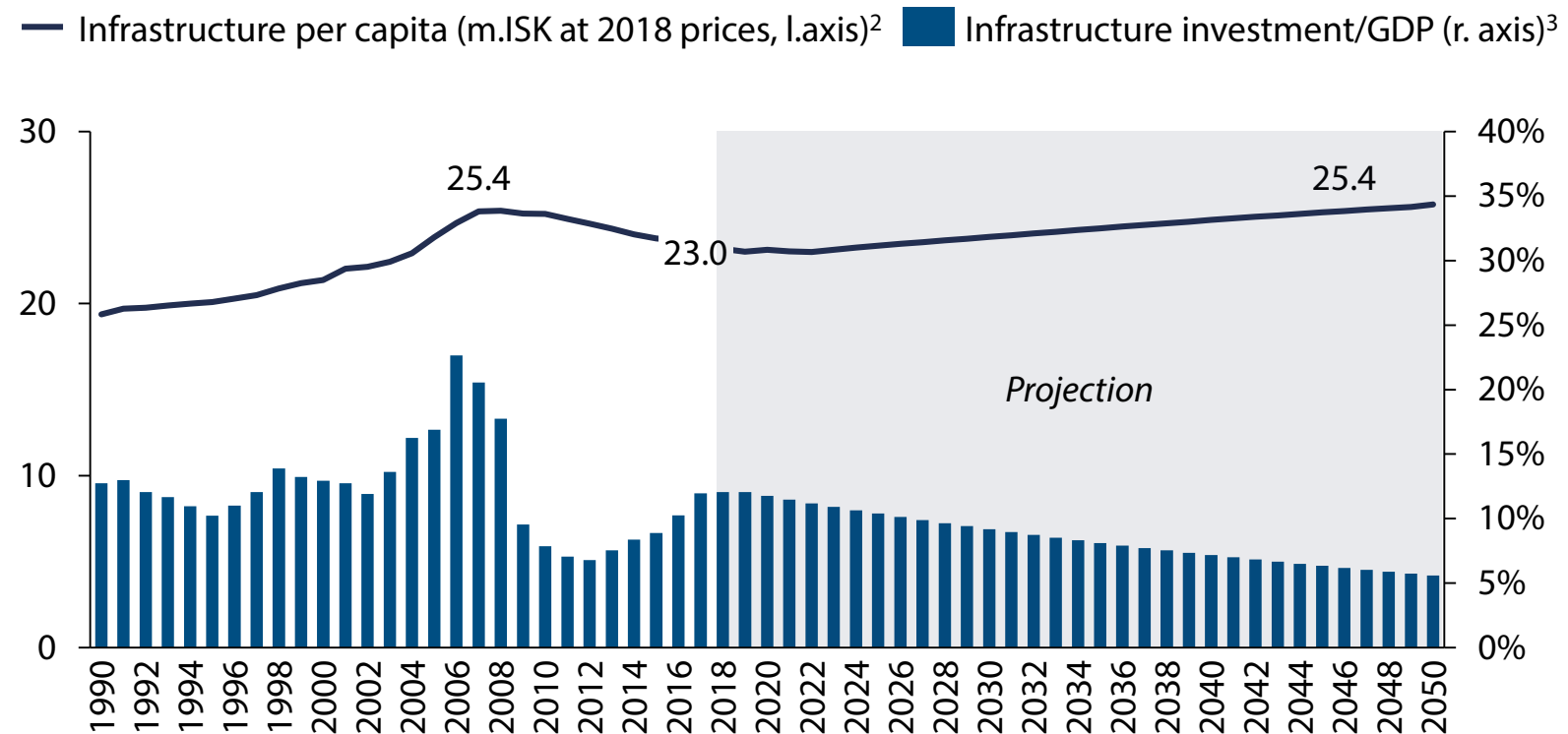
for Iceland's economic  
growth.

the accumulated  
infrastructure  
maintenance need for  
Iceland is almost 15% of  
the country's GDP.



More investment in infrastructure is required to soon reach previous infrastructure levels.

Infrastructure Stock and Investment (Broadly defined<sup>1</sup>)

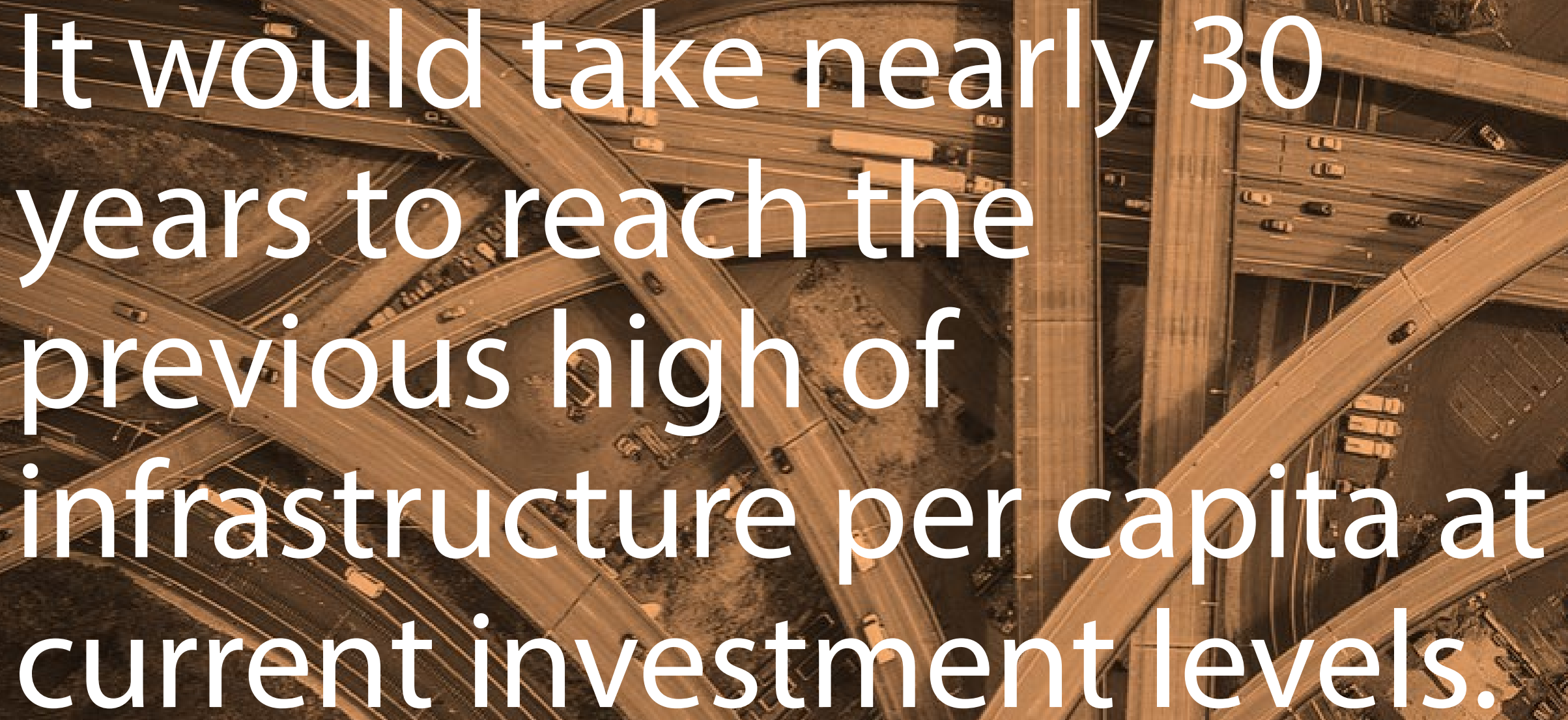


<sup>1</sup> Infrastructure is the total amount of capital stock and capital formation (investment) in housing and other buildings, roads, bridges, sewers and business sector construction.

<sup>2</sup> See 3 for investment. Population based on Statistics Iceland projections.

<sup>3</sup> Assuming constant investment level in real terms 2019 onwards, 0% GDP growth in 2019 and 2,5% growth 2020 onwards

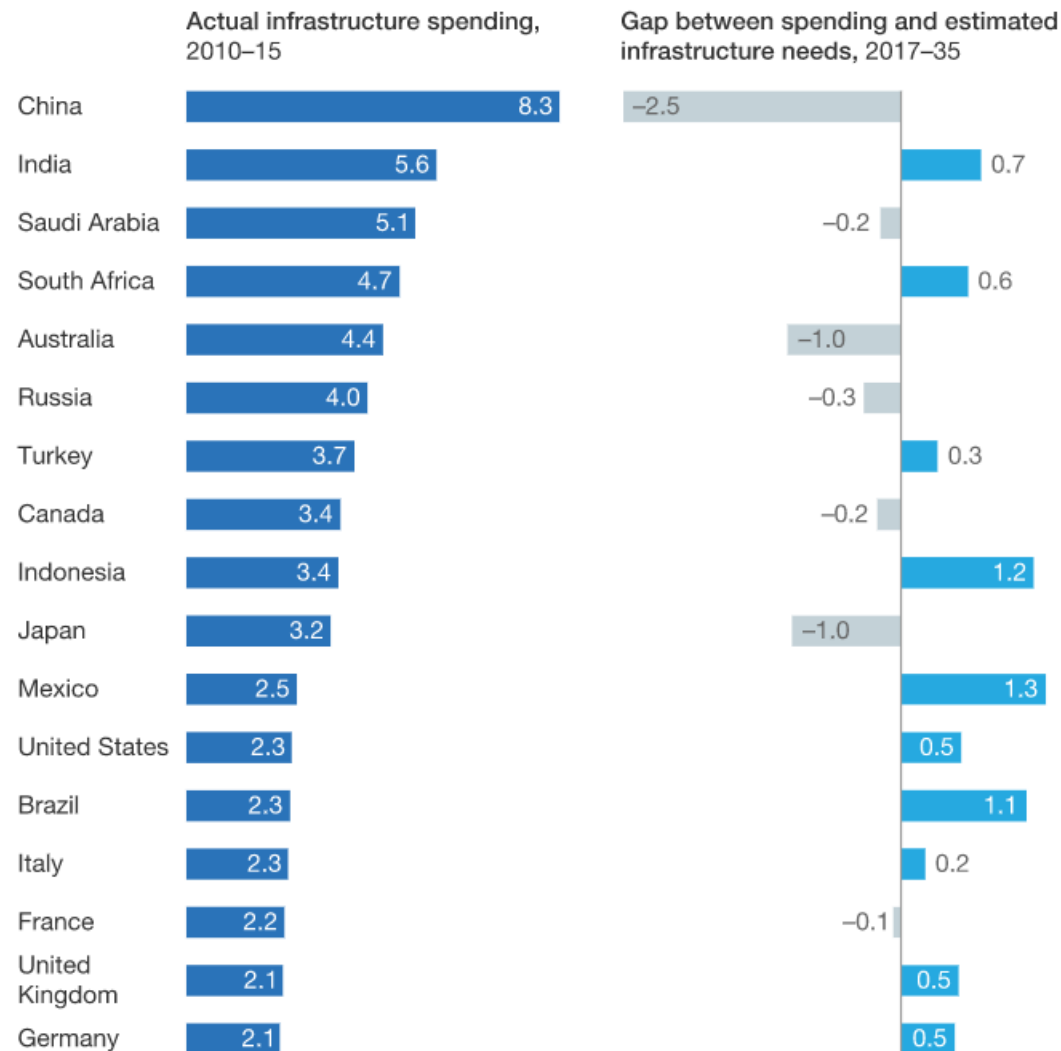




It would take nearly 30 years to reach the previous high of infrastructure per capita at current investment levels.

we are not the only country facing strain on infrastructure and needs stronger investments.

Economic infrastructure, % of GDP



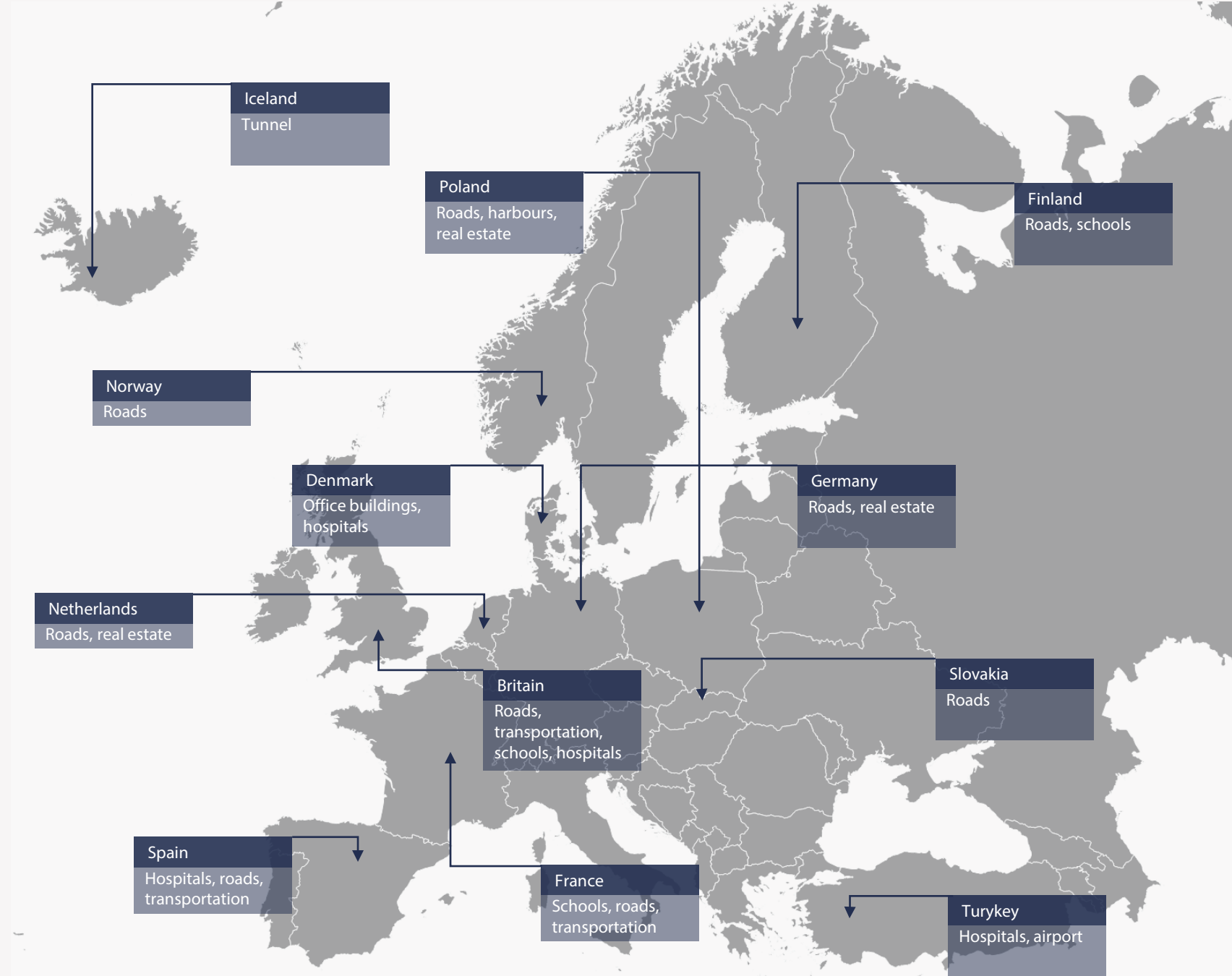
Global gap<sup>1</sup> = 0.3% or \$5.5 trillion

The global gap for 2017-35 as a share of GDP is calculated by adding negative values, converting to dollar terms, then dividing by cumulative world GDP. Without adjusting for positive gap, the value is 0.10%. This has been calculated from a set of 48 countries for which data are available for all sectors. This gap does not include additional investments needed to meet the UN Sustainable Development Goals.





plenty  
of ppp  
going  
on...





# PPP

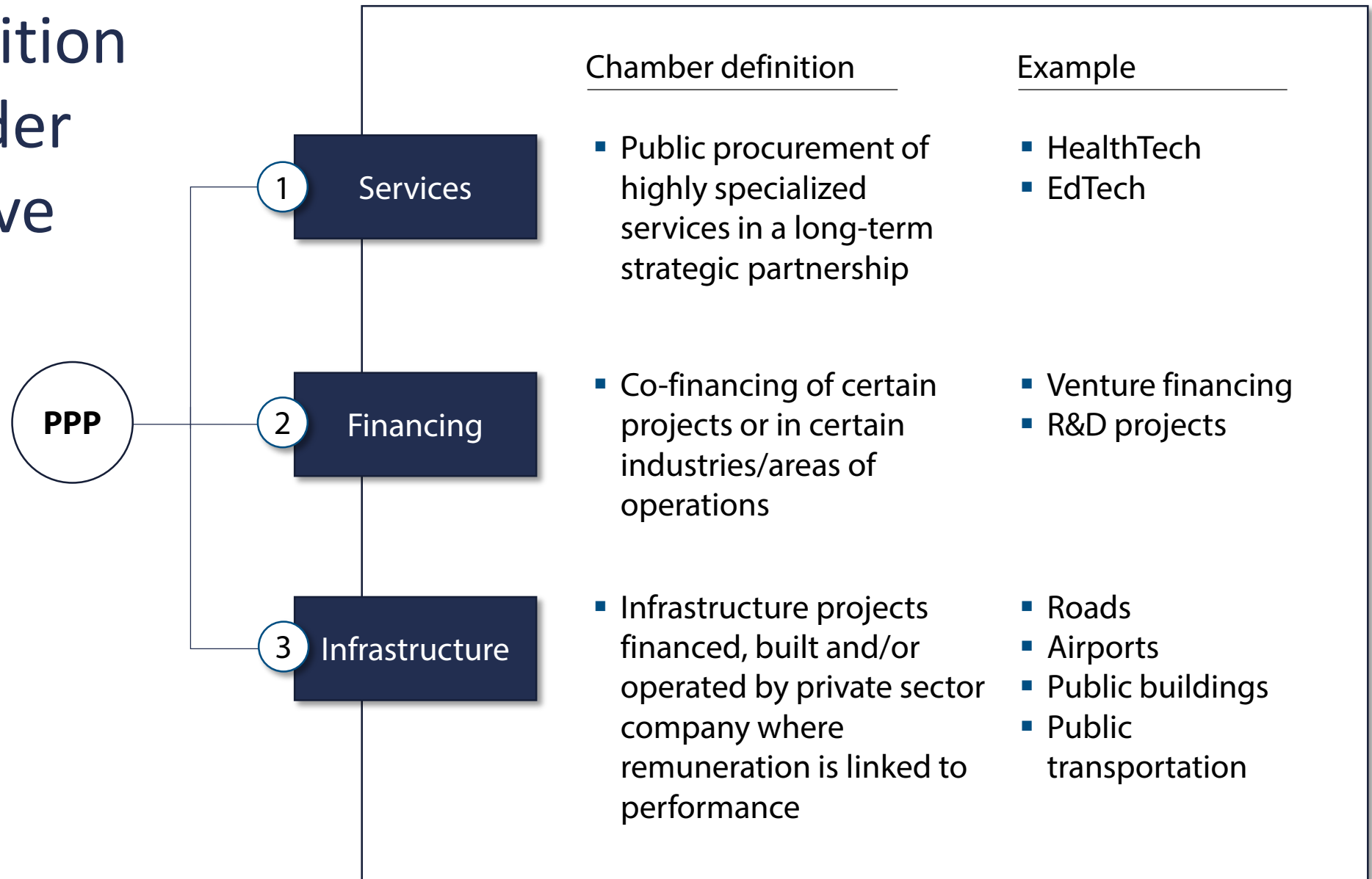
## definition?

“a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance.”

- PPP Knowledge Lab



# ppp definition in a broader perspective





Hvalfjardar tunnel  
– a success story

# specific legislation for hvalfjarðar tunnel in 1990



Dansk | English | +

Leitarorð

Þingfundir og mál Þingmenn Nefndir Alþjóðastarf Lagasafn Ályktanir Alþingis Um Alþingi

Forsíða > Lagasafn > Lög

Veldu útgáfu

Nýjasta útgáfa hverju sinni

Lagasafn. Íslensk lög 20. september 2019. Útgáfa 149c. Prenta í tveimur dálkum.

## Lög um vegtengingu um utanverðan Hvalfjörð

1990 nr. 45 16. maí

Ferill málsins á Alþingi. Frumvarp til laga.

Tóku gildi 22. maí 1990. Breytt með: L. 162/2010 (tóku gildi 1. jan. 2011). L. 126/2011 (tóku gildi 30. sept. 2011). L. 59/2013 (tóku gildi 1. júlí 2013).

Ef í lögum þessum er getið um ráðherra eða ráðuneyti án þess að málefnasvið sé tilgreint sérstaklega eða til þess vísað, er átt við samgöngu- og sveitarstjórnarráðherra eða samgöngu- og sveitarstjórnarráðuneyti sem fer með lög þessi. Upplýsingar um málefnasvið ráðuneyta skv. forsetaúrskurði er að finna [hér](#).

### ■ 1. gr.

□ Ríkisstjórninni er heimilt að fela hlutafélagi, sem stofnað yrdi í því skyni, að annast að nokkru eða öllu leyti undirbúning, fjármögnun og framkvæmdir við vegtengingu um utanverðan Hvalfjörð, svo og rekstur um tiltekinn tíma.

### ■ 2. gr.

□ Nánari ákvæði um gerð, rekstur, tilhögun mannvirkja, gjaldtöktíma og önnur atriði, sem þurfa þykir, skulu vera í samningi sem [ráðherra] <sup>1)</sup> gerir við framkvæmdaðila. Slíkur samningur öðlast ekki gildi fyrr en hann hefur hlotið staðfestingu Alþingis.

<sup>1)</sup>L. 126/2011, 140. gr.

### ■ 3. gr.

□ Til að bera kostnað af framkvæmdum og rekstri samkvæmt lögum þessum skal hlutafélagi skv. 1. gr. heimilt að taka umferðargjald af vegtengingu um utanverðan Hvalfjörð enda liggja fyrir samningar við [ráðherra] <sup>1)</sup> um verkefnið og rétt til gjaldtökkunar.

<sup>1)</sup>L. 162/2010, 210. gr.

### ■ 4. gr.

□ [Samgöngustofa] <sup>1)</sup> skal hafa eftirlit með að gerð og rekstur mannvirkja samkvæmt lögum þessum sé á viðunandi hátt. Sé um vanrækslu að ræða að dómi [Samgöngustofu] <sup>1)</sup> skal hún gefa veghaldara fyrirmæli um að framkvæma nauðsynlegar úrbætur innan hæfilegs frests.

<sup>1)</sup>L. 59/2013, 6. gr.

### ■ 5. gr.

□ Þegar vegtengingu um utanverðan Hvalfjörð er lokið skal vegurinn teljast til þjóðvega samkvæmt ákvæðum vegalaga með þeim undantekningum sem lög þessi ákveða. Ef samkomulag næst ekki um kaup á landi og efni sem þörf verður á vegna framkvæmda samkvæmt lögum þessum heimilast [Samgöngustofu] <sup>1)</sup> eignarnám samkvæmt X. kafla vegalaga.

<sup>1)</sup>L. 59/2013, 6. gr.

### ■ 6. gr.

□ Lög þessi öðlast þegar gildi.



lack of a  
comprehensive  
legislation on PPP  
projects in Iceland

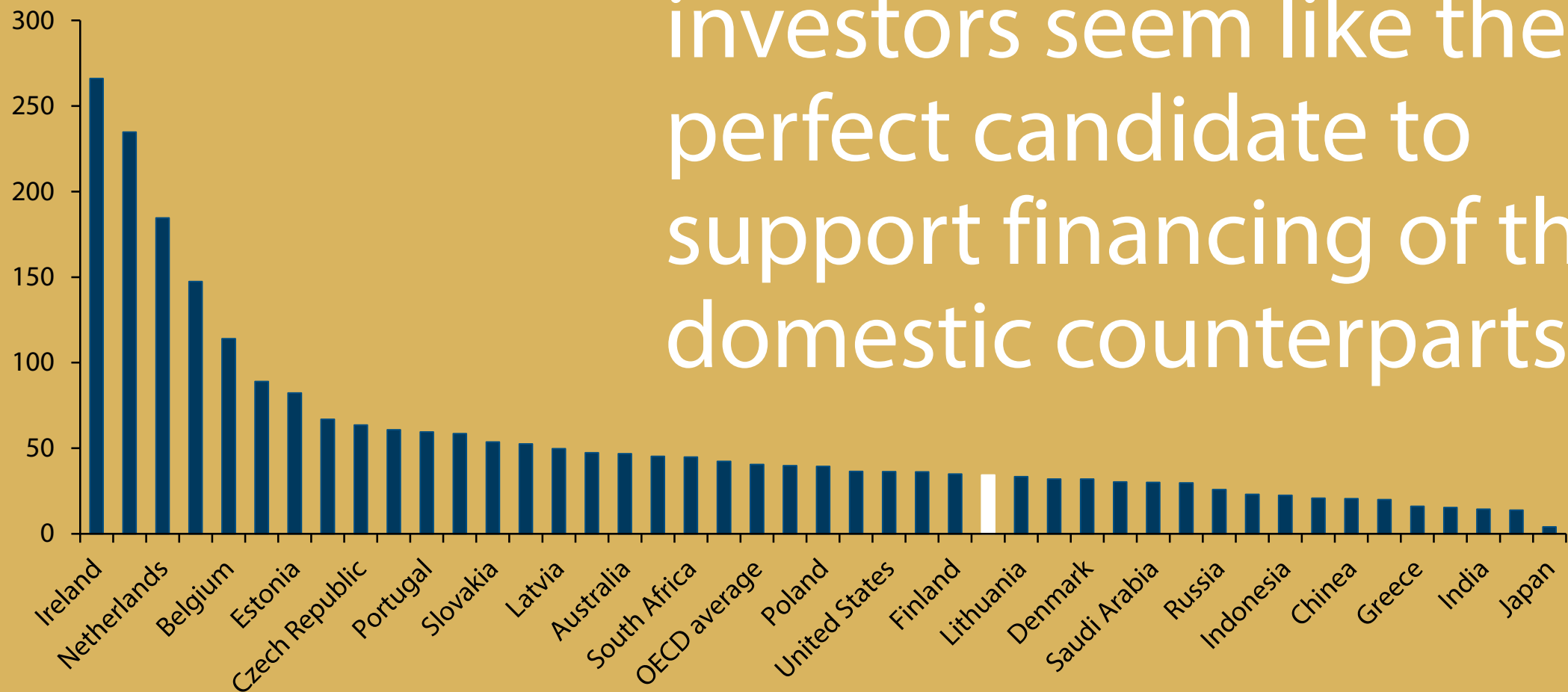


A perspective view of a long, empty tunnel. The tunnel has a curved, ribbed ceiling and concrete walls. Several bright, warm-toned lights are mounted on the ceiling, creating a series of light spots that recede into the distance. The road surface is dark asphalt with yellow lane markings. In the distance, there are some traffic signs and a red and white striped barrier. The overall atmosphere is quiet and somewhat mysterious.

potential  
investors

pensions funds  
foreign institutional  
investors

FDI stock, % of GDP  
2017 or 2018 (latest year available)



Foreign institutional investors seem like the perfect candidate to support financing of their domestic counterparts



project pipeline for ppp in  
Iceland

**sundabraut** – borgarlína –

keflavík airport – hospital –

tvöföldun **hvalfjarðar-**

**ganga** – national stadium – öxi

sæstrengur





A photograph of a tunnel entrance. A large, bright red archway frames the view. Inside the tunnel, a road with white lane markings leads into the distance. The tunnel walls are dark and textured. The sky above the archway is a clear, light blue.

**to do list:**

legislation

prioritized pipeline

interested investors

political will