

GOVERNMENT OF THE REPUBLIC OF CROATIA

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Pursuant to Article 7 paragraph 2, Article 9 paragraphs 4 and 9, Article 10 paragraph 3, Article 14 paragraph 2, Article 18 paragraph 2, Article 19 paragraph 10 and Article 20a paragraph 1 of the Act on Public Private Partnership (Official Gazette 78/12 and 152/14), the Government of the Republic of Croatia at its session held on 5 February 2015 issued the

REGULATION

ON AMENDMENTS TO THE REGULATION ON THE IMPLEMENTATION OF PUBLIC PRIVATE PARTNERSHIP PROJECTS

Article 1

In the Regulation on the implementation of public private partnership projects (Official Gazette 88/12), in Article 1, before the word: “structure”, the words: “fundamental issues of preparation, documentation and implementation of small value public private partnership projects,” are added.

Article 2

In Article 2, paragraph 1, items 2 and 4 are deleted.

The previous items 3 and 5 become items 2 and 3.

Article 3

In Article 3, paragraph 2, the words: “public private partnership” are replaced with the words: “investment and competitiveness”.

Article 4

In Article 4, paragraph 5 is deleted.

Article 5

After Article 4, a new heading above the article and Articles 4a, 4b and 4c are added and read:

“Compulsory documentation for the implementation of small value PPP projects

Article 4a

In the procedure of preparing small value PPP projects, the public body shall prepare the following documents:

- Study on the feasibility of investment in the small value PPP project;
- instructions for developing the financial model;
- proposal of the PPP contract;

– tender documentation;

– other documents necessary for the comprehensive preparation of the project, if the same are determined by special regulations.

Prior consent of the Ministry of Finance

Article 4b

(1) In addition to the documentation stipulated by the regulations governing borrowing and taking on long-term obligations for local and regional self-government units, and the documentation from paragraph 2 of this Article, the public body fills out the application for the issuance of prior consent of the Ministry of Finance over the take-over of long term liabilities in the form from Appendix IV of this Regulation.

(2) The following shall be enclosed to the application from paragraph 1 of this Article:

– proposal of the PPP contract,

– Study on the feasibility of the investment of the small value PPP project,

– adopted budget plan for the year in which the procedure to prepare the small value PPP project shall begin,

– projections of budget revenues and expenditures, with included compensation ensuing from the project for the following three years,

– certified financial reports for the previous year, in line with the provisions from the area of financial reporting and budgetary accounting,

– report on the repayment of borrowing, issued guarantees and agreements on the form prescribed by the Ministry of Finance at the time of submission of the application, and

– information on compensation the public body already pays or will pay ensuing from the concluded PPP contract, pursuant to the Budget Act.

Structure of the Study on the feasibility of the investment of a small value PPP project

Article 4c

The Study on the feasibility of the investment in a small value PPP project contains at least the following data:

1. Introduction;

2. General data on the public body - client;

3. Name and purpose, objective and subject of the project;

4. Description of the project;

5. Qualitative and/or quantitative analysis of value for money;

6. Overview of the proposed model of organisation and financing of projects;

7. Identification and allocation of project risk;

8. Assessment of the value of procurement, and

9. Conclusion.”.

Article 6

In Article 5, items 9 through 16 are amended are read:

“9. structure of capital costs;

10. structure of maintenance and use costs;

11. risk allocation matrices and risk quantification layouts;

12. calculation of the current value of whole life costs:

– based on the traditional (budget) model;

– based on the PPP model;

13. calculation of compensation:

– hypothetical based on the traditional (budget) model;

– expected based on the PPP model;

14. financial analysis (PPP model):

– structure of capital costs and projection of asset amortization;

– structure of operational costs;

– structure of sources of financing and projection of debt amortisation;

– projection of financial reports;

– analysis of project liquidity;

– analysis of profitability;

– analysis of coverage of sources of financing for the project;

15. calculation and graphical overview of the expected value for the money;

16. deterministic and/or stochastic vulnerability analysis;”.

After item 16, item17 is added and reads:

“17. final assessment.”.

Article 7

In Article 6, the words: “public private partnership” are replaced by the words: “investment and competitiveness”.

In item 2, the words: “or shall be solved in due time” are deleted.

Article 8

In Article 7, line 3, after the word: “risk”, the words: “unaligned with the changed compensation”.

Article 9

In Article 8, paragraph 1, the words: “if PPP project realization implies a transfer of building rights” are deleted.

In paragraph 2, before the word: “whole”, the words: “compensation arising from the calculation of” are added.

In paragraph 3, after the words: “PPP project proposal” a comma is added, and the words: “that arise prior to the conclusion of the PPP contract,”.

In paragraph 5, item a) is amended and reads:

“a) the present value of the compensation arising from the calculation of whole life costs in the contracted period.”.

Item b) is deleted.

After paragraph 5, a new paragraph 6 is added and reads:

“(6) In the procedure to select the private partner in small value PPP projects, the public body, with the criteria from paragraph 5 of this Article, must use at least one of the following criteria:

a) reduced total installed power,

b) reduced consumption, or

c) reduced costs.”.

In the current paragraph 6 which becomes paragraph 7, the words: “whole life costs” are replaced by the word: “compensation”.

The current paragraph 7 becomes paragraph 8.

Article 10

In Article 9, paragraph 4, the words: “public private partnership” are replaced by the words: “investment and competitiveness”, and the words: “shall be valid for the period of six months from the date of publication” are deleted.

Article 11

In Article 10, the words: “public private partnership” are replaced by the words: “investment and competitiveness”.

Article 12

In Article 11, paragraph 1, items 5 and 6 are amended and read:

“5. Reduced payments,

6. other remarks.”.

Item 7 is deleted.

Article 13

In Article 12, the heading Appendix III is amended and reads:

“Appendix III – Form for the submission of the Report on the implementation of the PPP project.”.

After Appendix III, Appendix IV is added and reads:

“Appendix IV – Form for the calculation of the possibility of taking on long-term liabilities in small value PPP projects.”.

Article 14

The following are integral parts of this Regulation:

Appendix III – Form for the submission of the Report on the implementation of the PPP project, which replaces the previous Appendix III – Reporting form on the implementation of public private partnership projects.

Appendix IV – Form for the calculation of the possibility of taking on long-term liabilities in small value PPP projects.

Article 15

All procedures commenced until the entry of this Regulation into force shall be completed according to the provisions of the Regulation on the implementation of public private partnership projects (Official Gazette 88/12).

Article 16

This Regulation shall enter into force on the eighth day from the date of its publication in the *Official Gazette*.

Class: 022-03/15-03/10

Reg no: 50301-05/16-15-2

Zagreb, 5 February 2015

President

Zoran Milanović, m. p.

APPENDIX III

Form for the submission of the Report on the implementation of PPP projects

For the period from the year _____ to _____¹

1.	PROJECT:	
1.1.	SUBJECT	
1.2.	NAME	
1.3.	DURATION OF THE CONTRACT	
1.4.	TIME REMAINING TO EXPIRY OF THE CONTRACT	
2.	PUBLIC PARTNER:	
2.1.	NAME	
2.2.	ADDRESS	
2.3.	OIB, MB	
2.4.	CONTACT PERSON	

2.5.	TELEPHONE, E-MAIL ADDRESS	
3.	PRIVATE PARTNER:	
3.1.	NAME	
3.2.	ADDRESS	
3.3.	OIB, MB	
3.4.	CONTACT PERSON	
3.5.	TELEPHONE, E-MAIL ADDRESS	
4.	CONTRACTUAL COMPENSATION:	
4.1.	CONTRACTUAL COMPENSATION PERIOD ²	
4.2.	ALIGNED COMPENSATION PERIOD ³	
4.3.	PAID COMPENSATION PERIOD ⁴	
5.	REDUCED PAYMENTS	
5.1.	Reasons for reduced payments:	
6.	OTHER REMARKS:	

Date and place of compilation of the Report

PUBLIC PARTNER:

PRIVATE PARTNER:

Signature, MP

Signature, MP

¹ The form is filled out for a six-month period (January – June; June - December).

² Compensation defined by the contract for a six-month period.

³ Value aligned compensation parameters as defined by the contract (inflation, CPI, etc.).

⁴ Actual payments of the compensation by the public or private partner pursuant to the issued invoice.

APPENDIX IV

Form for the calculation of the possibility of taking on long-term liabilities in small value PPP projects

No	Description	Formula	Value (HRK)
	Data on person submitting request (name, OIB, business account)		
i	Amount of total summed compensation in the contracted period with the remainder of value, beginning from the month in which it is expected that the structure will be placed into operation, and concluding with the final month of the duration of the contract (HRK)		
ii	Number of months in the contracting period in which the compensation is paid (number)		
iii	Average monthly compensation (HRK)	(i)/(ii)	
iv	Average annual compensation (HRK)	(iii)*12	
v	Investment period (from conclusion of the contract to the month of the first payment of		

	the monthly compensation) (number)		
vi	Achieved budgetary revenues of the previous year, reduced by the capital revenues according to the Budget Act (HRK)		
vii	Share of the compensation in revenues (%)	(iv)/(vi)	
viii	Other annual contracted PPP compensation (HRK)		
ix	Share of total compensation in revenues (%)	((iv)+(viii))/vi	