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**Financial crisis show stopper for
DBFMO projects in the Netherlands?**

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Paper presented in the PPPs Symposium
organised by HKU CIGIO (28-02-2009)



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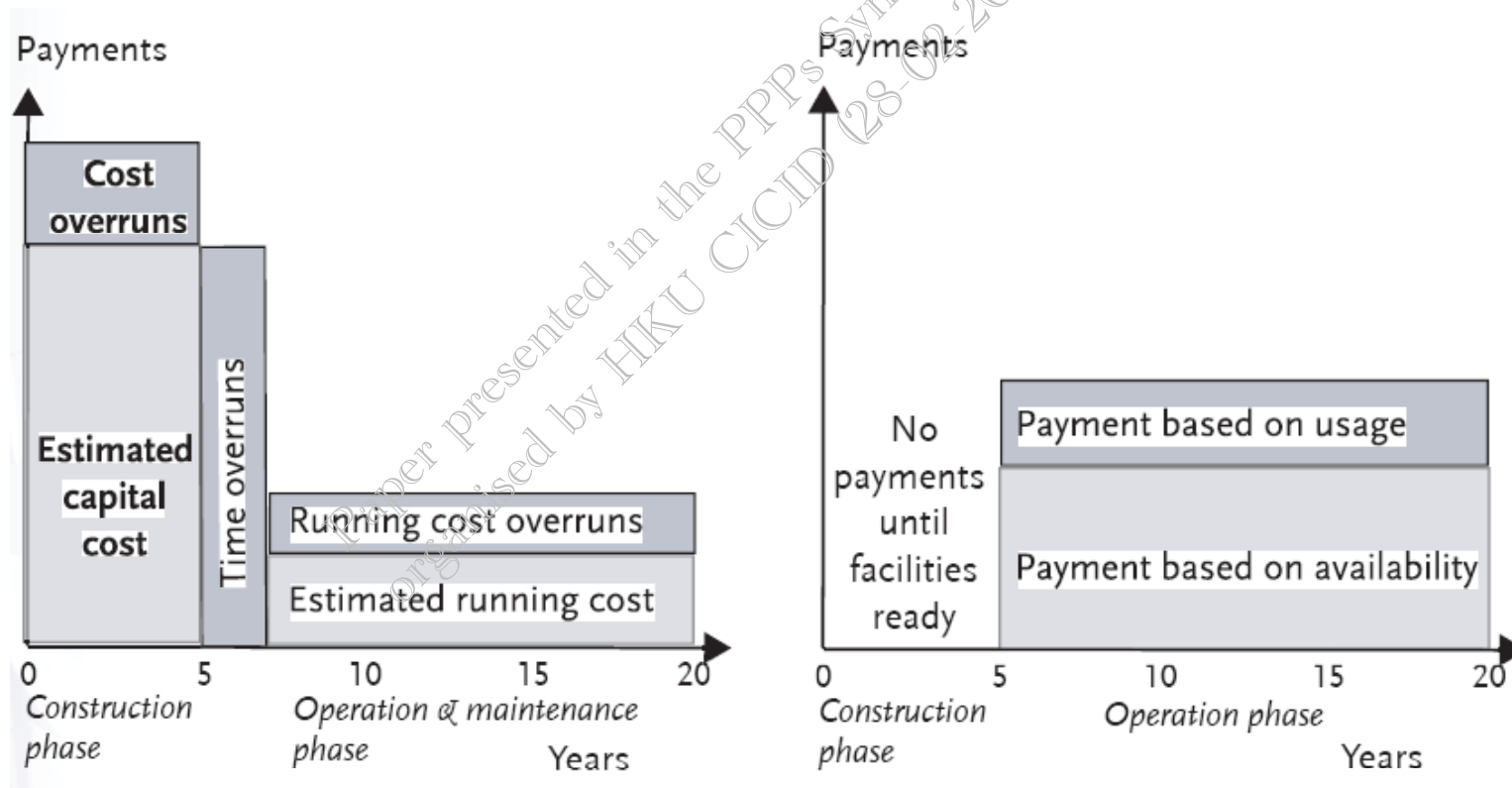


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DBFMO

Design Build Finance Maintain Operate





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Trend before the credit crunch: an increase in DBFMO projects

- **Infrastructure:**
 - 4 projects implemented
 - 2 projects in procurement
- **Accommodation:**
 - 3 detention centers; 2 in procurement
 - 1 ministry
 - 1 barrack
 - 1 school



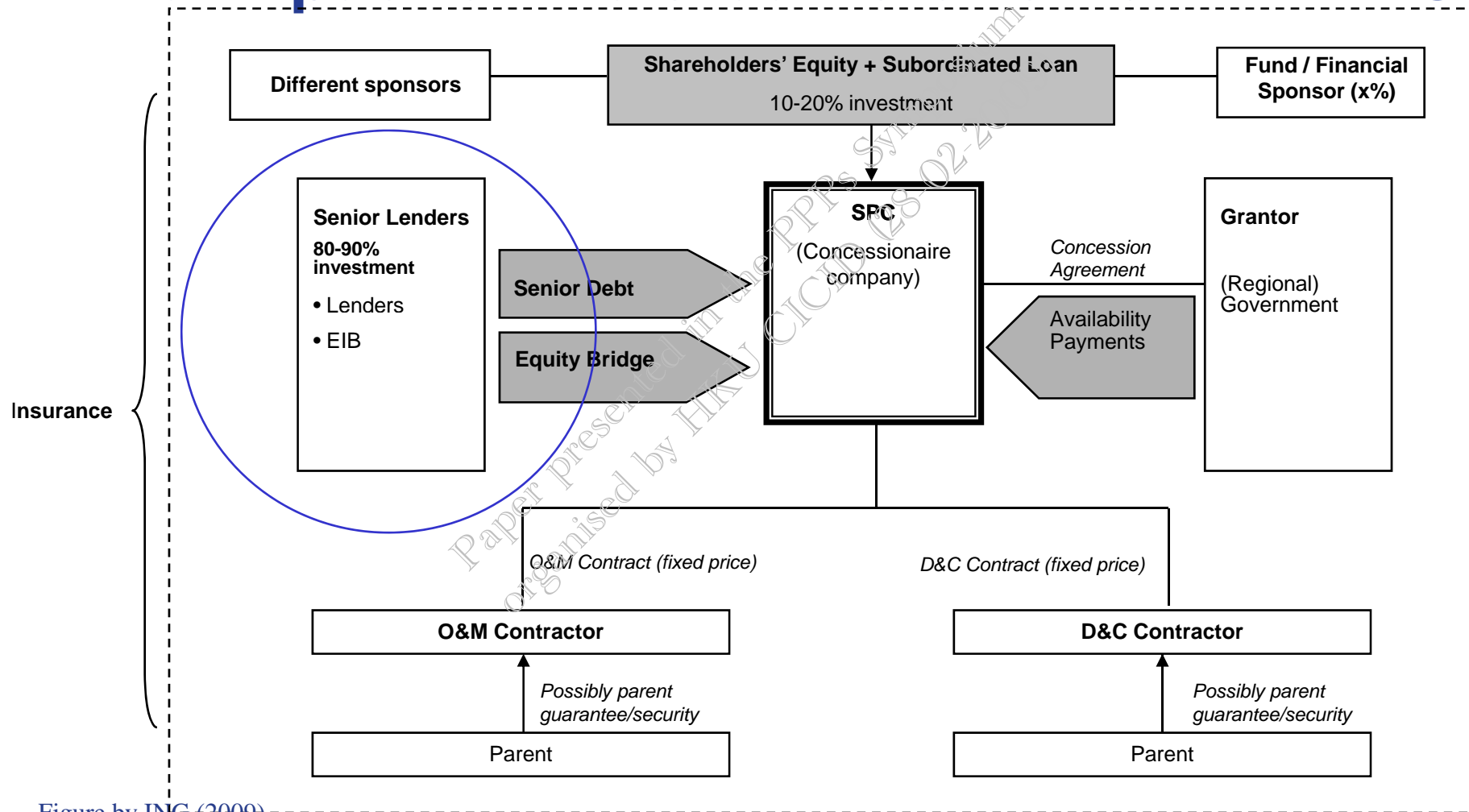
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Other trends before the credit crunch

- Bond financing was winning ground:
- No problems when passing on loans
 - Third party investors were increasing underwritings
 - Syndication clauses were disappearing
- Banks provided loans under the conditions of the capital market/EIB and gave guarantees up-front



The impact of the credit crunch on DBFMO





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Trends after the credit crunch

- **Wrapped bond market is closed: reliance on the bank market has increased**
- **Cost of funding increases**
- **Non-binding offers**
- **Procurement takes longer, more third party investors are needed**



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Looking forward

- Credit crunch no show stopper for DBFMO
 - Correction in the cost of funds
 - Less capacity in the market
 - New models
 - Club deals
 - Conditions for DBFMO need to change
 - Refinancing becomes (even) more important
- At the end it is all about value for money!



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Questions?

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