



PERÚ

Ministerio  
de Vivienda, Construcción  
y Saneamiento

# Public Private Partnerships (PPP)

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# Diagnosis of Sanitation Services in Peru



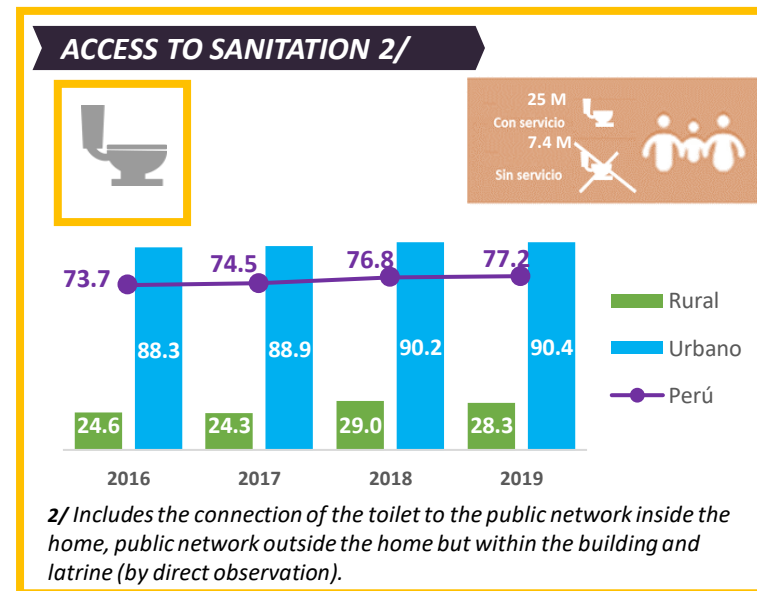
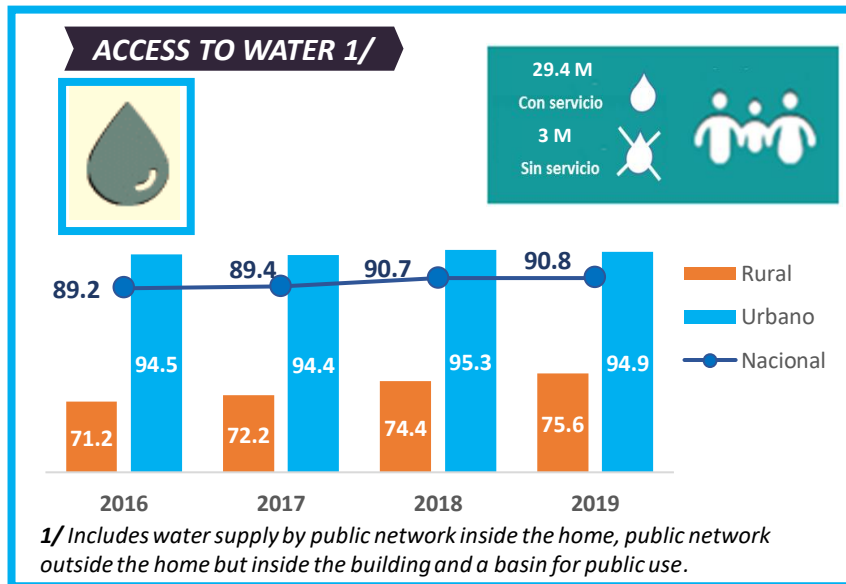
With a population of more than 31 million inhabitants, Peru is the 4th most populous country in South America.



77% of the population live in urban areas, while 23% live in rural areas.



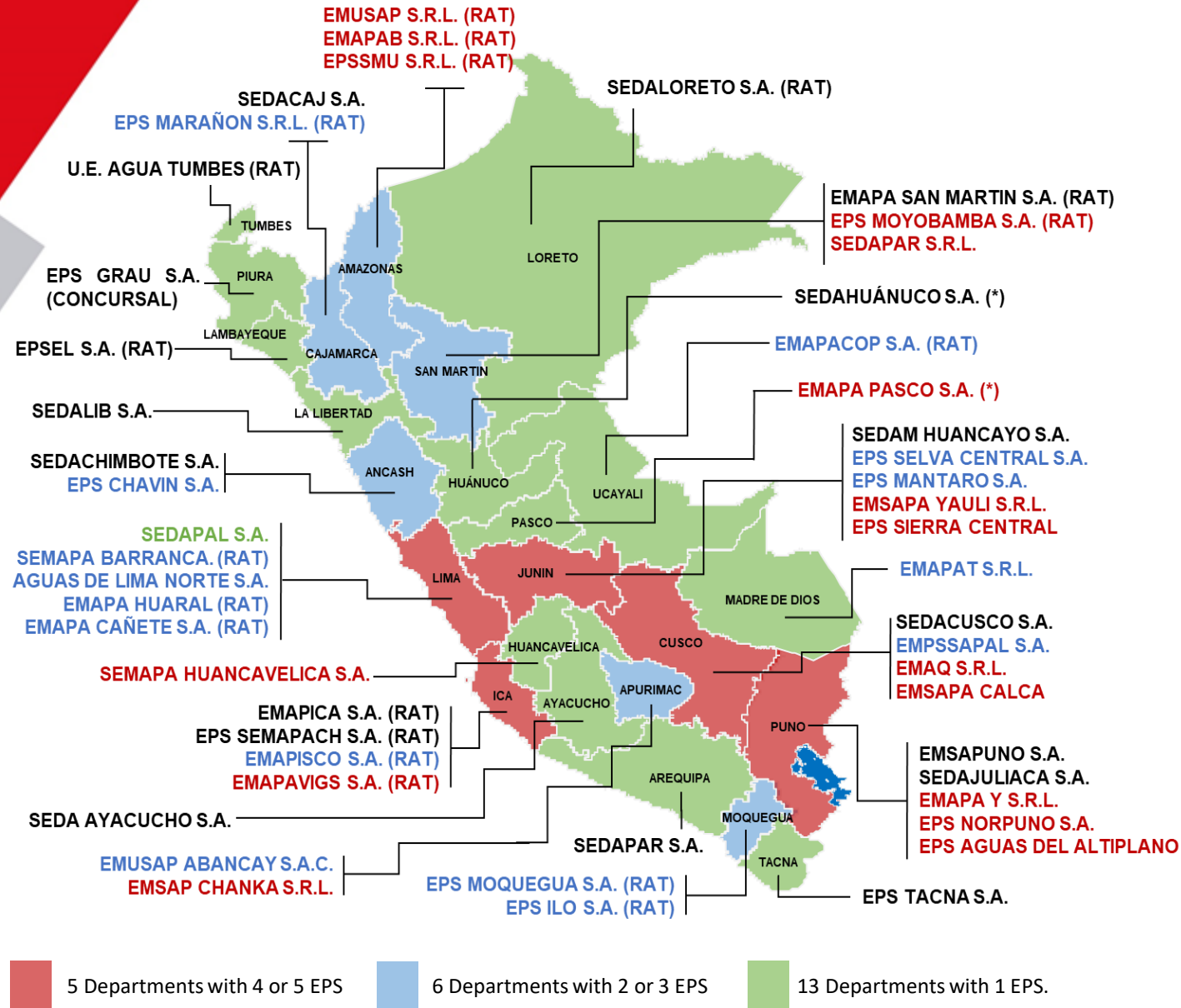
- ✓ 3 Million (9%) of Peruvians without access to water through the public network.
- ✓ 7.4 Million (23%) of people do not have access to sewers or sanitary disposal of excreta.
- ✓ Only 44 % of the wastewater captured by the Sanitation Service Providers (EPS) enters the WWTP and has adequate treatment (\*).



✓ The services **are not** sustainable.



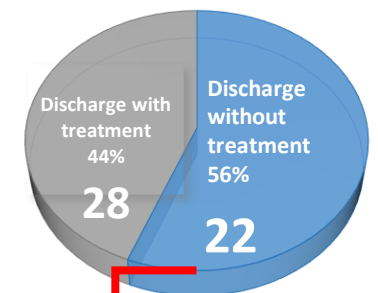
# Diagnosis of Wastewater Treatment in Peru



## Sanitation Service Providers (EPS)

EPS Management	Total
Municipalities (No RAT)	26
OTASS (RAT)	19
* In the process of entering the RAT	3
FONAFE (Sedapal)	1
Creditor committee – Bankruptcy Regime (Grau)	1
<b>Total</b>	<b>50</b>

## Wastewater discharges



**22 EPS without wastewater treatment.**  
 -19 EPS do not have a Wastewater Treatment Plant.  
 -03 EPS do not treat wastewater

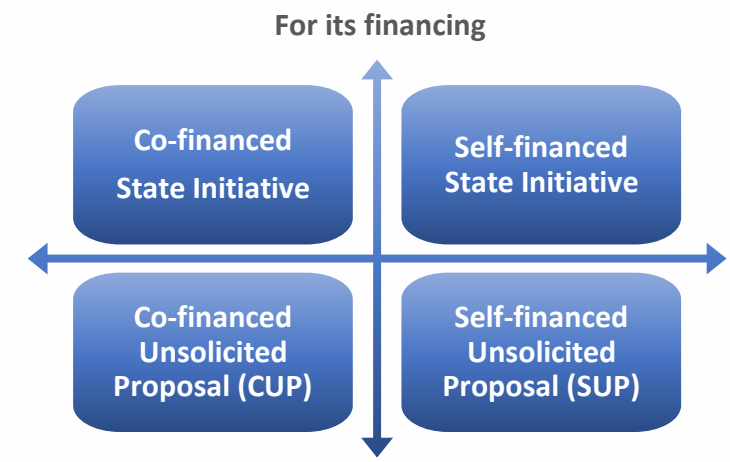
# Strategies for Closing Sanitation Gaps

The MVCS implements a series of financing and execution strategies to close gaps in sanitation services.

**1** **Public Investment** (Refundable and non-refundable transfers and international cooperation, executing units)



**2** **Special Regime**  
Water Supply Contract (Emergency Decree N° 011-2020)



# PPP under Execution



1

## TABOADA WWTP

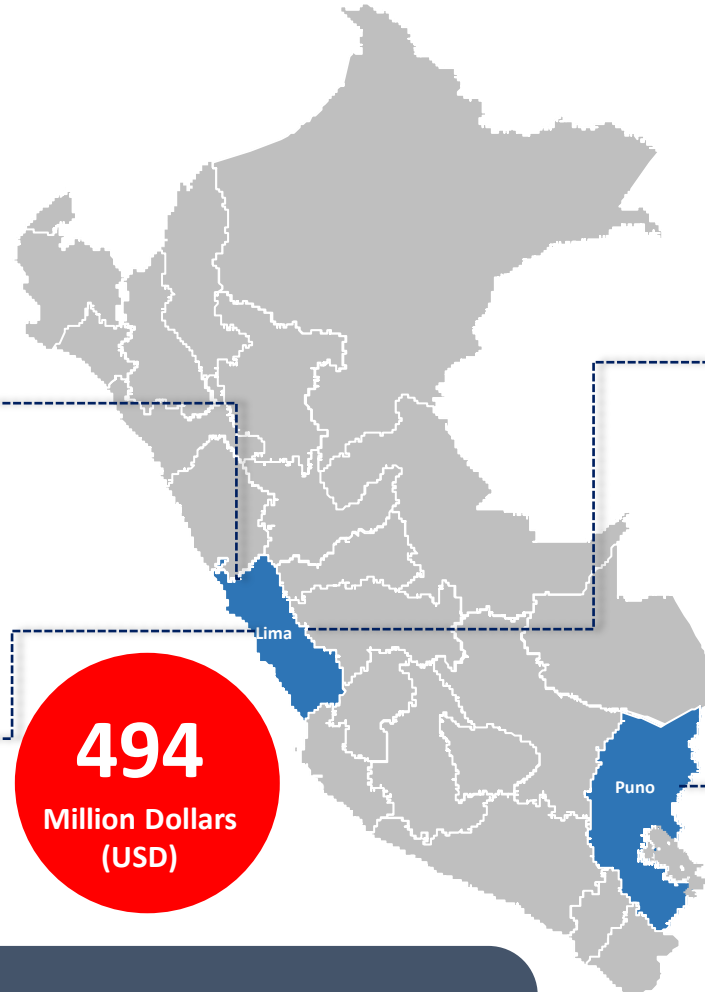
- **Term:** 25 years
- **Investment:** USD148 million (without VAT)
- **Average flow:** 14 m<sup>3</sup>/s
- **Beneficiaries:** 4.3 million inhabitants
- **Status:** In operation since December 2013



2

## LA CHIRA WWTP

- **Term:** 25 years
- **Investment:** USD 79,0 million (without VAT)
- **Average flow :** 6.3 m<sup>3</sup>/s
- **Beneficiaries:** 2.6 million inhabitants
- **Type of treatment:** advanced preliminary
- **Status:** In operation since June 2016
- **Addendum to the contract to extend the WWTP**
- **Average flow:** 3.41 m<sup>3</sup>/s
- **Investment:** USD 38 million approx.



**494**  
Million Dollars  
(USD)

## PPP CONTRIBUTION

Wastewater treatment:

21.96 m<sup>3</sup>/s.

(does not include the expansion of the La Chira WWTP).



3

## PROVISUR (Provision of sanitation services in the southern districts of Lima)

- **Term:** 25 years
- **Flow:** 0.18 m<sup>3</sup>/s wastewater
- **Flow:** 0.25 m<sup>3</sup>/s – 0.40m<sup>3</sup>/s wastewater.
- **Investment:** USD 87 million (without VAT)
- **Beneficiaries:** 100 thousand inhabitants
- **Status:** In execution

4

## TITICACA WWTP

- **Term:** 30 years
- **Total average flow:** 1.47 m<sup>3</sup>/s
- **Investment:** USD 180.0 million (without VAT)
- **Beneficiaries:** 1.2 million inhabitants
- **Status:** In execution (Preparation of Technical File).



The continuity of the investment is ensured within the framework of the Budget Law 2021 with PEN 1,061,430 from the Titicaca WWTP.

**CONCESSION CONTRACTS SIGNED**



TABOADA WWTP



LA CHIRA WWTP



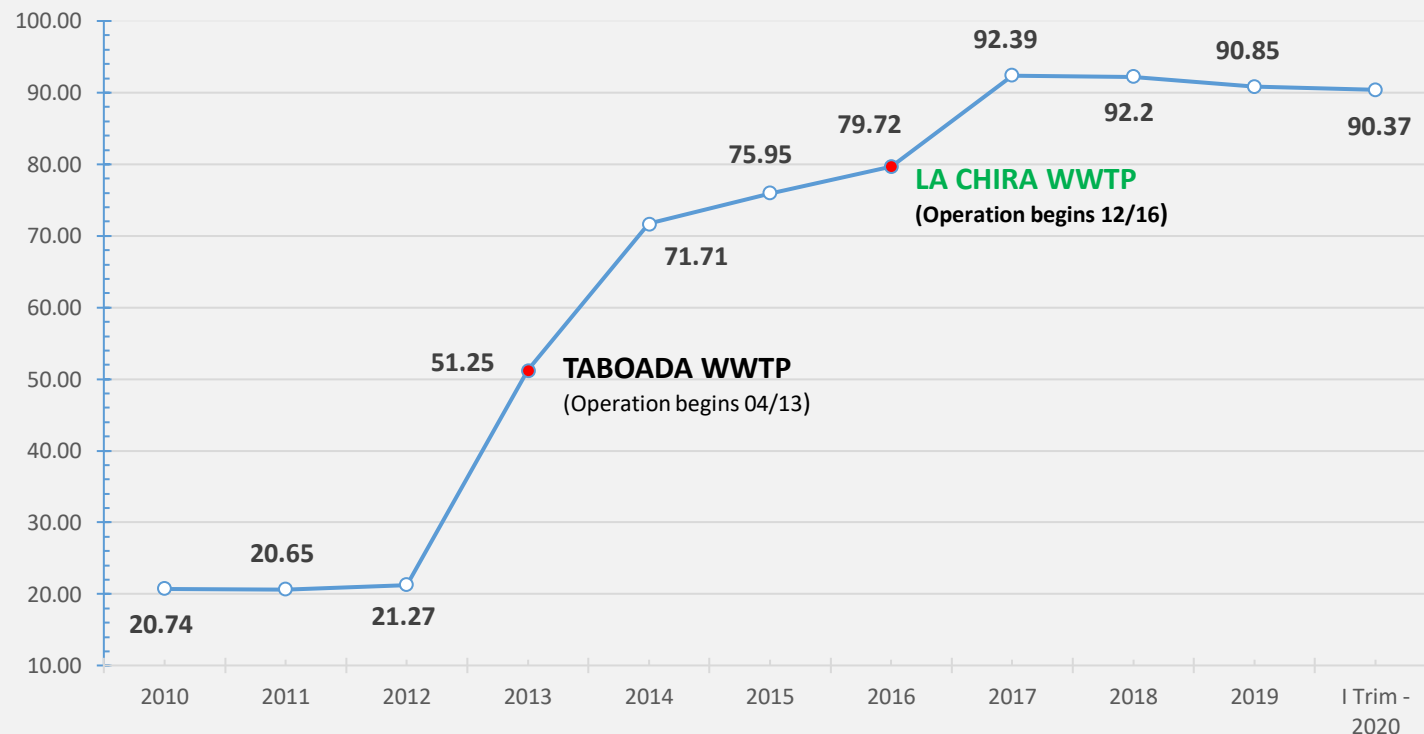
PROVISUR



TITICACA WWTP

# Contribution of PPP to closing gaps in Sanitation Services

## Wastewater Treatment (%) Sedapal S.A.

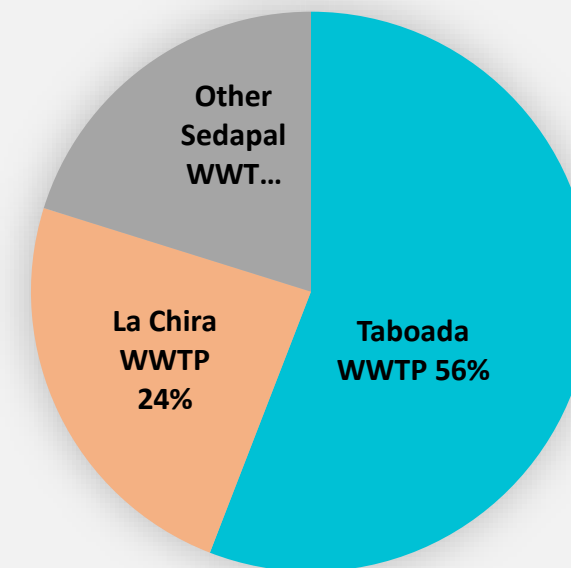


**Source:**

Benchmarking SUNASS (2010-2018)

<http://www.sedapal.com.pe/indicadores-de-calidad-del-servicio>, March 2020.

## Contribution of PPP in wastewater treatment



**Source:**

<http://www.sedapal.com.pe/tratamiento-de-aguas-residuales>, September 2018.

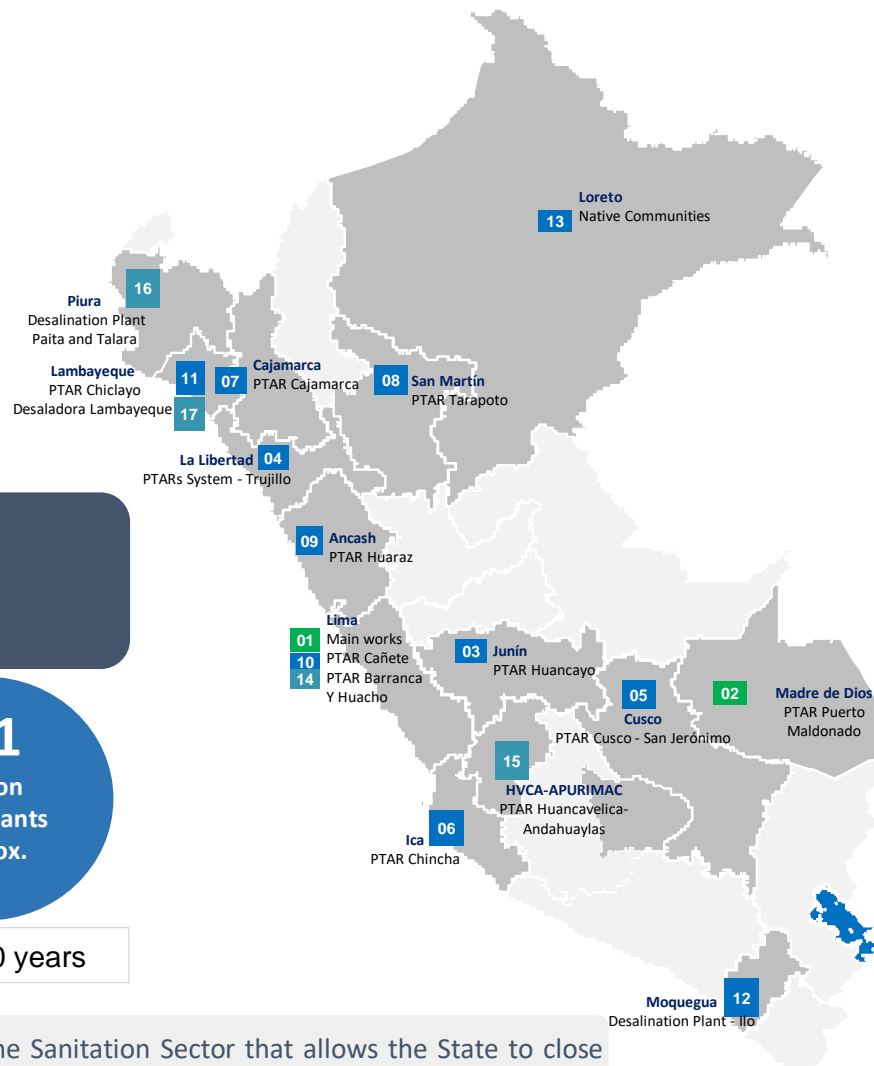
# PPP Project Portfolio



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17 Projects



INVESTMENT: **PEN 6,500 Million**

Beneficiaries:



7.1 Million inhabitants approx.

Concession term: from 20 to 30 years

✓ PPPs are a financing modality in the Sanitation Sector that allows the State to close the gaps and have sustainable projects.

✓ The PPP project portfolio for the design, financing, construction, operation and maintenance of drinking water, sewerage and wastewater treatment will benefit more than 20% of the Peruvian population.



The continuity of the investment is ensured within the framework of the 2021 Budget Law of the Puerto Maldonado WWTP

N°	Project	Region	Amount Million (PEN with VAT)	Phase	Type of PPP
1	Main works	Lima	2,720.0	Structuring	IEA
2	Puerto Maldonado WWTP	Madre de Dios	212.55	Structuring	IEC
3	Huancayo WWTP	Junín	**	Formulation	CO-FINANCED UNSOLICITED PROPOSAL
4	Trujillo WWTP	La Libertad	589.6	Formulation	
5	Cusco- San Jerónimo WWTP	Cusco	192.3	Formulation	
6	Chincha WWTP	Ica	156.6	Formulation	
7	Cajamarca WWTP	Cajamarca	294.4	Formulation	
8	Tarapoto WWTP	San Martín	123.1	Formulation	
9	Huaraz WWTP	Ancash	120.4	Formulation	
10	Cañete WWTP	Lima	157.3	Formulation	
11	Chiclayo WWTP	Lambayeque	489.6	Formulation	
12	Ilo Desalination Plant	Moquegua	120.0	Formulation	
13	Community Sanitation Services - Loreto	Loreto	150.0	Formulation	
14	Huacho and Barranca WWTP	Lima	195.0	Planning and programming	
15	Huancavelica- Andahuaylas WWTP	Huancavelica- Apurímac	115.0		
16	Paita and Talara Desalination Plant	Piura	576.0		
17	Lambayeque Desalination Plant	Lambayeque	230.0		

(\*) Investment amounts updated as a result of advances in formulation.

(\*\*) Confidential

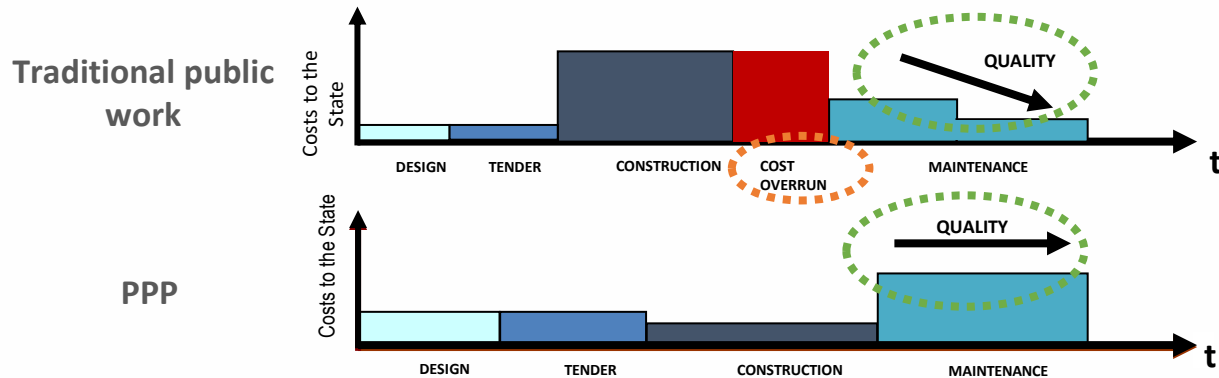
# Conclusions

## THE PUBLIC PRIVATE PARTNERSHIPS

### > The provision of infrastructure is advanced

The project is fully or partially financed by the private sector instead of using public resources in year zero.

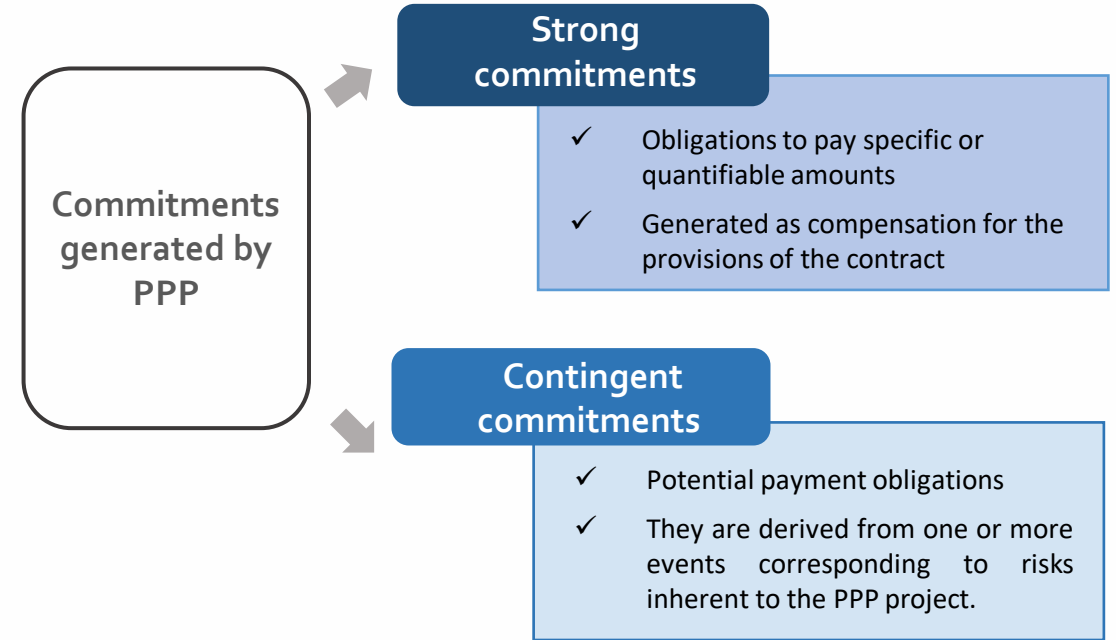
- The private sector recovers its investment through user fees or deferred payments by the public sector, based on the availability of infrastructure and services.
- The private sector has greater incentives to seek alternative sources of financing such as:
  - Supplementary income
  - Reduce collection losses



### > Optimal project risk allocation.

### > Contribution to closing the public infrastructure gap is allowed.

### > Predictability: in future commitments and flows



### > They are given through long-term contracts

- Average term of awarded projects:  
**22 years**
- ✓ **Deadline** of the PPP contracts: 60 years
  - ✓ **Minimum term** for IPC: 10 years