

Summary PPP Risk Assessment for inclusion in the national financial statement

Project Data: Information on rights, obligations and exposures		
General information	Project Name	Project of setting-up and management of a Summer Concert Hall – a multifunctional culture building in Palanga, Vytauto str. 43
	Type of project	DBFOMT
	How is the project funded	Users
	Responsibility	Local Government
	Date of signing	30/01/2018
	Start date	30/03/2018
	Agreement period	20
Financing	Expected project cost	10 064 000
	Share of investment costs financed by debt	0%
Asset specific information	Name of asset	Equipment
	Construction period (total number of years)	30 days
	Year construction begins (e.g. year 3 of project)	1
	Useful life (number of years)	25
	Construction cost	1 807 674 (Installation only)
Operation and maintenance costs	Land cost paid by private provider	0
	Maintenance	2 518 000
	Operations	7 861 000
	User fees	0
	Royalties	0
	Other payments to government	2 864 000
Projection of guarantees	Other costs	0
	Percentage of private debt guaranteed by government	0%
	Guaranteed price/tariff (domestic currency)	0%
Accounting drivers	Demand guarantees (units)	0%
	Does the public sector control or regulate the services the private company must provide with the asset, to whom must provide them and at what price	Yes
	Does the public sector maintain any residual interest in the asset at the end of the contract?	Yes
	Effective interest rate?	4%
	Corporate income tax rate	15%
Project Revenue	Imported component of assets	0%
	Unit	
	Start year	
	Initial Price	
	Initial Demand	

Project Risk: Qualitative summary assessment of the main risks facing the projects	
Governance Risks	There is a low risk associated with tracking Project governance. As a mitigation strategy of Project governance is already in place (CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management
Construction Risks	There is a low risk associated with tracking Project performance due to construction. As a mitigation strategy of construction is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management
Demand Risks	here is a low risk associated with tracking Project performance due to operation and maintenance infrastructure. As a mitigation strategy of operation and maintenance is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.
Operational and Performance Risks	There is a low risk associated with tracking Project performance due to operation and maintenance infrastructure. As a mitigation strategy of operation and maintenance is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.
Financial Risks	There is a low risk associated with tracking Project performance due to finance of the performance. As a mitigation strategy of Project finance is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.
Force Majeure	There is a low risk associated with Force Majeure events. As a mitigation strategy of Force Majeure is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.
Material Adverse Government actions	As a mitigation strategy of material adverse Government actions is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.

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Change in Law	As a mitigation strategy of change in Law actions is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.
Rebalance of financial equilibrium	Not applicable
Contract renegotiation	As a mitigation strategy of Contract renegotiation actions is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.
Contract termination	As a mitigation strategy of Contract renegotiation actions is already in place CPMA Methodological guidance on contract management, changing and cancellation. Refinancing rules and standard documents on PPP projects management (http://pplietuva.lt/lt/metodikos-ir-leidiniai), no further action is required.