



EUROPEAN COMMISSION  
EUROSTAT

Directorate D Government Finance Statistics (GFS)

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Statistics Poland  
National Accounts Department  
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**Subject: Consultation on the statistical recording of the PPP project concerning the expressway section of the bypass of the Tri-City Metropolis**

**Ref.: Your letter of 30 August 2019  
Eurostat letter of 24 September 2019  
Discussion held during the EDP visit on 11-12 February 2020**

Dear Ms Perzyna,

Following the discussions held during the EDP dialogue visit of 11-12 February 2020, Eurostat would like to re-visit your request for consultation on the statistical recording of the PPP project concerning the expressway section of the bypass of the Tri-City Metropolis (Gdańsk, Sopot, Gdynia).

### *Description of the case*

The Polish authorities are in the process of preparation of the Tri-City Metropolis bypass project to be delivered on a public-private partnership basis. The project comprises the completion of the design works, the construction works, the provision of financing, the maintenance and ensuring the availability of the expressway along the section of the Tri-City Metropolis bypass. In exchange, a public partner is foreseen to pay regular remuneration. At present, the project is not yet finalised and no contract with a private partner has been signed.

### *The accounting issue*

In view of the advanced stage of the draft PPP contract, the Polish authorities asked Eurostat on 30 August 2019, for an opinion concerning the appropriate statistical recording of the project in national accounts and in the EDP statistics.

Eurostat replied on 24 September 2019 pointing out that the documentation provided was incomplete for the purpose statistical analysis. In particular, it stressed that the information on the project's financial model had not yet been made available. At that stage, Eurostat considered not meaningful to undertake an appropriate statistical analysis and to decide on the statistical recording of the project. Following this feedback, the Polish authorities

provided Eurostat with the updated documentation, including the description of the foreseen financial model as well as the detailed statistical analysis of risks and rewards related to the project. Consequently, the discussion on the Tri-City PPP project was put on the agenda of the EDP dialogue visit to Poland of 11-12 February 2020.

#### *Documentation provided*

#### Prepared by the Ministry of Infrastructure and the General Directorate of National Roads and Motorways (GDDKiA)

- Material provisions of the PPP agreement,
- Definitions,
- Maintenance standards and availability rules,
- Remuneration mechanism,
- Settlements of the parties in the event of early agreement termination,
- Material terms of direct agreement,
- Draft agreement with independent engineer,
- Requirements for the return of expressways,
- Dispute resolution procedure.
- Simulation of severity of penalties due to the unavailability of the bypass of the Tri-City Metropolis Expressway
- Description of the financial model

#### Prepared by the Polish statistical authorities

- General description of the project, preliminary statistical analysis and opinion on the statistical classification of the project
- Detailed analysis of risks related to particular contract provisions, following the 'Guide on the statistical treatment of the PPPs'<sup>1</sup>

#### ***Methodological analysis and clarification by Eurostat***

##### *Applicable accounting rules*

Eurostat carried out its analysis based on ESA 2010, the Manual on Government Deficit and Debt (MGDD 2019) in particular chapter VI.4 Public-Private Partnerships (PPPs) and the Guide to the Statistical Treatment of PPPs, published jointly by the EIB and Eurostat in September 2016 (PPP guide).

##### *Eurostat view*

Based on the additional information provided by the Polish authorities, especially with regard to the financial model, Eurostat is now able to express its opinion on the statistical recording of the project. Following the analysis made available, Eurostat supports the view of Statistics Poland that, at this stage, the draft provisions of the Tri-City PPP contract do not include provisions (or combinations of provisions) that would indicate the recording of the PPP assets on government balance sheet. Eurostat would like to stress that, similarly to the position of the Polish statistical authorities, this opinion has a preliminary character and can be changed after financial close of the undertaking.

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<sup>1</sup> [https://www.eib.org/attachments/thematic/epec\\_eurostat\\_statistical\\_guide\\_en.pdf](https://www.eib.org/attachments/thematic/epec_eurostat_statistical_guide_en.pdf)

With regard to the financing, as highlighted during the EDP visit, a potential involvement of public banks would be closely investigated and might have an impact on the statistical recording of the PPP project.

According to the PPP guide, *financing by a public entity classified outside the general government sector (e.g. a national public bank classified as a public corporation) is considered to be government financing if the public entity is considered by Eurostat to be acting on behalf of or on an express or implied instruction of government in connection with the project.*

Therefore, the Polish statistical authorities would have to analyse the conditions under which public banks would participate in the financing of the project, and in particular, whether they are acting as any other private bank would act from a commercial point of view.

### ***Conclusions***

Eurostat supports the view of Statistics Poland that, at this stage, the draft provisions of the Tri-City PPP contract do not include provisions (or combinations of provisions) that would indicate the recording of the PPP assets on the balance sheet of government. Notwithstanding the above, Eurostat expects that upon the financial close of the project, the Polish statistical authorities will provide Eurostat with the signed PPP contract, the updated results of the statistical analysis and the final view on the statistical recording of the project.

### ***Procedure***

This view of Eurostat is based on the information provided by the Polish statistical authorities. If this information turns out to be incomplete, or the implementation of the operation differs in some way from the information presented, Eurostat reserves the right to reconsider its view. In this context, we would like to remind you that Eurostat is committed to adopt a fully transparent framework for its decisions on debt and deficit matters in line with Council Regulation 479/2009, as amended, and the note on ex-ante advice, which has been presented to the CMFB and cleared by the Commission and the EFC. Eurostat is therefore publishing all official methodological advice (ex-ante and ex-post) given to Member States on its website.

Yours sincerely,

*e-signed*  
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