



HELLENIC REPUBLIC

**MINISTRY FOR DEVELOPMENT, COMPETITIVENESS,
INFRASTRUCTURE, TRANSPORT & NETWORKS**



Public-Private Partnerships in Greece



Nikos Mantzoufas
Special Secretary for PPPs

14th Annual Investor Forum
***"Building a New Greece"* Capital Link Forum**
Thursday, November 29, 2012
New York City



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Hellenic PPP Practice

Framework-Law 3389/2005

Keys to Successful PPPs

- Clear Legal Framework ✓
- Strong Political Will
- Good Preparation/Support
- Affordability
- Funding

Key Characteristics

- Clear approval process – centralized control by the Interministerial Committee for PPPs (ICPPP).
- Award procedures clearly drafted in line with European Directives.
- Specified contractual framework - minimum content of a PPP contract.
- Fast track provisions for the grants of authorizations and permits.
- Provisions include implementation of projects featuring both availability payments and users fees.
- Private sector responsible for DBFO. Financing could be covered partially by the State.
- Provisions for dispute resolution by arbitration.
- Continuous follow-up by the Special Secretariat for PPPs which facilitates and administers projects.
- Clear tax regime following 2011 law amendment.
- A series of decisions by the Supreme Court in favor of the State, after appeals from bidders, highlights the legal certainty offered by the Hellenic framework.



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Hellenic PPP Practice

Affordability for availability-based projects

Keys to Successful PPPs

Clear Legal Framework ✓

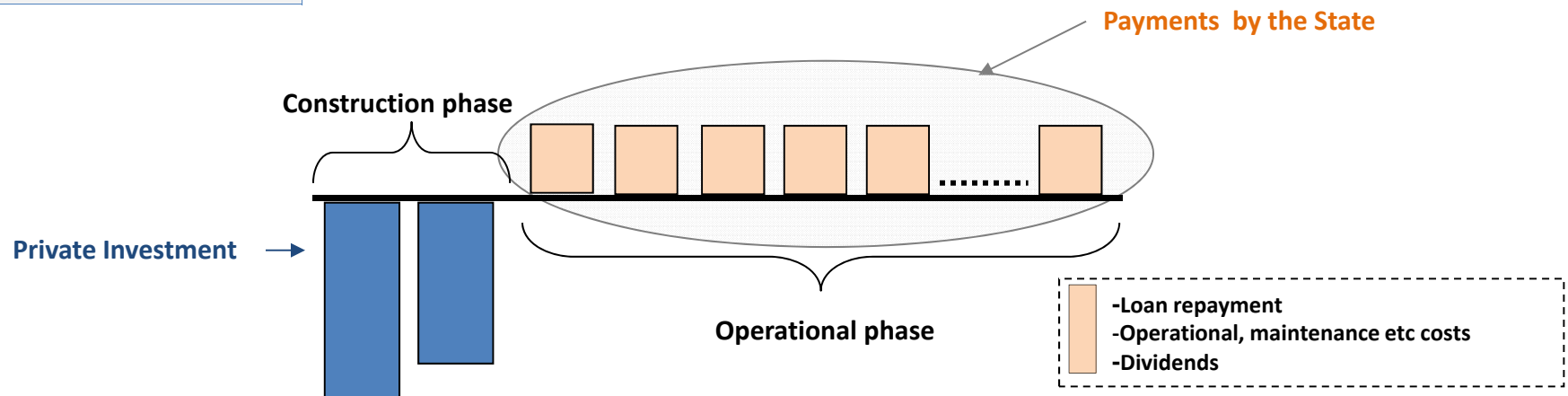
Strong Political Will ✓

Good Preparation/Support ✓

Affordability ✓

Funding

As the public sector pays for PPPs over the operational period of availability-based projects, we need to have a clear view on affordability.



- All projects receive a **Inter-Ministerial Approval** with specific budget, based on the NPV of future payments by the state.
- Future payments are part of the **Public Investment Program**.
- We have introduced a principle: **future payments do not exceed 10% of total annual Public Investment Program**.



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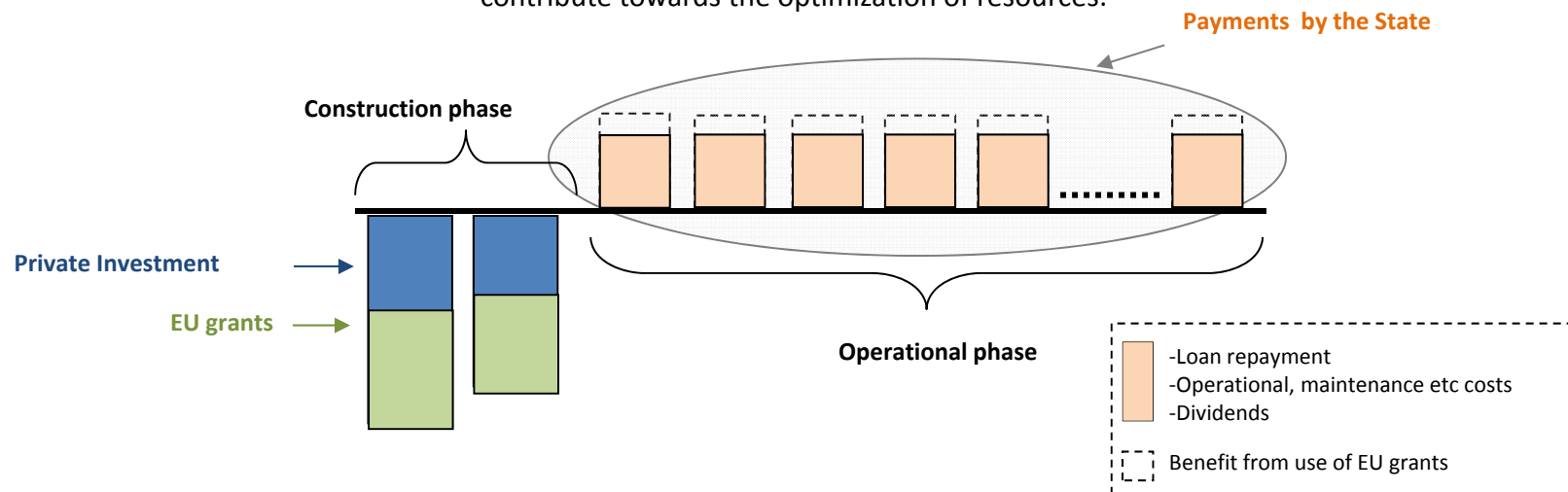
Hellenic PPP Practice

Project funding

Keys to Successful PPPs

- Clear Legal Framework ✓
- Strong Political Will ✓
- Good Preparation/Support ✓
- Affordability ✓
- Funding ✓

- Financial Institutions' ability to support PPPs is very important.
- In practice, the financial institutions fund 70%-80% of project funding needs, the rest 30%-20% is covered by private capitals.
- Financial crisis has caused a deterioration of funding terms and spreads for infrastructure projects.
- Blending EU Grants and private funds, together with private sector expertise, can contribute towards the optimization of resources:



“Better projects – More value for society”



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Hellenic PPP Practice

Project funding-The JESSICA initiative

Blending EU grants with private funds in smaller scale PPP projects

JESSICA

Joint European Support for Sustainable Investment in City Areas

- Utilization of EU funds for PPP projects, via the **JESSICA** initiative
- Within JESSICA, target loans will complement public resources (Community and national) for actions within the Operational Programs supported by the Structural Funds.
- A **EUR 258m** JESSICA holding fund has been set up, which deploy EU Structural Funds in support of integrated and sustainable urban development PPP projects.
- Open invitations have been launched for all Regions.
- Contract Notice released for the selection of independent experts. Deadline for proposals: December 14th, 2012.
- **Projects are being supported by the European Investment Bank.**

Geographical distribution of contributions from Operational Programs





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Hellenic PPP Market

Waste management

Total value of contracts
being awarded: € 1.9 bio



Projects Under Tender Process

- Waste management in Western Macedonia (€116mio) 2nd phase in progress

Key Points:

- In approval process for EIB participation in the funding of the project.

- Waste management in Peloponnese (~€250mio) competitive dialogue concluding

- Waste management in Serres (~€60mio) 1st phase concluded

- Waste management in Ilia (~€70mio) 1st phase concluded

- Waste management in Aetoloakarnania (~€80mio) 1st phase concluded

Key Points:

- All 5 above project are being procured under the competitive dialogue process.
- 40-60% of investment cost will be covered by EU Grants.

Projects In Planning Process

- 4 Attica Waste management projects (~€1,2bio) 1st phase to be launched this week

- Waste management in Achaia (~€110mio)

- More waste management projects across Greece



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Hellenic PPP Market

Waste management

Detailed **Service Output Specifications** are set,
which define the services provided by the private partner throughout the Partnership.



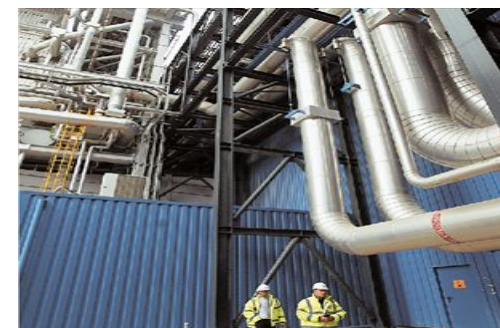
**Open
technology**

All available technologies are allowed to be used for the projects' implementation, as long as it covers goals set by EU Directives, as well as goals and specifications set by the national legislation and local needs. Technology can not be experimental and must have proven track record within EU.

4 Attica Waste Management PPPs

Invitation for expression of interest to be **launched this week**

- The projects constitute the fundamental part of the Regional Waste Management Plan of the region of Attica.
- The projects involve the design, financing, construction, maintenance and operation of 4 Waste Utilization and Treatment Units (UTU) in the Solid Waste Management Facilities of Attica.
- The 4 UTUs will have a total annual capacity of approximately **1,3 million tons of waste**.
- **Open technology** ensures healthy competition and that the projects shall provably meet the targets that have been set by the EU directives and the projects' output targets.
- All projects will follow the **competitive dialogue** awarding process.
- Proposed tenor is **27 years** and the facilities are anticipated to be in full operation by the end of 2014.
- Construction and study costs estimated to about **€ 350 mio**. Hellenic Republic intends to contribute to construction costs, through EU grants **up to 60%**.





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Hellenic PPP Market

Information & communication technology

Projects Under Tender Procedure (cont.)

- Attica Urban transportation-Telematics System (€52mio) 2nd phase in progress
- Attica Urban transportation-Automatic Fare Collection (€129mio) 2nd phase in progress

Key Points:

- First ICT PPP projects to be implemented and at the same time the first initiative in Greece, to combine EU funds with private finance in availability-based PPP projects.



Projects In Planning Process

- Rural Broadband (>€200 mio)
- Digital Recording, Archiving and Provision of Court Minutes (~€13 mio)

Key Points:

- All above projects will utilize EU Grants.





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Upcoming PPP Projects



Naoussa Ski Resort PPP

Invitation for expression of interest to be launched **end 2012**

Key Points:

- The project concerns upgrading, expanding and exploiting the Ski Resort, as well as developing and exploiting additional tourist and athletic facilities in the area.
- The private partner will develop the ski resort premises to a modern mountain resort of exceptional quality by enriching the activities available and by developing tourist accommodation facilities, as well as a Centre for Sports Tourism.
- Concession type PPP, based on user-fees.
- Competitive dialogue awarding process.
- Investments estimated at **over €25 mio**
- A Public Consultation on the Draft Call for Expressions of Interest is in progress. See <http://www.ppp.naoussa.gr/en/index.htm>

A pioneer in the Hellenic PPP market, creating grounds for a wider use of PPPs for municipal estate development in Greece.



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Greece

A focal point in regional PPP practice

- On-going enhancement of Greece's role in international PPP activity.
- Direct cooperation with European PPP Expertise Center (**EPEC**) on policy matters.
- The Special Secretariat for PPPs is member of the Team of PPP Specialists of the United Nations Economic Commission for Europe (**UNECE**).
- Partnership with the **World Bank Institute** on PPP capacity building for the SEM region via the establishment and operation of the South-East European and Mediterranean PPP Network.
- **Delegations** from countries such as **Indonesia, Egypt, Jordan, Bosnia, Bulgaria, Latvia, Cyprus and Ukraine** visit Greece in order to obtain know-how and expertise from the Greek authorities.

The South-east European and Mediterranean PPP Network



South East Europe and the Mediterranean
PPP DAYS
2010 June 10-11, 2010
Athens, Greece



June 10-11 2010, Athens

May 16-17, 2011 Thessaloniki

Participation in 2 Twinning Light Programs with the Republic of Croatia

The Special Secretariat's experts:

- Developed methodological tools
- Delivered Practical Manuals and Guidelines for the assessment, promotion and implementation of PPPs
- Drafted Standardized Documentation
- Enhanced the administrative capacity of the Croatian public administration and other relevant stakeholders for implementation of concessions and PPPs in Croatia
- Developed and implemented comprehensive training programs to relevant parties





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