



# Novelty and opportunities in the Greek PPP market

Capital Link, New York

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## Tender Notice

- Implementation of a 400 beds Paediatric Hospital of Thessaloniki - Facility Management and relevant services through a Public Private Partnership contract»
- Net Present Value: 389 million Euros
- Contract duration: 27 years
- Closing Date for Expression of Interest : 21.11.2008
- Contracting Authority : [DEPANOM S.A.](#)



# What is a Public Private Partnership ?

**Contracting Authority  
Ministry of Education**



**Transfer of infrastructure**



**Banks /  
shareholders**






**Special Purpose Vehicle**



**End User /  
Students**









## PPPs are a safe investment option

-  Equity IRR can reach 14%
-  Payments are guaranteed by the state
-  The only risk is construction risk



## A major reform is now in place

-  The Greek Government proved to be very consistent
-  **52** projects on track
-  **5.7** bn Euros worth of opportunities
-  The first tender was accomplished
-  In process **12** tenders amounts to **1.5** bn Euros
-  A new market with high potential was created









## Actions

- Clear legal framework
- PPP Unit
- Integration of PPPs in government policies
- Plan of action & prioritization
- Taking care of the funding issue
- Briefing the market & educating the public sector
- Pipeline of projects
- Smooth and transparent tender process



## New Legal framework – Law 3389/2005

-  Result of extensive consultation
-  “Umbrella” framework
-  Incentives for the private sector
-  Establishment of Inter-Ministerial PPP Committee
-  Establishment of a PPP unit within the Ministry of Economy and Finance
-  Clear approval and tendering process for PPP projects



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## PPP Unit

- Solid and clear structure
- Public sector's partner
  - Identification of possible projects
  - Assistance to public authorities
  - Standardization of tender documents
  - Continuous follow-up
- Private sector's partner
  - In touch with market's needs
  - Extroversion



[www.ppp.mnec.gr](http://www.ppp.mnec.gr)

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# PPP

## Public & Private Partnerships

[The Special Secretariat for PPPs](#)  
[Approved Projects](#)  
[Tenders](#)  
[Sectors](#)  
[Information](#)  
[Press Office](#)

### Public & Private Partnerships



Public Private Partnerships (PPPs) constitute an important reform towards the construction of public infrastructure and the provision of qualitative services to citizens. This reform will significantly contribute to the development of the Greek economy over the next years. Via the implementation of PPPs, the public sector intends to make use of the most modern means for providing services to the citizens, enhancing the existing framework of public procurement. With the implementation of PPPs, a new boost will be given to the development of the economy, prompt and efficient delivery of necessary infrastructure will be guaranteed, while more public funds will be made available for social purposes and priorities. PPPs yield important benefits for all involved stakeholders: the public sector, the country's citizens and the private sector, which now gains access to a new expanding market. This is the reason why PPPs are considered an important reform and a fundamental pillar for the development of the country.

### Quick Links

Project's Map

### Latest News

**05 Oct 2007**  
Information Notice for Financial Advisory Services for the implementation of public buildings in Epirus and Alexandroupoli

**05 Oct 2007**  
Information Notice for Technical Advisory Services for the implementation of the public buildings in Epirus and Alexandroupoli

**04 Oct 2007**



HELLENIC REPUBLIC



MINISTRY OF ECONOMY AND FINANCE



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## Taking care of the funding issue

-  Segregation of funds to be used for availability payments
-  Total availability payments of approved projects account for 6 - 7% of Public Investments Program
-  5<sup>th</sup> year target: 10-12%
-  Limit: 15%





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## Projects' pipeline

- Structure a pipeline of pilot PPP projects
  - Try implement successful examples
  - Open different sectors
  - Group similar projects
  - Keep same pace with the market
  - 52 projects approved – 5.7 B Euros\* NPV





*\* Indicative Budget*





# I. Public Sector Accommodation



-  7 new fire stations - € 27,5 M
-  Police headquarters in Piraeus – € 75 M
-  13 new police stations - € 105 M
-  7 new Government Houses in  
Lamia, Patras, Trikala, Korinthos, Ioannina,  
Alexandroupoli and Veria - € 192 M






## Public Sector Accommodation

-  Hellenic Police Academy - € 110 M
-  Hellenic Police Headquarters - € 113 M
-  Reconstruction of the Olympic Shooting Centre for the Hellenic Police services - € 66 M
-  7 police stations - € 65 M
-  Training Centre for the Fire Service - € 186 M
-  Fire Service Headquarters - € 43 M
-  4 Catastrophe Management Units και 3 fire stations - € 77 M



## Public Sector Accommodation

-  New buildings for the Ministry of Economy and Finance - € 255
-  2 new Government Houses in Polygyros and Tripoli - € 92 M
-  Facility management of 2 existing buildings of the Hellenic Police - € 25 M





# New buildings for the Ministry of Economy and Finance



Financing, construction, maintenance and facility management for 26 years



Budget (NPV): 254 M euros



Contracting Authority: Public Real Estate Corporation ([www.ked.gr](http://www.ked.gr))



Status






Launch of the PPP tender:  
1<sup>st</sup> Q 2009



## II. Education



-  6 new buildings for the University of Peloponnese - € 90 M
-  24 new school buildings in Attica - € 134 M
-  29 new school buildings in C. Macedonia - € 140 M



## 16 new schools in Central Macedonia



Financing, construction, maintenance, facility management for 27 years



Budget (NPV): € 80,5 M



Surface: 41,000m<sup>2</sup>



Contracting Authority:  
Organization of School Buildings ([www.osk.gr](http://www.osk.gr))



Status



PPP tender in process



EoI submission deadline  
11<sup>th</sup> November 2008



## Education



- 23 new school buildings in E. Macedonia & Thrace, W. Macedonia, Epirus & the Ionian islands - € 76 M
- 24 new school buildings in Thessalia, Western Greece and Sterea Ellada - € 83 M
- 26 new school buildings in Peloponnese, Aegean islands and Crete - € 113 M
- Students' residence halls for the University of Peloponnese & Democritus Un. of Thrace - € 163 M
- International Hellenic University - € 255 M





# International Hellenic University





-  Financing, construction, maintenance, facility management for 25 years
-  Exploitation of the Students' residence halls
-  Budget (NPV): 255 M euros
-  Contracting Authority: Greek Public Real Estate Corporation ([www.ked.gr](http://www.ked.gr))
-  Status
  -  Selection of technical advisor: 1<sup>st</sup> Q 2009
  -  Launch of PPP tender 2<sup>nd</sup> Q 2009





### III. Justice







-  3 new prisons in Salonica, Volos and Korinthos - € 238 M
-  2 new courts of justice in Patras and Heraklion - € 120 M



## IV. Health






-  New Paediatric Hospital of Salonica - € 389 M
-  New Oncological Hospital of Salonica - € 396 M
-  New General Hospital of Preveza - € 131 M
-  Rehabilitation & Recovery center of Northern Greece - € 124 M



# New Children's Hospital in Salonica



-  Financing, construction, main  
tenance, facility management  
for 27 years
-  Budget (NPV): 389 M euros
-  Surface: 54,000m<sup>2</sup>
-  400 beds
-  Contracting Authority:  
DEPANOM SA  
([www.depanom.gr](http://www.depanom.gr))
-  Status
  -  PPP tender in process
  -  EOI deadline: 21 November  
2008



# Rehabilitation & Recovery center of Northern Greece



-  Financing, construction, main  
tenance, facility management  
for 22 years
-  Budget (NPV): 124 M euros
-  Surface: 18,000m<sup>2</sup>
-  Contracting Authority: AEMY  
SA ([www.aemy.gr](http://www.aemy.gr))
-  Status
  -  Advisors appointed
  -  Launch of the PPP tender  
in the 4<sup>th</sup> Q of 2008



## V. Tourism



-  Reconstruction of the Tae Kwon Do stadium into an International Conference Center - € 65 M
-  Implementation of 11 sports centers and 13 swimming centers - € 142 M
-  Implementation of 10 sports centers and 5 swimming centers - € 127 M





## VI. Ports infrastructure



Security systems in 12 Greek Ports - € 342 M





# Security systems in 12 Greek Ports



Installation and operation of security systems for 8 years



Budget (NPV): 342 M euros



Contracting Authority:  
Ministry of Mercantile Marine  
([www.yen.gr](http://www.yen.gr))



Status



Advisors appointed




Launch of the PPP tender  
in the 1<sup>st</sup> Q of 2009



## VII. Environment



-  Integrated waste management system in the region of W. Macedonia - € 116 M
-  Integrated waste management system in the Prefecture of Salonica - € 290 M
-  Sewerage network and sewage treatment unit in the Municipality of Rafina - € 48 M





# Integrated waste management system in the region of W. Macedonia








-  Financing, construction, maintenance, facility management for 25 years
-  Budget (NPV): 116 M euros
-  Contracting Authority: DIADYMA S.A. ([www.diadyma.gr](http://www.diadyma.gr))
-  Status
  -  Advisors appointed
  -  Launch of the PPP tender in the 4<sup>th</sup> Q of 2008








# Integrated waste management system in the Prefecture of Salonica



-  Financing, construction, main tenance and facility management for 25 years
-  Budget (NPV): 290 M euros
-  Contracting Authority: OTA M. Thessalonikis
-  Status
  -  Launch of the PPP tender in the 2<sup>nd</sup> Q of 2009





## VIII. Defence

-  Residences for military forces - € 180 M
-  Facility management of the "Evelpidon" military school - € 46.5 M
-  Land exploitation (hotel facility) - € 30 M
-  Flight simulators center - € 130 M
-  Security systems in 23 ammunition dumps - € 30 M





## IX. Transportation

-  Integrated Telematics System for Athens Transport Organisation SA - € 52 M
-  Integrated Automatic Fare Collection System - € 82 M



## X. Municipal PPP Projects

-  Underground parking station for the Municipality of Chios - € 10 M
-  Welfare Centre for the Elderly for the Municipality of Mikra - € 46.5 M










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## Smooth and transparent tender process

-  Tenders in accordance with EU legislation
-  Restricted procedure is used (2 phases)
  -  Phase I - EoI : Pre selection of bidders
  -  Phase 2 - Submission of Final offers :  
Input and detailed output specifications are provided to pre selected bidders
-  Pre selection and selection based solely on objective criteria
-  Minimized bidding costs for contractors
-  Minimized risks for legal challenges



## Conclusion

-  New opportunities for both public and private sector
-  Greece: focal point on the map of PPPs across Europe
-  Great potential for those seeking entry into new, dynamic markets





Countries  
where PPPs  
are or are  
going to be  
implemented





## Welcome to the Greek PPP market



We are both willing and able to deliver



## Contact details

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