Public-Private Partnerships in Greece
PPPs in Greece since 1993

First generation PPP projects

Three pioneering projects paved the way for a wider use of PPPs in delivering public infrastructure:

- Rion Antirion Bridge
- Athens Ring Road/Attiki Odos
- Athens International Airport

Today all these three concession projects are in successful operation. EIB supported all three projects, underlining its catalytic role in helping to co-finance major infrastructure projects together with the Hellenic public and private sector (PPPs).

Second generation PPP projects

- Ionian Motorway
- Central Greece motorway (E65)
- Maliakos – Kleidi
- Elefsina – Korinthos - Patra
- Korinthos – Tripoli – Kalamata
- Cosco Pacific concession of Piers 2 and 3 at the Port of Piraeus for 35 years
First and Second generation concession projects had the main characteristics:

- All were ratified in Parliament as distinct laws
- Motorways and airport projects were co-financed by EU funds

Establishment of a PPP Law (L. 3389) - 2005

- Result of extensive consultation
- “Umbrella” framework
- Incentives to private sector
- Clear approval and tendering procedures for PPP projects

Need for a legal framework that...

- Enables the wider implementation of PPPs
- Overcomes obstacles that delayed the implementation of projects
- Bridges the legal gap that led each co-financed project to the Parliament for ratification
Greek PPP Practice
Framework-Law 3389/2005

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.

• 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.
The Inter-Ministerial Committee for Public-Private Partnerships (ICPPP) is the collective governmental body which sets the general policy for PPPs and approves projects that should proceed to implementation through the PPP framework.

ICPPP Members:

- The Minister of Economy & Development (Head of Committee)
- The Minister of Finance,
- The Minister for Environment and Energy
- The Minister for Infrastructure and Transport
- The Minister(s) who supervise(s) each of the Public Bodies that are examining the implementation of PPP projects, under their competencies.

The ICPPP is responsible for:

- The approval of inclusion of PPP projects to the framework depicted in L/3389, as well as the cancelation of such approvals
- The decision for the provision of the any contractual consideration to the private partner in the Public Investments Programme
- The decision about the level of the public sector’s participation in the financing of a PPP project.
The Special Secretariat for PPPs follows the structure and role of equivalent units in other Member States of the European Union for the promotion and implementation of PPPs.

Its mission is to support and assist the Inter-Ministerial PPP Committee and public entities.

Its main tasks involve the following:

- Identification new PPP projects coherent to the PPP policy
- Evaluation of the proposals submitted by public entities and their subsequent forwarding to the Inter-Ministerial PPP Committee for approval
- Promotion of the Partnership framework
- Facilitation and support of Public Entities in promoting and implementing PPP projects
- Monitoring the implementation of Partnership Contracts
All projects receive an 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.
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:

**Keys to Successful PPPs**

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

**Greek PPP Practice**

**Project funding**

**“Better projects – More value for society”**
12 PPP contracts of total cost 633 million euro _ Period 2009 - 2017

- Serres solid waste management PPP
- Western Macedonia solid waste management PPP
- Epirus solid waste management PPP
- LOT 1: Project of rural broadband networks through PPPs in rural settlements
- LOT 2: Project of rural broadband networks through PPPs in rural settlements
- LOT 3: Project of rural broadband networks through PPPs in rural settlements
- Digital recording, archiving and provision of court minutes with PPP
- PPP for 7 Fire Stations
- PPP for 14 new school buildings in the Region of Attica
- PPP for 10 new school buildings in the Region of Attica
- Urban Transportation Telematics PPP System of Attica
- Athens Urban Transportation e-Ticket PPP
### 12 PPP Contract of total cost € 633 mil.

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>SIGNED CONTRACT</th>
<th>TOTAL PROJECT COST (mil. €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Fire Stations</td>
<td>Apr. 2009</td>
<td>25.9</td>
</tr>
<tr>
<td>14 school buildings in Attica</td>
<td>Apr. 2014</td>
<td>58</td>
</tr>
<tr>
<td>10 school buildings in Attica</td>
<td>May 2014</td>
<td>52</td>
</tr>
<tr>
<td>Telematics system (Athens Urban Transportation)</td>
<td>June 2014</td>
<td>19.4</td>
</tr>
<tr>
<td>Electronic ticket system (Athens Urban Transport)</td>
<td>Dec.2014</td>
<td>69.8</td>
</tr>
<tr>
<td>Rural broadband development - lot 1</td>
<td>Dec. 2014</td>
<td>68.8</td>
</tr>
<tr>
<td>Rural broadband development - lot 2</td>
<td>Dec. 2014</td>
<td>100</td>
</tr>
<tr>
<td>Rural broadband development - lot 3</td>
<td>Dec. 2014</td>
<td>96</td>
</tr>
<tr>
<td>Integrated Waste Management System in the Region of W. Macedonia</td>
<td>June 2015</td>
<td>49</td>
</tr>
<tr>
<td>Digital recording, archiving and provision of court minutes</td>
<td>Dec. 2015</td>
<td>6.7</td>
</tr>
<tr>
<td>Integrated Waste Management System in the Prefecture of Serres</td>
<td>June 2017</td>
<td>36.1</td>
</tr>
<tr>
<td>Integrated Waste Management System in the Region of Epirus</td>
<td>July 2017</td>
<td>52.2</td>
</tr>
</tbody>
</table>
Main sectors:
- Education
- Transport
- Healthcare
- Environment

5-year PPPs deals value:
EUR 72.7 bn.

85% of projects are social infrastructure projects – availability payment schemes
Greece, in the context of PPPs, has developed innovative ways of financing.

- The activation of the European Investment Bank, the mix of European and private resources and the exploitation of JESSICA are proven best practices for further exploitation.

**TOTAL DEVELOPMENT COST € 633,8 εΚ.**
- EU grants € 235 εΚ. (37%)
- Private financing € 398,8 εΚ. (63%)

Private financing comprises:
- Equity/Long term debt € 288,4 εΚ.
- EIB funds € 57,9 εΚ.
- JESSICA funds € 52,5 εΚ.
Major achievements

**Institutional framework**

- **functional**
  - Legal certainty: more than 60 favorable decisions of the Hellenic Council of State, contracts approval by the Court of Audit.

- **innovative**
  - First time at EU level that PPP funding was a combination of EIB funds and funds of JESSICA

- **within best international practices**
  - Positive evaluation by the European Court of Auditors on PPPs performance
  - No comments by OECD in the context of the Evaluation of Competition Conditions in areas of the Greek economy
  - JESSICA was awarded the top grade by the Financial Audit Committee (EDEL)
  - In a recent study for the REGI Committee of the European Parliament, Greece is recognized to be leading in the financing of PPP projects.

**Statistical treatment**

- Off-balance sheet classification as assessed by EUROSTAT

**International recognition**

- 2 Deals of the Year awards by World Finance magazine for the Western Macedonia Waste Management Project and the schools projects.
- “Waste Partnership” Award for the Western Macedonia Waste Management project (Waste & Recycling Awards 2017).
- “European Broadband Award 2017” by the European Commission for the rural broadband networks project.
- “Digital Opportunity Award 2018” at the WITSA Worldwide Conference for the rural broadband networks project.

**Social acceptance**

In a public opinion survey, **64% prefer implementing PPP projects** as compared to 21% who prefer public process.

**Strong competition**

On average, in each tender, **6 bidders expressed interest** in Phase A, while **3 submitted final binding offers**.
Major achievements
Statistical treatment of PPP projects

✓ Off-balance sheet classification

In April 2016, following ELSTAT and EUROSTAT assessment, the following PPP projects:
✓ 24 school building in Attica,
✓ Athens Urban Transportation Telematics System,
✓ Athens Urban Transportation Electronic Ticket System,
✓ Integrated Waste Management System in the Region of Western Macedonia,

In January 2018, following ELSTAT and EUROSTAT assessment,
✓ The Integrated Waste Management System in the Region of Epirus project,

were classified as off-balance sheet and do not και do not influence the government deficit and public debt, due to the good risk sharing between the State and the private partners, in full consistency with the ESA 2010 rules.
International Awards

24 Schools PPP Project
“Education Deal of the Year 2014”
by the magazine World Finance

W. Macedonia Waste Management PPP Project
“Waste Deal of the Year 2014”
by the magazine World Finance

“Waste Partnership” Award
by Waste & Recycling Awards 2017

Broadband Network Development in White Rural Areas PPP Project
“European Broadband Award 2017”
in the Category “Territorial cohesion in rural and remote areas”
by the European Commission

“Digital Opportunity Award 2018”
at the WITSA Worldwide Conference
• Direct cooperation with European PPP Expertise Center (EPEC) on policy matters.

• 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.

• Member of the Team of PPP Specialists of the United Nations Economic Commission for Europe (UNECE).

• Participation in the Regional Cooperation Council (RCC).

• Member of the team of PPP specialists of the Organisation for Economic Co-operation and Development (OECD).
Twinning Light Programs with the Republic of Croatia

In 2011, the Special Secretariat for PPPs took part in a Twinning Program titled “Strengthening the administrative capacity of Ministry of Finance of the Republic of Croatia in relation to the Implementation of the new concession and PPP legislation”.

The Special Secretariat for PPPs was part of the Greek team that was selected as an advisor to the Croatian Ministry of Finance, following an international tender, involving countries such as Germany and Spain.

The Special Secretariat has been involved in a similar twinning program on “Strengthening of the administrative capacity of the Agency for PPP in the Republic of Croatia in Relation to the Implementation of the New PPP Legislation”.

Special Secretariat staff developed and implemented the following:

- Methodological tools for managing PPP projects
- Practical Guides for the Evaluation, Promotion and Implementation of PPP Projects
- Standardised documents
- Identification of training needs of Croatian public officials and other stakeholders
- Analytical training program, aimed at enhancing their managerial competence.
Signed PPP Contracts
Fourteen (14) School Units in Attica

<table>
<thead>
<tr>
<th>Awarding Authority:</th>
<th>Building Infrastructure S.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Partner:</td>
<td>ATESE S.A.</td>
</tr>
<tr>
<td>Sign of contract:</td>
<td>April 2014</td>
</tr>
<tr>
<td>Equity/ Commercial banks:</td>
<td>EUR 19.8 mil.</td>
</tr>
<tr>
<td></td>
<td>EIB : EUR 19.1 mil.</td>
</tr>
<tr>
<td></td>
<td>JESSICA : EUR 19.1 mil.</td>
</tr>
<tr>
<td>Total Project Cost :</td>
<td>EUR 58 mil.</td>
</tr>
<tr>
<td>Financing :</td>
<td>EIB</td>
</tr>
<tr>
<td></td>
<td>JESSICA</td>
</tr>
<tr>
<td></td>
<td>Private partner</td>
</tr>
<tr>
<td>Lenders involved :</td>
<td>EIB – National Bank of Greece (JESSICA) – Alpha Bank</td>
</tr>
<tr>
<td>Project type :</td>
<td>Availability payment method</td>
</tr>
</tbody>
</table>

Design, build, financing, maintenance and facilities management of 14 school units in the Region of Attica for 25 years.
**Signed PPP Contracts**

**Ten (10) School Units in Attica**

<table>
<thead>
<tr>
<th>Awarding Authority:</th>
<th>Private Partner: J&amp;P AVAX SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Infrastructure S.A.</td>
<td>Sign of contract: May 2014</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity/ Commercial banks:</th>
<th>Financing:</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 18.6 mil. EIB</td>
<td>EIB</td>
</tr>
<tr>
<td>EUR 16.7 mil. JESSICA</td>
<td>JESSICA</td>
</tr>
</tbody>
</table>

**Total Project Cost:**

- EUR 52 mil.

**Private Partner:**

- J&P AVAX SA

**Sign of contract:**

- May 2014

**Financing:**

- EIB
- JESSICA

**Private partner Lenders involved:**

- EIB – National Bank of Greece (JESSICA) – Alpha Bank

**Project type:**

- Availability payment method

**Design, build, financing, maintenance and facilities management of 10 school units in the Region of Attica for 25 years**
Special Primary school in Ilion, Athens
7th Primary school in Athens
6th nursery school in Athens

September 2016
2nd nursery school in Athens

September 2016
2nd nursery & primary school in Athens
Athletic Center

Before

Now
2nd nursery & primary school in Athens
Restoration of existing building converting to school in Thiseio, Athens

Before
Restoration of existing building converting to school in Thiseio, Athens

Now
Now
“Restoration of existing building converting to school in Thiseio, Athens”
“Restoration of existing building converting to school in Thiseio, Athens”
“Restoration of existing building converting to school in Thiseio, Athens”
Restoration of existing building converting to Special artistic school in Keratsini, Athens

Before
Restoration of existing building converting to Special artistic school in Keratsini, Athens
Now
“Restoration of existing building converting to Special artistic school in Keratsini, Athens”
### Signed PPP Contracts
#### Telematics System

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Athens Urban Transportation Organization (OASA S.A)</td>
<td>Sign of contract: June 2014</td>
<td></td>
<td>Project type: Availability payment method</td>
</tr>
</tbody>
</table>

Design, financing, construction, maintenance, technical management and operation of an integrated telematics system which will serve the whole fleet of thermal buses and trolleys in Athens for 12 years.
Available the OASA Telematics application for Android

“Passengers are informed on the time of transit of vehicles via the Internet and 3G applications. It has resulted in greatly facilitating the everyday life of commuters and of all citizens in general, by making transportation by bus easier and, therefore, decongesting other means of public transport and reducing the amount of cars in the centre of Athens”.

The best testimonial for the project comes from the app users’ feedback:

“Perfect! If it remains so, it will be the best app... Of European standards!”

“Perfect. Uncharacteristically for the Greek state, it works perfectly!”

“Well done! Better late than never! At last on air and very useful!”

“Incredible application, I never imagined that I could see where the bus is, I am impressed” “Despite being an app created by the Greek state, it works well!! I hope it will be well maintained!”
The project involves the design, financing, construction, maintenance, technical management and operation of an integrated automatic fare collection system covering all urban transport operators in Athens.

Awarding Authority:
Athens Urban Transportation Organization (OASA S.A)

Private Partner:
TERNA ENERGY - LG CNS

Sign of contract:
Dec 2014

Equity/ Commercial banks:
EUR 41 mil.

EU GRANT:
EUR 28.8 mil.

Total Project Cost:
EUR 69.8 mil.

Financing:
EU Grant
Banks
Private partner

Lenders involved:
EXPORT-IMPORT BANK OF KOREA - National Bank of Greece

Project type:
Availability payment method
### Signed PPP Contracts

**(3 projects) Rural Broadband**

<table>
<thead>
<tr>
<th>Awarding Authority:</th>
<th>Private Partner:</th>
<th>Equity/ Commercial banks: EUR104.7 mil.</th>
<th>Financing: EU Grant Private partner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Project Cost: EUR 265 mil.</td>
<td>Project type: Concession project</td>
</tr>
</tbody>
</table>

- **Design, financing, construction, maintenance and operate broadband infrastructure that will provide broadband services to rural settlements, where there is no basic broadband infrastructure in place or is unlikely to be developed in the near future.**

- **Sign of contract (LOT 1-2-3): Dec 2014**
Signed PPP Contracts

Digital recording, archiving and provision of court minutes at district courts, courts of appeal and local courts of the country for 5 years.

Awarding Authority:
Ministry of Justice, Transparency and Human Rights

Private Partner:
PROFILE S.A.

Sign of contract:
December 2015

Equity/ Commercial banks:
EUR 1 mil.

Total Project Cost:
EUR 15 mil.

Financing:
EU Grant
Private partner

Project type:
Availability payment method
Signed PPP Contracts
Western Macedonia waste management PPP

Awarding Authority:
Solid Waste Management Company of Western Macedonia (DIADYMA SA)

Private Partner:
AKTOR CONCESSIONS - HELEKTOR

Sign of contract:
June 2015

Equity/ Commercial banks:
JESSICA: EUR 23.6 mil.
EIB: EUR 12.7 mil.

Total Project Cost:
EUR 49 mil.

Financing:
Private partner
EIB
JESSICA

Project type:
Mixed

Design, financing, construction, maintenance, technical management and operation of all facilities of the Integrated Waste Management System in the region of Western Macedonia for a period of 27 years. The total annual amount of waste to be managed has been estimated at 120.000 tons.

Equity/ Commercial banks:
JESSICA: EUR 23.6 mil.
EIB: EUR 12.7 mil.

Total Project Cost:
EUR 49 mil.

Financing:
Private partner
EIB
JESSICA

Project type:
Mixed

Design, financing, construction, maintenance, technical management and operation of all facilities of the Integrated Waste Management System in the region of Western Macedonia for a period of 27 years. The total annual amount of waste to be managed has been estimated at 120.000 tons.
Progress of work  February 2017
Signed PPP Contracts
Serres waste management PPP

Awarding Authority:
Solid Waste Management Company of Serres Prefecture (ESANS S.A.)

Sponsor/Contractor:
ARCHIRODON – INTRAKAT – ENVITEC

Sign of contract:
June 2017

Total Development Cost:
EUR 36 mn

EU grant:
EUR 15.2 mn

Financing:
EU Grant
Private partner

Lenders involved:
National Bank of Greece

Project type:
Availability payments

Design, financing, construction, maintenance, technical management and operation of the Waste Management Unit in the Prefecture of Serres for a period of 27 years. The total annual amount of waste to be managed has been estimated at 63,000 tons.
Progress of work _ March 2018 _ 9 months from contract signing
Signed PPP Contracts
Epirus waste management PPP

Awarding Authority:
Epirus Region

Sponsor/Contractor:
TERNA ENERGY

Sign of contract: July 2017

Total Development Cost:
EUR 52 mn
EU grant:
EUR 20 mn

Financing:
EU Grant
Private partner
Lenders involved:
Alpha Bank

Project type:
Availability payments

Design, financing, construction, maintenance, technical management and operation of the Urban Solid Waste Processing Plant in the region of Epirus for a period of 27 years. The total annual amount of waste to be managed has been estimated at 105,000 tons.
Progress of work _ March 2018 _ 8 months from contract signing
Progress of work _ March 2018 _ 8 months from contract signing