

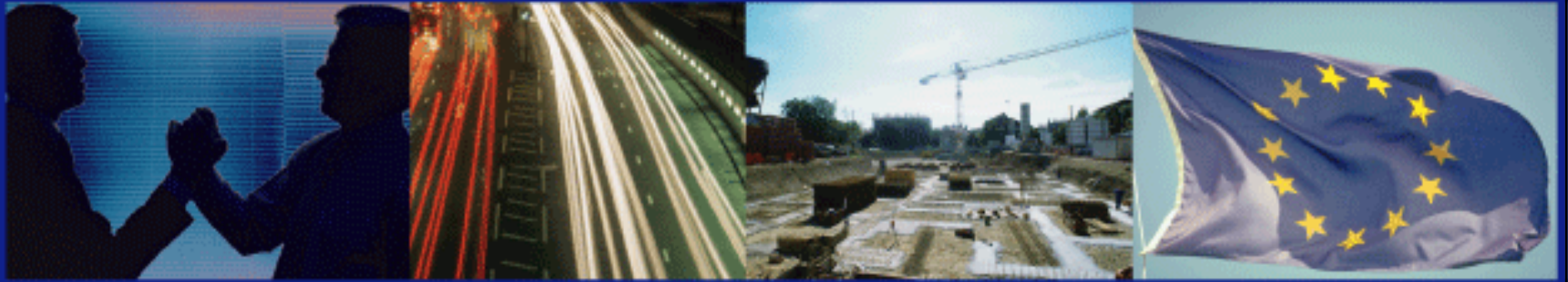
ITALIAN PPP AT A GLANCE

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**Development of Financial Markets in the Russian Federation -
EuropeAid/121435/C/SER/RU**

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AGENDA

Italian legal framework

- Work Concessions
- Service Concessions
- Other PPP forms

Italian PPP Market

- PPP Market Structure
- PPP trends 2004-2007
- Prior Information Notice (PIN) by average value
- Sectors by average value



Italian Legal Framework

Work Concessions

Two procedures for award of concession contracts can be identified:

- Work concession under public initiative (Art. 144 Legisl. Decree 163/06) whereby the Public Administration (PA) invites tenders to a restricted/open procedure on the basis of a preliminary draft, a business plan and a concession contract. The PA evaluates the received tenders following the criterion of the most economically advantageous tender.
- Work concession under private initiative (Art. 153 Legisl. Decree 163/06) whereby the project is designed and presented by a promoter on the basis of a Prior Information Notice (PIN) by the PA. Following the selection of the best proposal, the PA puts the promoter proposals out to tender and identifies the Concessionaire.



Italian Legal Framework

Service Concessions

Service Concessions are contracts of the same nature as public service contracts, except in that the provision of services consists either solely of the right to exploit the service or the right plus payment.

Other PPP forms

In this residual category, we consider the Institutional PPP and some special contracts – such as: Joint Enterprises; Urban Transformation Enterprises (STU); Sponsorship, Leasing, etc.

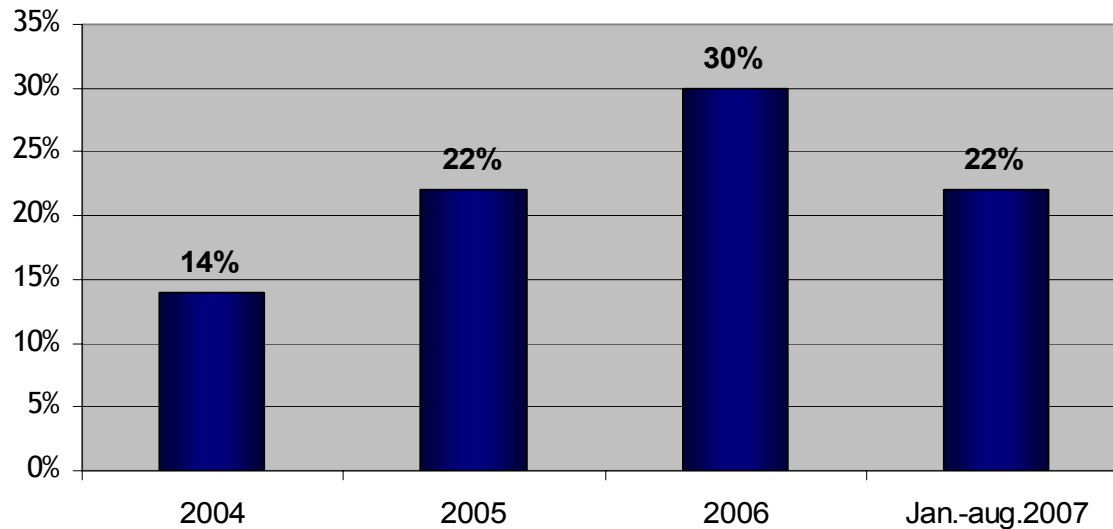


Italian PPP Market

PPP market constant growth compared to the public infrastructure market 2004 - 2007

✓2007 shows a rise coherent with 2006

% of PPP on Public Infrastructure Market



Italian PPP Market

PPP Market Structure - 2006

- ✓ Work concession under private initiative is the most widespread procedure both in terms of number and value
- ✓ Work concessions under public initiative account for 12.2% in value of total PPP market
- ✓ Service concessions account for 23.6% in value of total PPP market
- ✓ Other PPP forms represent only a residual part of the market

Year 2006	Number		Value	
	n°	%	€	%
<i>Phase I - Prior Information Notice (PIN)</i>	474	34.67%	6,257,062,501	39.13%
<i>Phase II - Invitation to tender</i>	128	9.36%	3,709,129,895	23.20%
<i>Total PIN + tender under private initiative (Art. 153 L. D. 163/06)</i>	602	44.04%	9,966,192,396	62.33%
Work concessions under public initiative (Art. 144 L.D. 163/06)	263	19.24%	1,953,711,108	12.22%
Service Concessions	384	28.09%	3,773,836,436	23.60%
Other PPP	118	8.63%	295,385,127	1.85%
TOTAL	1,367	100%	15,989,125,067	100%

UTFP on infopieffe.it Data (PPP National Observatory)



Italian PPP Market

PPP Market Structure - 2007

January - August 2007	Number		Value	
	n°	%	€	%
<i>Phase I - Prior Information Notice (PIN)</i>	434	40.45%	9,252,414,966	65.72%
<i>Phase II - Invitation to tender</i>	106	9.88%	3,766,361,980	26.75%
Total PIN + tender under private initiative (Art. 153 L.D. 163/06)	540	50.33%	13,018,776,946	92.47%
Work concessions under public initiative (Art. 144 L.D. 163/06)	160	14.91%	655,051,436	4.65%
Service concessions	310	28.89%	284,532,172	2.02%
Other PPP	63	5.87%	120,360,102	0.85%
TOTAL	1,073	100%	14,078,720,656	100%

UTFP on Data infopieffe.it (PPP National Observatory)

Major projects raising PIN values in 2007

II Semester 2007 ANAS PINS		Value	
		Value	%
1	Road connection Ancona harbour and main roads	472,100,000	11.63%
2	Road connection San Vittore(A1) - Bojano - Campobasso	1,460,100,000	35.97%
3	Road connection Catania - Ragusa	1,268,583,843	31.25%
4	Road connection Caianello - Benevento	708,378,318	17.45%
5	Plant Maintenance and Management of Lombardia Region Tunnels	150,000,000	3.70%
TOTAL		4,059,162,161	100%



Italian PPP Market

PPP Trends 2004-2007

✓ A physiologically slowing down market

Years 2004 - 2007	Number			
	2004	2005	2006	Jan.-Aug.2007
Work Concessions				
- Under private initiative - Art. 153 L.D. 163/06	841	750	602	540
- Under public initiative - Art. 144 L.D. 163/06	280	183	263	160
Service Concessions	345	506	384	310
Other PPP	181	260	118	63
TOTAL	1,647	1,699	1,367	1,073

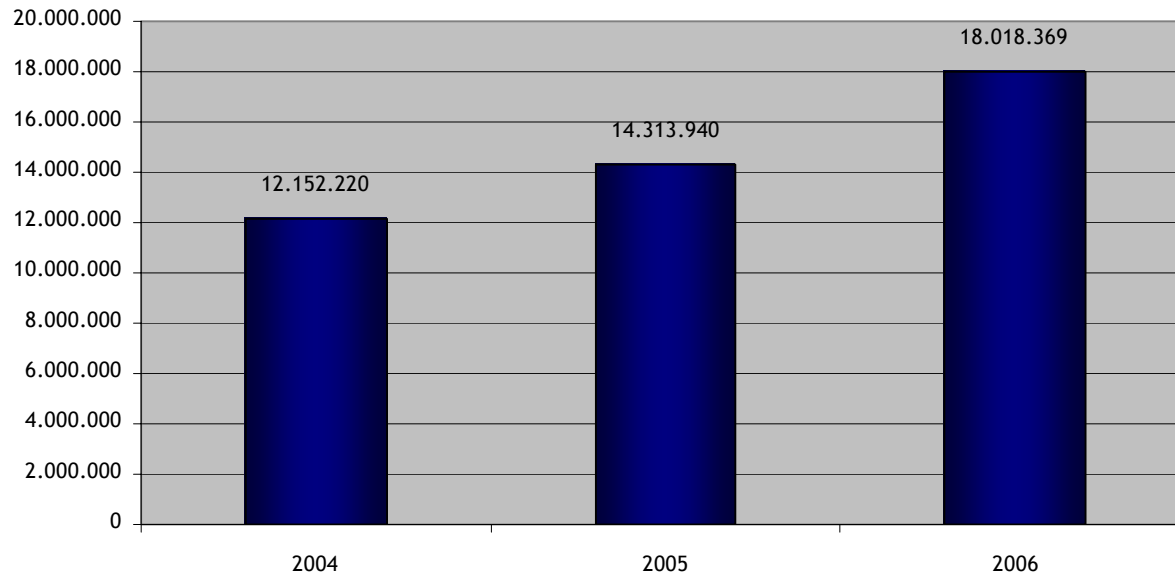
Years 2004 - 2007	Value			
	2004	2005	2006	Jan.-aug.2007
Work Concessions				
- Under private initiative - Art. 153 L.D. 163/06	8,373,091,089	8,600,827,804	9,966,192,396	13,018,776,946
- Under public initiative - Art. 144 L.D. 163/06	1,299,204,932	2,212,337,948	1,953,711,108	655,051,436
Service Concessions	2,375,834,680	4,245,291,833	3,773,836,436	284,532,172
Other PPP	6,509,390,247	1,817,677,214	295,385,127	120,360,102
TOTAL	18,557,520,948	16,876,134,799	15,989,125,067	14,078,720,656



Italian PPP Market

PIN Average Value

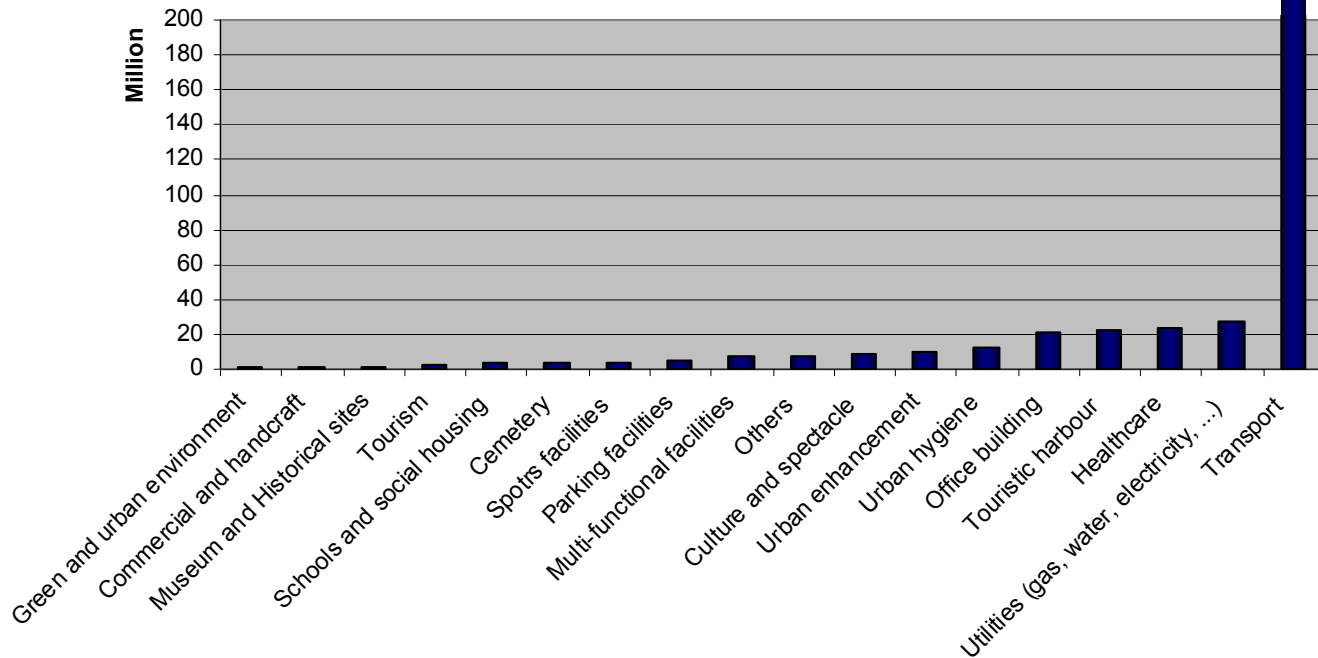
PIN by average value



Italian PPP Market

Sectors by Average Value

Sectors by average amount - 2006



Conclusion

PPP main issues 2001-2007

➤ **MAIN IMPLEMENTATION SCHEME**

Work concession and service concession



**Regulatory framework
- ongoing law**

➤ **FOCUS OF THE SCHEME**

Moving from asset ownership to service delivery



**Penalties and
incentives**

➤ **LEVEL OF PUBLIC CONTRIBUTION**

Grants as main financial support



**Contribution vs
subsidies**

➤ **PUBLIC SECTOR ACCOUNTING AND AFFORDABILITY**

Capital vs current expenditure



**Accounting and budget
constraints**



Thank You for your kind attention!



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