

UFP



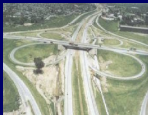
Interministerial Committee for Economic Planning (CIPE)

Ministry of the Economy and Finance (MEF)



Unità tecnica Finanza di Progetto (UFP)

Italian PPP Task Force



❖ Policy Statements

❖ PPP Task Force

❖ Contractual PPP market

❖ Selected Projects



2000-2003 Economic and Financial Planning Document

“The involvement of the private sector in financing, building and operating infrastructures and public utility services is a priority for the South of Italy and the rest of the Country”. It is recognised that Private Sector Participation (“PSP”) in public services brings better design, construction and operational skills, enhancing the quality of the services offered to the end-users.”

2001-2004 Economic and Financial Planning Document

- ❖ The Government expects to finance € 9 billion of new infrastructures through private funds.
- ❖ The private sector is expected to provide debt financing as well as equity capital.

2002-2006 Economic and Financial Planning Document

- ❖ Strong emphasis on infrastructure investment as one of the main drivers for economic growth.
- ❖ Private Sector expected to play a pivotal role in the construction, financing and management of new infrastructures, contributing € 25 billion over five years.
- ❖ Further progress in the process of liberalisation and privatisation of public services.



UFP Creation

- ❖ Inspired by the UK PFI Taskforce
- ❖ Established by law
- ❖ Previous consultation with the main parties involved
- ❖ Group of 15 professionals:



legal, financial, technical expertise selected from both private sector and public sector.



Mission

❖ **Educational Role**

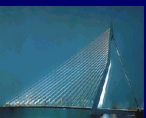
- ✓ Promoting PPP techniques
- ✓ Developing a PPP Methodology
- ✓ Identifying workable PPP projects to be repeated
- ✓ Database of successful PPP deals

❖ **Assistance Role**

- ✓ PPP assistance for central, regional and local administrations
- ✓ From the identification of suitable projects to the evaluation of offers
- ✓ Multidisciplinary skills and expertise

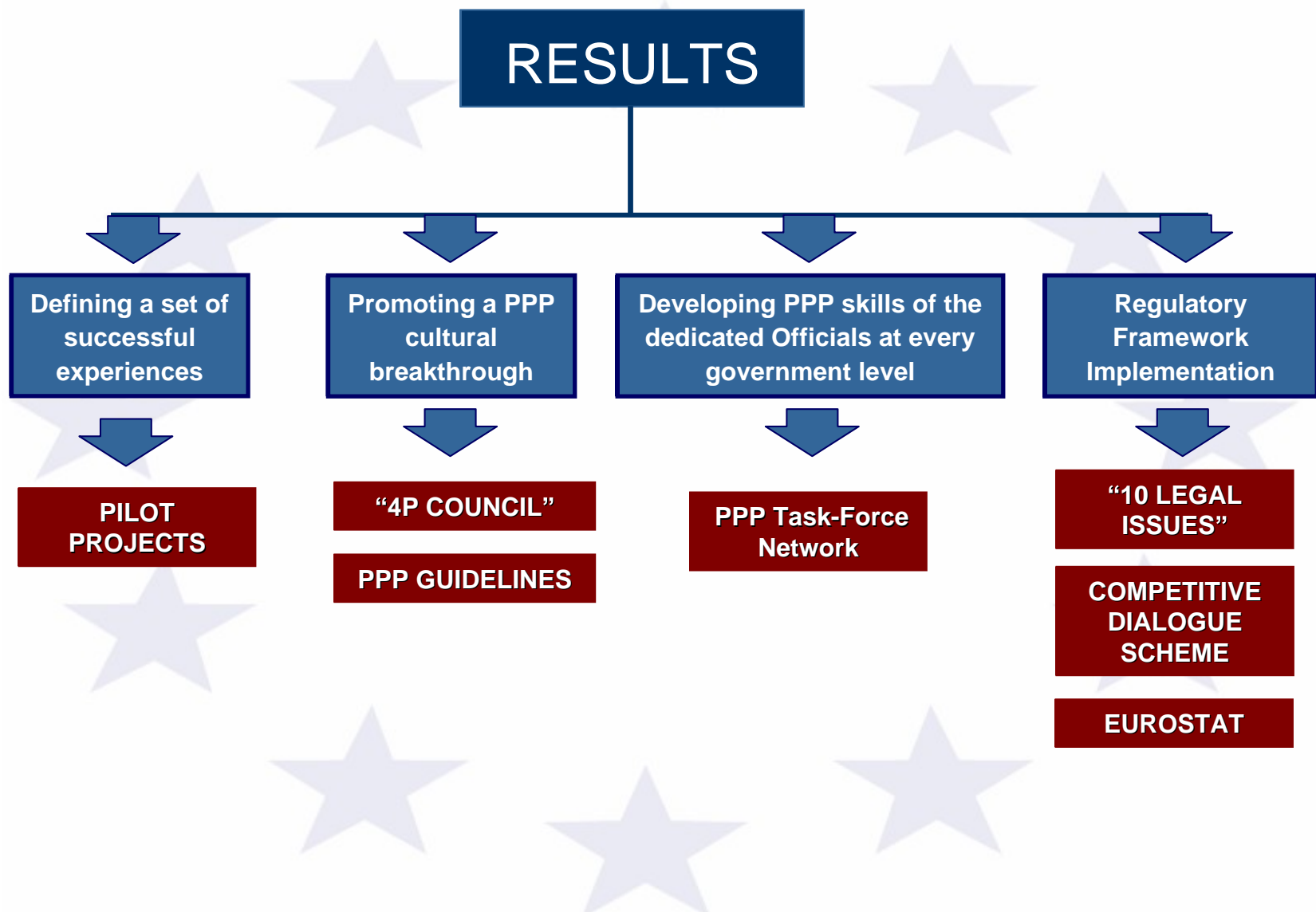
❖ **“Policy Making” Role**

- ✓ Improvement of legal framework
- ✓ “Best practices” (standardisation of practices and contracts)





RESULTS



Defining a set of successful experiences

PILOT PROJECTS aim to support the promotion of PPP techniques. This is one of the main activities of the UFP and develops selected pilot projects at national level.

The UFP will accompany pilot projects, contributing and documenting project experience, helping to solve questions (legal, financial, etc.) which occur during the project process and providing the results for future PPP projects.

The selected projects are:

- ❖ Salerno-Reggio Calabria (Motorway);
- ❖ Intermodal Terminals Roma-Napoli-Milano (Logistics infrastructures);
- ❖ Torino-Lione (Railway);
- ❖ Quadrilatero Marche-Umbria (Motorway).



Promoting a PPP cultural breakthrough

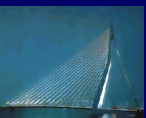
The **4P COUNCIL** (Promotion of Public Private Partnership Council) was established by UFP in 2004.

It is an organization with representatives from both public and private sectors. The Council and UFP conduct research, publish findings, facilitate forums for discussion to develop PPP's techniques. The Council provides support to political officials and decision-makers in investigating and developing partnerships with the private sector.

PPP GUIDELINE is one special task of the UFP. The goal of the guidelines is to help ensure the success of future PPP projects.

UFP develops guidelines on:

- ❖ Risk Analysis and Project Rating;
- ❖ Private Participation in Infrastructure;
- ❖ Public Sector Comparator ("PSC").

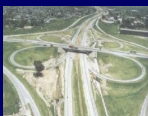




Developing PPP skills of the dedicated Officials at every government level

Task Force Network (“Network”) was established by UFP. Network and UFP develop:

- ❖ solution proposals for the improvement of PPP framework conditions;
- ❖ uniform procedures and tools for the implementation of PPP projects;
- ❖ training programs for public sector representatives.





Regulatory Framework Implementation

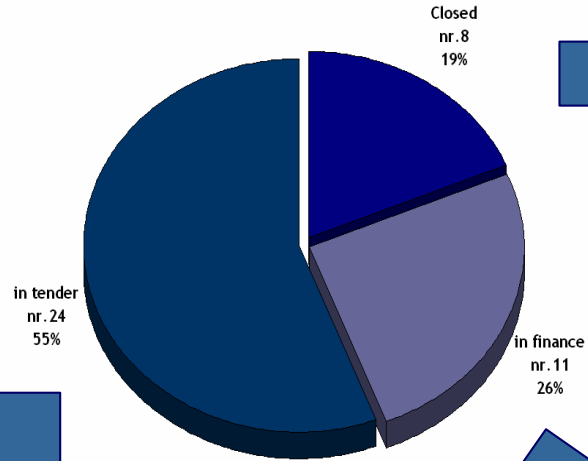
10 LEGAL ISSUES to improve private sector participation in financing, building and operating infrastructures and public utility services. This document recommends “*soft-law*” solution proposals to remove main burdens now in national legislative framework and aimed at the proper use of PPP schemes.

A **COMPETITIVE DIALOGUE SCHEME** as an available option to select the *business case* by the public sector side.

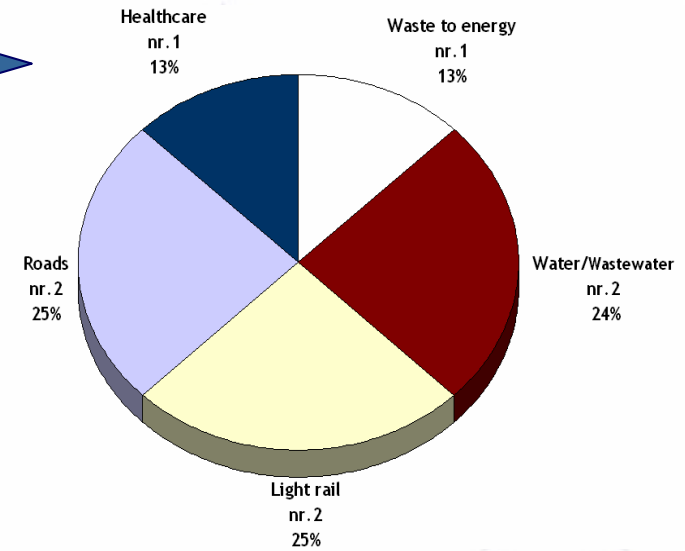
Implementation of **EUROSTAT Decision 11 February 2004** on the accounting treatment in national accounts of contracts undertaken by government units in the framework of PPP. The decision specifies the impact on government deficit/surplus and debt.



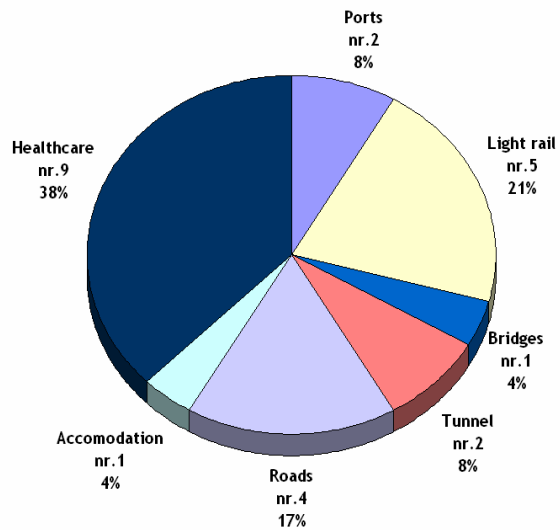
Global PPP Market nr. 43



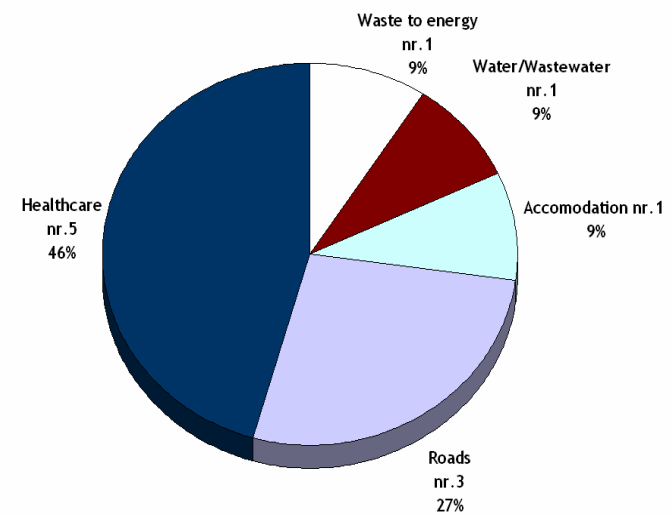
PPP Project closed nr. 8



PPP Project in tender nr. 24

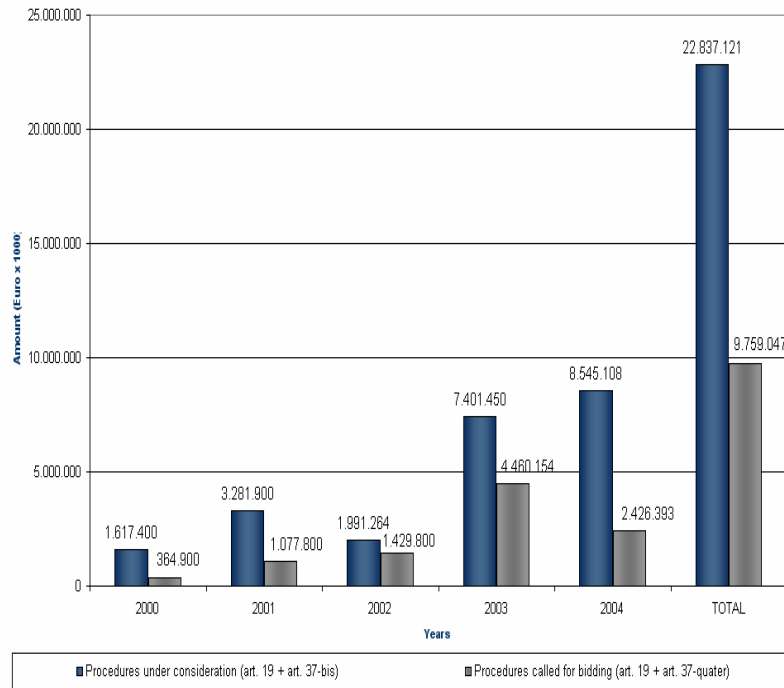


PPP Project in finance nr. 11



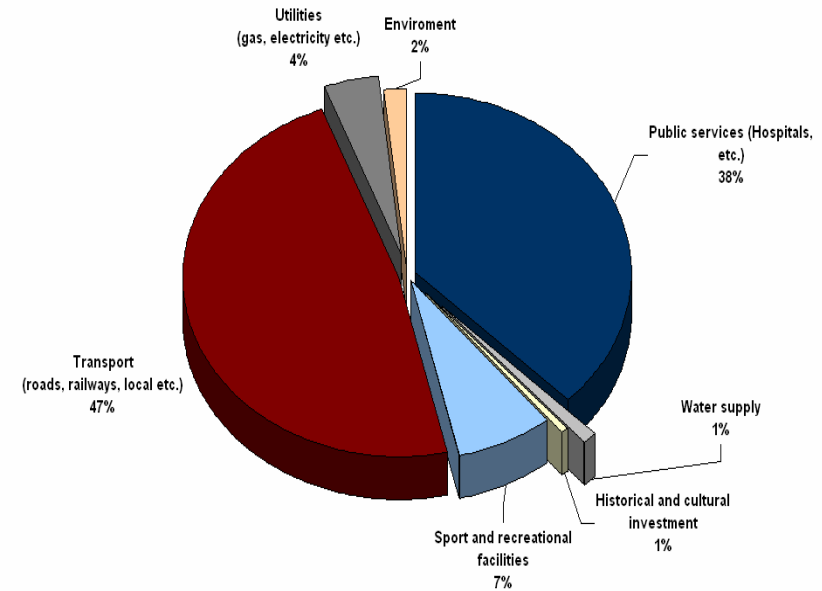


Global Contractual PPP Market (2000-2004)



Source : www.infopieffe.it, Osservatorio UFP – Cresme – Unioncamere - OICE

Contractual PPP Market by sector (2000-2003)



PPP launched (2000 - 2003)	Amount (million €)	Number of initiatives
Public services (hospitals, etc.)	5.365	754
Water supply	160	22
Historical and cultural investment	86	23
Sports and recreational facilities	1.007	353
Transport (roads, railways, local)	6.824	140
Utilities (gas, electricity, etc.)	626	138
Environment	224	50
Total	14.291	1.480

BRE.BE.MI.

PROJECT INFORMATION

Project Name: BRE.BE.MI. Motorway

Category: DBFO

Sector: Roads

Awarding Authority : ANAS SpA

Promoter: BRE.BE.MI. SpA

Date of proposal: June 2001

Procedure: Art. 37bis – Law 109/94

Length: Km. 50

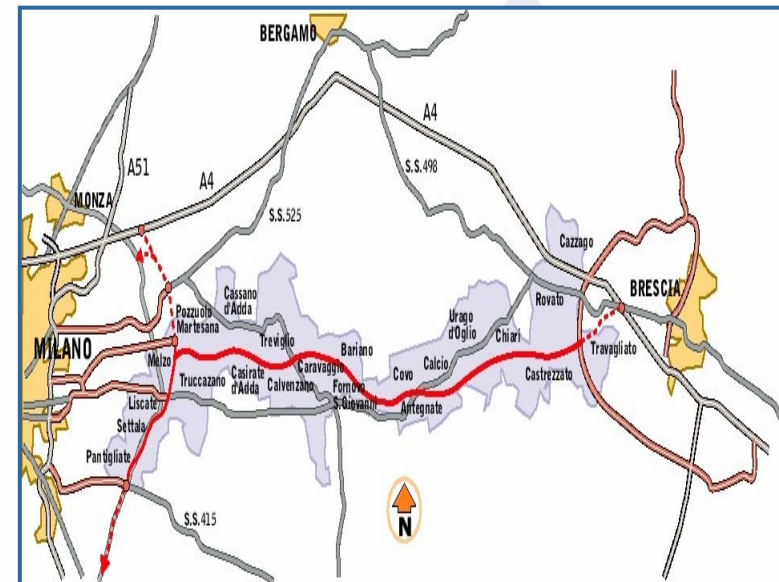
Total investment: € 772 million

Public contribution: 0%

Concession Period: 19 years 6 months

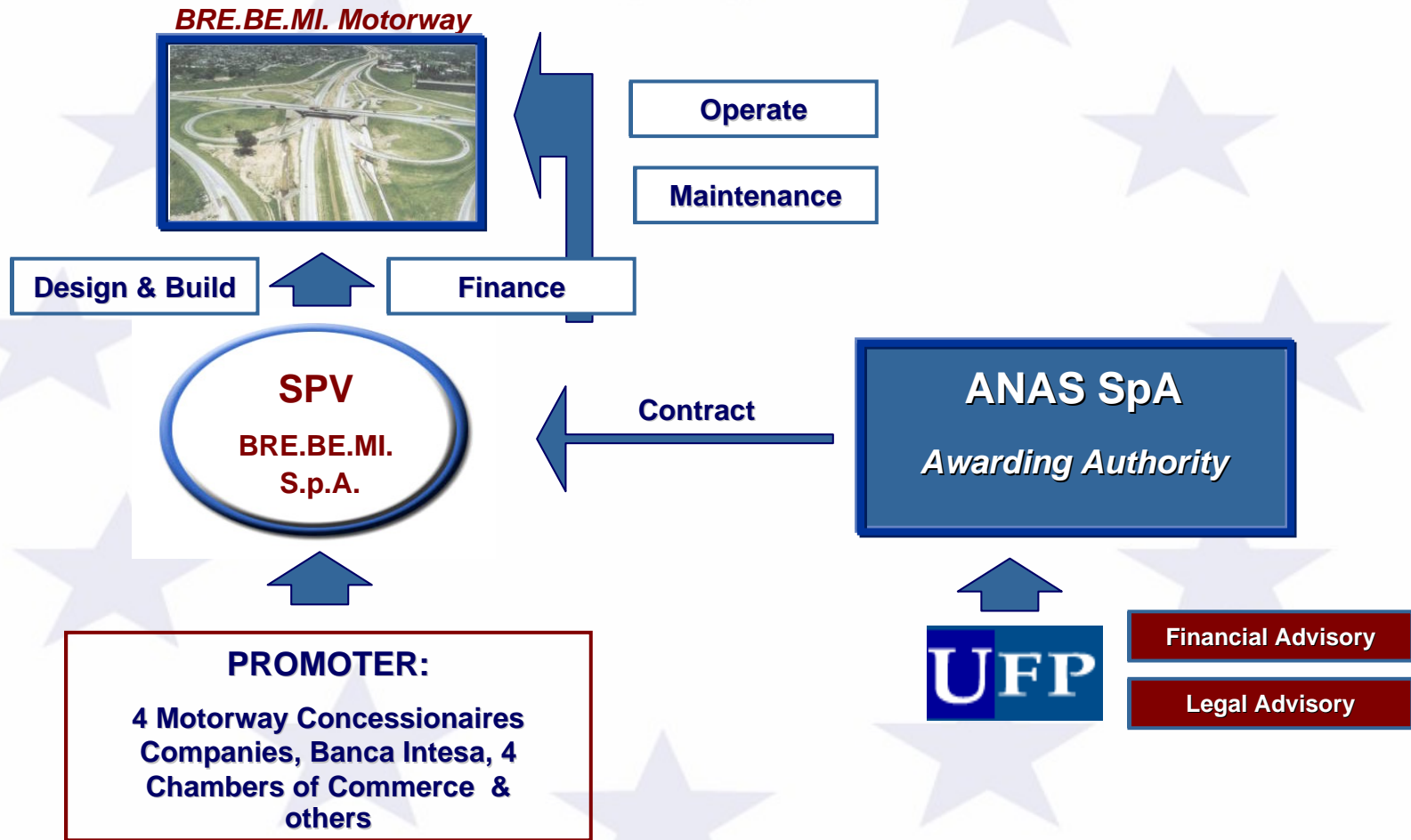
CURRENT STATUS

Concession awarded to Brebemi Spa in April 2003; at present banks are structuring the lending due to € 750 million overrun.





Project structure



The new Mestre Hospital

PROJECT INFORMATION

Project Name: The new mestre Hospital

Category: DBFO

Sector: Healthcare

Awarding Authority: Unità Sanitaria
Locale 12 Venezia (NHS Local Authority)

Proposal submission date: 30 June
2001

Procedure: Art. 37bis – Law 109/94 (by
private initiative)

Number of beds: 680

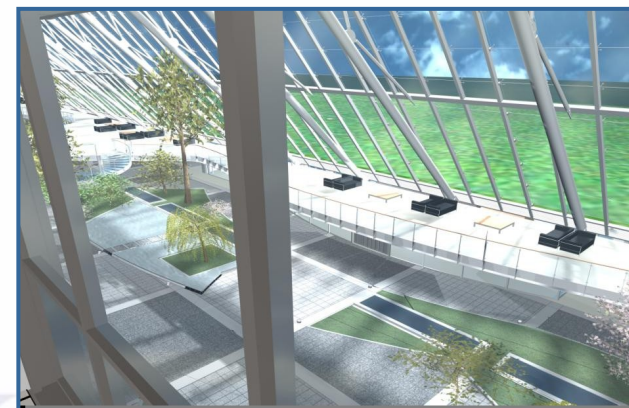
Total investment : € 236 million (VAT
included)

Public contribution: € 105 million (45%)

Concession length: 29 years (incl. 4
years of construction)

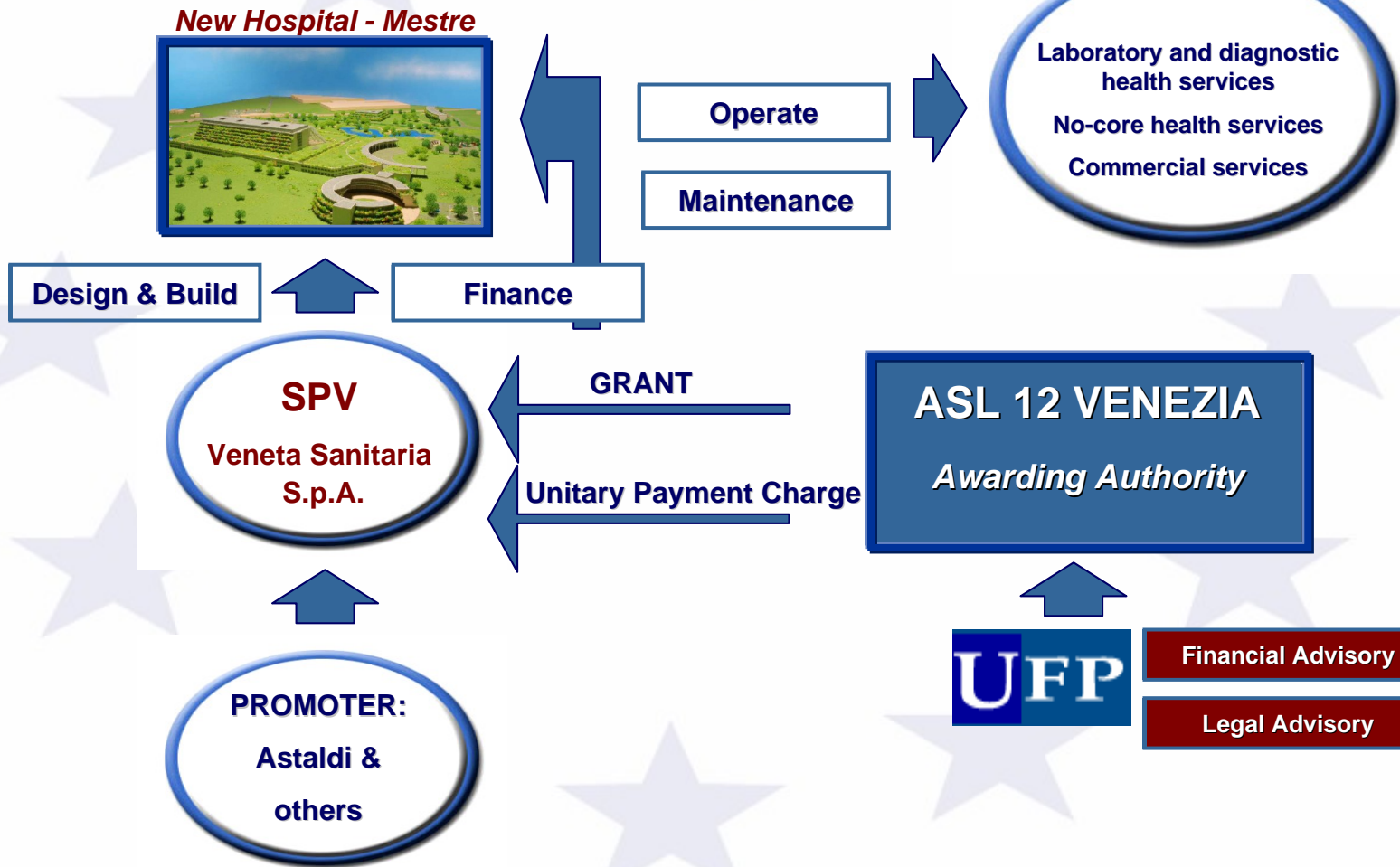
CURRENT STATUS

Concession awarded in June 2002; under
construction phase.





Project Structure



Florence Light Metro

PROJECT INFORMATION

Project Name: The Florence Light Metro

Category: DBFO

Sector: Public Transport

Awarding Authority: Municipality of Florence

Promoter: Ratp International and others

Procedure: Art.37bis-Law 109/94

Length: construction Km 12 (Lines 2 and 3),
operation Km 20 (Lines 1, 2 and 3)

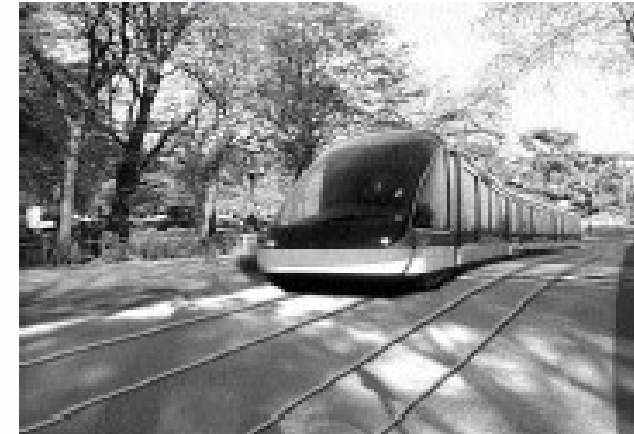
Total investment: € 280 million

Public contribution : € 134 million

Concession Period: 30 years

CURRENT STATUS

Concession awarded in December 2004; under construction phase.





Project Structure

Light Metro - Florence



Operate

Maintenance

❖ Line 1
❖ Lines 2 and 3

Lines 2 and 3

Design & Build

Finance

SPV

GRANT

Performance

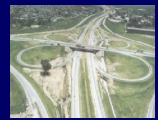
Municipality of FLORENCE
Awarding Authority

PROMOTER:
RATP
International &
others

UFP

Financial Advisory
Legal Advisory





Milan Underground Metro

PROJECT INFORMATION

Project Name: Underground M5 Line

Category: DBFO

Sector: Public Transport

Awarding Authority: Municipality of Milan

Procedure: Art. 37 bis-Law 109/94

Total investment: € 495,16 million

Public Contribution: € 311 million

Concession Period: 14+9+9 years

Current Status

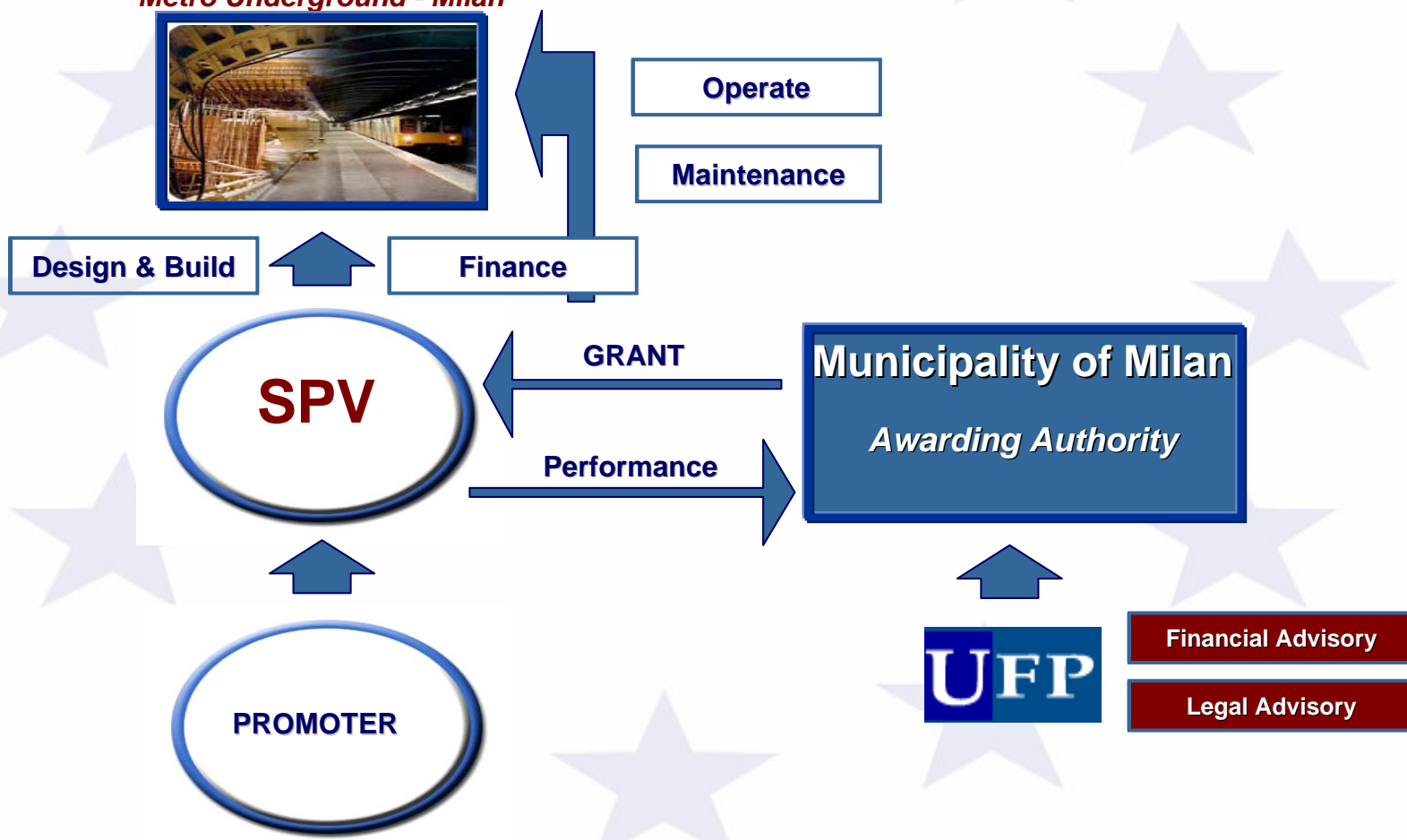
Approval of preliminary Project.





Project Structure

Metro Underground - Milan





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