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TITLE OF DIPLOMA THESIS:

Public Private Partnerships – PPP Case Analysis

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ABSTRACT

This thesis is devoted to the Public-Private Partnerships, which occur worldwide as a coverage method of public requirements for infrastructure construction and services. In this thesis there is an attempt for information about the institution of PPP and presentation of the characteristics such as for a comparison between European - international experience and the Greek reality before and after the introduction of Law 3389/2005 and finally an analysis of a PPP project undertaken in our country. The aim of this paper is to familiarize the stakeholders with the relatively "new" institution of PPP as an alternative mode of production of public works and services and to deepen into legal and financial issues related to partnerships, which the Greek State is obliged to face. In the first section there is an analysis of various terms related to partnerships and of the basic principles that govern the PPPs and a reference to the evolution of the institution over the time. Also, the weaknesses and the strengths of the implementation of the institution PPP are shown. Then, it is made a comparison between the concept of PPP and the concessions and identifies their similarities, that confuses the general public and their differences. The next section categorizes the PPP contracts in conventional and institutional nature and presents the basic PPP models and the number of alternative forms, depending on the individual case. Also there is an analysis of the types of risks which may be encountered in a PPP and allocation between the public and private sector in order to realize the magnitude of the risk assumed by each part. In the third section we present the institutional framework used for the PPP and its evolution over the years. It highlights the main elements of the law 3389/2005, which is the basic institutional framework and reporting requirements to join a project to this law. The fourth section discusses the basic financial tools, that are necessary for costing and overall assessment of a PPP proposal. The basic tools for assessing a PPP proposal is economic efficiency (value for money), public benchmarking and the discount rates that are used. The methods of financing show us the size of flexibility that can be used by each side to achieve a profitable project. The next two sections presents examples from the experience of PPPs in Europe and worldwide and also presents various statistics for a number of countries applying this institution successfully. We also analyze several examples of Greek reality and present the approved proposals for PPP projects via the law 3389/2005 and the geographical and sectoral distribution. The seventh section present the analysis of a case PPP on design, financing, construction and technical management of 10 schools in the Attica region. There is a presentation of the project and its features and various elements within the contract. Below there is an analysis based on the calculation of the net present value in accordance with the contract specified discount rate and different scenarios for increase or decrease of the interest rate. Also in the effort to make a conclusion about if it was the right decision to join the project in PPP and if the project is efficient,



there have been two additional scenarios, a pessimistic and an optimistic. To conclude this thesis, several conclusions are presented both for the study of the PPP project and the current situation of PPPs in Greece and the steps that are taken towards integration into Greek culture implementation of public works.

KEYWORDS

Public - Private Partnerships, Concessions, Institutional Framework, Funding Forms, Public Benchmarking, Value for Money, Discount rate, Rewarding work