Public-Private Partnership (P.P.P.)

In Italy

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Stretto di Messina S.p.A.
Public-Private Partnership (P.P.P.)
Public-Private Partnership (P.P.P.)

Contents:

- First steps in the framework of P.P.P.
  - Italian Infrastructural Trends
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  - Italian Rules of law
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- Present situation in Italy
  - Italian market
  - The use of the P.P.P. in the transport sector
- Financing plan of Stretto di Messina S.p.A.
Public-Private Partnership (P.P.P.)

Italian public investments in % on GDP (1950-2003)
Italian rules of law

- The introduction of the Promoter in 1998
- The introduction of the role the General Contractor in 2001
- The creation of ad hoc bodies starting from 1999
- The redefinition of the role of the Cassa Depositi e Prestiti S.p.A. (State controlled bank devoted to finance local entities) in 2003, with the aim of favouring the growth of public investments on infrastructures
- The coding of simplified and privileged paths in 2002, supplemented by the “Consolidated Text of rules and regulations on public contracts for work and supplies” in 2006.
Public-Private Partnership (P.P.P.)

P.P.P. Models adopted

- Construction and management Concession
- Project Financing
- Other management concessions
- Joint Ventures
- General Contractor
Public-Private Partnership (P.P.P.)

CONCESSION Pursuant to Art. 19 Law 109/94 as a.&s.
Public-Private Partnership (P.P.P.)

**RISK PUBLIC ADMINISTRATION**

- **PUBLIC ADMINISTRATION**
- **CONCESSIONAIRE**
  - **PUBLIC SUBSIDIES**
  - **FEE**
- **PRIVATE SPONSORS**
  - **DIVIDENDS AND REPAYMENT SHAREHOLDERS’S LOANS**
- **BANKS**
- **INSURANCES**
  - **ANNUAL PREMIUMS**
- **DEBTS SERVICE FINANCE**
- **SERVICE FEES**
- **OPERATORS**
- **CONTRACTOR**
  - **FIXED PRICE**
- **RATES**
- **USERS**
Public-Private Partnership (P.P.P.)

PROJECT FINANCING Pursuant to Art. 37 bis-nonies Law 109/94 as a.&s.
Public-Private Partnership (P.P.P.)

EVILOUTION OR PPP MARKET IN ITALY 2002/2006 PER NUMBER AND AMOUNT

Source: Original processing on data of the Project Financing Observatory
Public-Private Partnership (P.P.P.)

EVOlution of PPP market over total public investments

Source: Original processing on data of the Project Financing Observatory
Public-Private Partnership (P.P.P.)

EVOVOLUTION OF THE PPP MARKET IN ITALY PER MODEL

Source: Original processing on data of the Project Financing Observatory
Public-Private Partnership (P.P.P.)
Central span: 3,300 m
Suspended side spans: 183 m
Overall suspended length: 3,666 m
Distance between anchorages: 5,070 m
Deck width: 60m
Highway lanes: 2 x 2 lanes + emergency
Railway tracks: 2
Traffic capacity: 6,000 vehicles / hr
200 trains / day
Tower height: 383 m
Navigation clearance: 65 x 600 m
Motorway and Railway Links

SICILY SIDE

CALABRIA SIDE
Akashi Kaikyo Bridge, Japan

main span 1,991m
Great Belt East Bridge, Denmark

main span 1,624m
Tsing Ma Bridge, Hong Kong

main span 1,377m
## Comparisons

<table>
<thead>
<tr>
<th></th>
<th>Messina</th>
<th>Akashi Kaikyo</th>
<th>Great Belt</th>
<th>Tsing Ma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main span length</strong></td>
<td>3,300 m</td>
<td>1,991 m</td>
<td>1,624 m</td>
<td>1,377 m</td>
</tr>
<tr>
<td><strong>Suspended length</strong></td>
<td>3,666 m</td>
<td>3,911 m</td>
<td>2,694 m</td>
<td>1,733 m</td>
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<tr>
<td><strong>Height of towers</strong></td>
<td>383 m</td>
<td>298 m</td>
<td>254 m</td>
<td>206 m</td>
</tr>
<tr>
<td><strong>Cable sag/span ratio</strong></td>
<td>1/11</td>
<td>1/10</td>
<td>1/9</td>
<td>1/11</td>
</tr>
<tr>
<td><strong>Cable diameter</strong></td>
<td>4 x 1.24 m</td>
<td>2 x 1.12 m</td>
<td>2 x 0.85 m</td>
<td>2 x 1.10 m</td>
</tr>
<tr>
<td><strong>Total weight of cables</strong></td>
<td>166,800 t</td>
<td>50,500 t</td>
<td>26,000 t</td>
<td>28,000 t</td>
</tr>
<tr>
<td><strong>Overall width of deck</strong></td>
<td>61 m</td>
<td>36 m</td>
<td>31 m</td>
<td>41 m</td>
</tr>
<tr>
<td><strong>Weight of deck</strong></td>
<td>18.1 t/m</td>
<td>23.0 t/m</td>
<td>11.1 t/m</td>
<td>20.8 t/m</td>
</tr>
<tr>
<td><strong>Type of deck</strong></td>
<td>Aerodynamic multi-box</td>
<td>Truss</td>
<td>Aerodynamic box</td>
<td>Profiled truss</td>
</tr>
</tbody>
</table>
Financial Plan

Main Criteria:

- To complete the work according to the time schedule approved;
- To eliminate any public fund;
- To involve as many private partners as possible;
- To amortize in the worst case at least 50% of the investment during the operation period;
- To repay to Stretto di Messina a “redemption price” of max 50% of the investment through a new concession tender;
- To guarantee 40% of the investment equal to 2.5 billions Euro by contribution of shareholders;
- To guarantee the remaining 60% of the investment equal to 3.5 billions Euro on the international market using the project finance scheme.
New scenario of Stretto di Messina

1. Stretto di Messina is confirmed as Concessionaire of the permanent link on Messina Strait.
2. Change in the shareholding structure of the company Stretto di Messina.
3. Change in the allocation of financial resources of Fintecna shareholder in relation to the company Stretto di Messina.
4. The company Stretto di Messina is authorised to work abroad.