

PPP Projects in Greece have just crossed the 3 bln euro milestone – Now ranking 7th in the EU

The barrier of 3 billion euros was breached in 2021 by PPP projects in Greece, who climbed to 7th place in Europe. We are led to this conclusion by the report of the “Network for Reform in Greece and Europe” conducted by the Economist-Political Analyst, Mr. Dimitris Tzanidakis.

According to the data presented in the report, until last December, PPP projects with a total value of 2.73 billion euros had been approved. With the approval by the Interministerial Committee of three more new projects costing 477 million euros, PPP projects break the limit of 3 billion euros and now amount to 3.21 billion euros for 21 projects in total.

This finding becomes even more impressive if one considers that just a year before the PPP projects had broken the barrier of 2 billion euros. This means that PPPs are now moving with great acceleration, penetrating almost all sectors of infrastructure, from broadband networks to highways, dams, buildings, electronic systems, etc.

Almost 1 billion euros are PPP projects

Within the framework of PPPs, projects with a total budget of 822 million euros have been signed from 2009 until March 2019. They concern the construction of 7 fire stations, 24 schools, telematics, and electronic ticket of OASA, broadband networks, Waste Management in Kozani, Serres , Epirus, Peloponnese, and Ilia, and the digital recording of court cases.

Regarding the PPPs that are being planned, the report states that for the next five years it is estimated that projects totaling 5-7 billion euros will be implemented. The projects concern land improvement projects of the Ministry of Rural Development, road infrastructure projects, electronic tickets to museums, digital infrastructure projects, education, energy-saving, etc. It is noted that these projects are still in initial discussions.

Diamantopoulou: Nikos Mantzoufas plays a role in the success of PPPs

In the introduction to the report, the president of the NETWORK, Mrs. Anna Diamantopoulou, praises the 11-year-old head of PPP projects, former Secretary General, Mr. Nikos Mantzoufas (and current governor of the Recovery Fund).

As she states, "I believe that the innovative and institutional framework and the activation of the European Investment Bank played a role in the success of this institution, but also that for 11 years N. Mantzoufas was the same person, who remained in the same position as Secretary General of Private Investment and PPP.

"Political consensus, continuity in the administration, cooperation between the public and the private sector through a transparent institutional framework, prove to be strong preconditions for national success even in very pioneering and difficult areas."

PPPs in Greece and Europe

PPP projects in Greece have significant comparative advantages compared to other project models as the project is repaid over time, significant leverage of private capital is made, while a predetermined time and cost of implementation of a project is ensured.

It is no coincidence that the Minister of Infrastructure and Transport, Costas Karamanlis, seeing the evolution of PPPs, chose them for the implementation of a series of emblematic projects, such as the flyover of the Thessaloniki Region, the Havria Dam, the creation of 13 Civil Protection buildings, 12 Judicial Buildings, etc.

In the European PPP market, Greece ranks 7th behind the United Kingdom, France, Germany, Turkey, the Netherlands, and Spain. The main sectors in which PPP projects are carried out in Europe are Transport, Education, Health, and the Environment.

The total value of the 5-year contracts is 72.7 billion euros and 85% of them concern social infrastructure projects with availability payments. According to the review of the European Investment Bank, for the European Market in 2018, the total cost of PPP projects amounted to 14.3 billion, and in 2019 to 9.8 billion.