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Changes in the institutional framework for PPP in Italy

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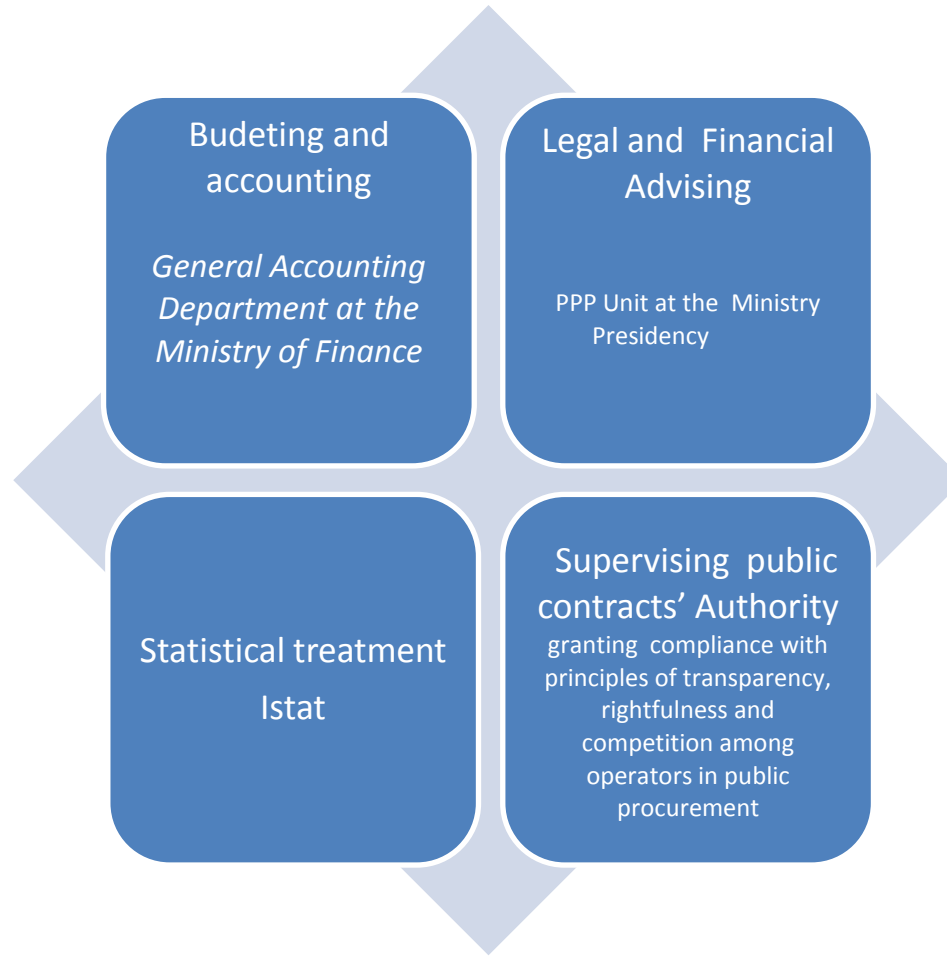
how to ensure PPP sustainability for the public finances?



Legal framework

- In Italy the legal framework is provided by the Legislative Decree n. 163/2006, lastly modified in 2008 (third correction Decree)
- However, actions have been taken in order to improve coordination among different institutional bodies dealing with PPP at various level (local and national), carrying out a strict monitoring expenditures and awarding procedures and ensuring transparency and coherence across accounts of general governments units
- In particular the New Law of the General Accounting and Public Finance Law approved in 2009 provides a new framework and new instruments.
- It will allow:
 - the monitoring of Private-Public Partnerships from an accounting and statistical point of view
 - the settings of accounting rules harmonized at all levels of government
 - Introduction of a “Code of Best Practices”

Institutional framework for PPP

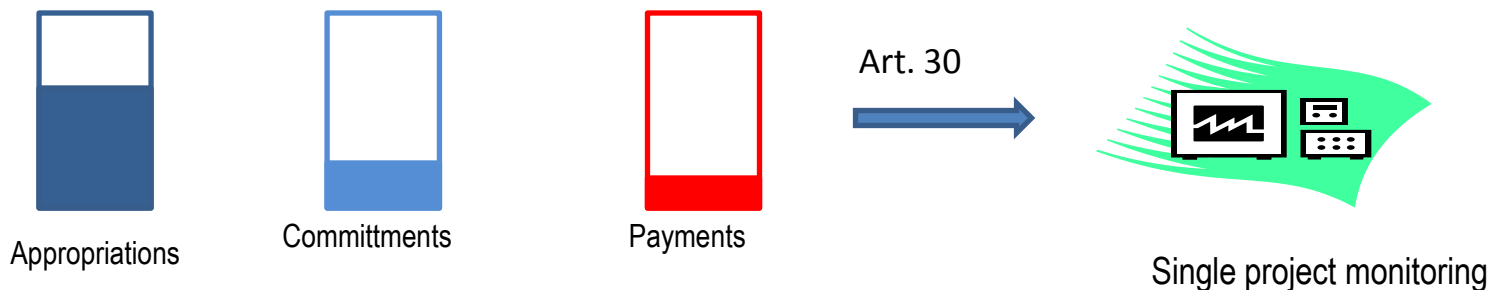


Institutional framework

- Many bodies involved but mainly in the procurement and awarding phases of projects
- Fragmented data bases
- Lack of coordination among institutional bodies
- Lack of separate reporting in public budgets
- Time consuming administrative procedures
- No adequate control of multi-annual government expenditures

New accounting and budget Law (196/2009)

New budgetary framework : from laws to projects



Multi-annual expenditures laws

Monitoring of financial resources at each stage of the budgetary process

Linking information from the planning stage to the execution stage

Rationalising public investments' procedures

New information system provides:

- Link between the unique multi-annual code-law and unique project-code
- Data collection at all stages:
 - Budgetary data
 - Accounting data
 - Physical data
 - Procedural data
 - Financial data
 - Etc.

Objectives

- Tracking financial flows from the Central State to local authorities for multi-year investment expenditures
- Monitoring projects on a continuous base
- Updating analysis of performance

Integrated data base

- New Data base at Department of General accounting (Law 196/2009)
- Dedicated section on PPP
- collection of PPP data through a new questionnaire managed by the UTFP and Istat

Questionnaire on PPP

- The new questionnaire has to be filled by awarding authority
- It contains:
 - Unique code of the project
 - Data on the EFP
 - risk analysis information
 - Accounting data (on an accrual and cash basis)

A case study: Florence Tramway

Florence Tramway

- Awarding Authority:
 - Municipality of Florence

- Promoter:
 - RATP, Alstom, Ansaldo, others

Total investment: cost s (at 22.09.08)

- 368,780 million

Equity capital :

- 12,587 million

Public contribution :

- 207,985 million (56,4 %)
- Concession awarded on 2005
- Start of work 2012
- Statistical classification: on-balance

