HELLENIC REPUBLIC
Ministry of Economy and Finance

Public – Private Partnerships in Greece

PPP Unit, December 2025

Public – Private Partnerships

Public-Private Partnerships (PPPs) are long-term contracts between a public authority and a private partner which regulate the deliverance of a public infrastructure project and service

PPP schemes

- User-pay projects
- Government-pay projects

Greek PPP Practice
Framework-Law 3389/2005 – **Key Characteristics**

- Clear approval process - centralized control by the Interministerial Committee for PPPs (ICPPP).
- Award procedures clearly drafted in line with European Directives.
- Specified contractual framework - minimum content of a PPP contract.
- Fast track provisions for the grants of authorizations and permits.
- Provisions include project implementation featuring both availability payments and user's fees.
- Private sector responsible to Design-Build-Finance-Operate (DBFO).
- Provisions for dispute resolution by arbitration.

Fiscal Affordability and Economic viability of the PPP program

Fiscal sustainability and tariff affordability are essential for ensuring the long-term success of PPP projects. Transparent reporting of debt and liabilities is crucial to avoid hidden debt and fiscal risks. **Sustainable public funding mechanisms must be designed to balance fiscal responsibility with the need to deliver critical infrastructure**, while tariff structures must remain affordable for users to ensure equitable access to services throughout the project lifecycle.

Budgetary control mechanism

PPPs in Greece are led by a centralized PPP Unit and overseen by an Interministerial PPP Committee which evaluates the fiscal impact and ensures that any public funding remains within the limits of what the country can afford

Off-balance-sheet classification of PPP projects

Projects are designed so that key risks—construction, availability, and demand—are transferred to the private partner. This allows to keep these obligations off the government's balance sheet, in line with European Statistical rules, meaning they don't count toward public debt

Cap on government payments for the entire PPP program

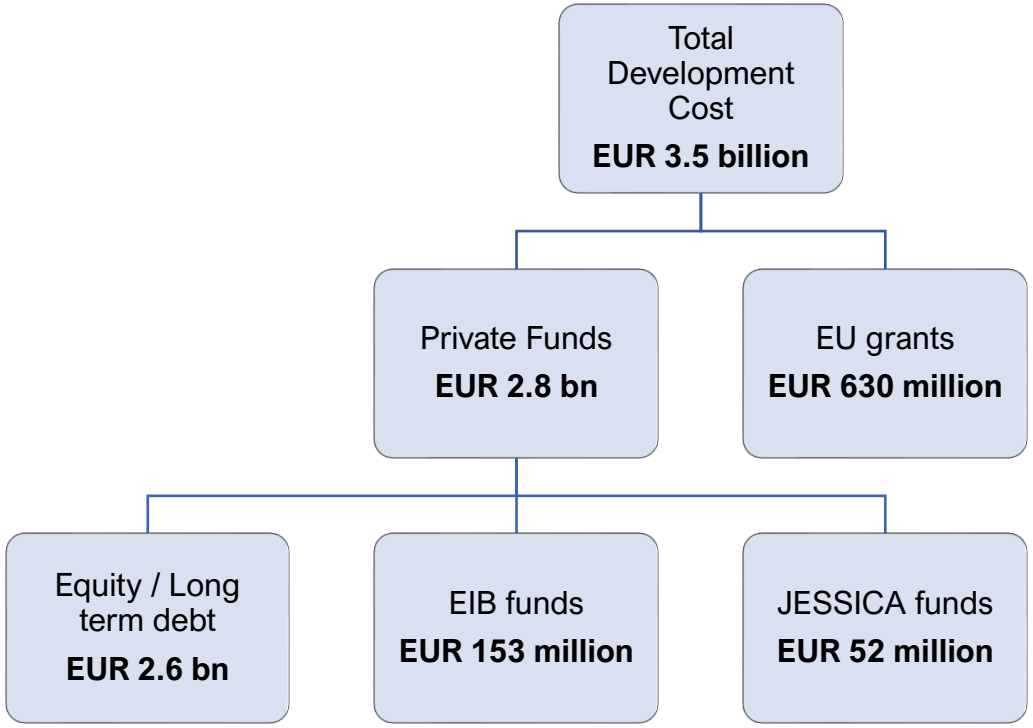
This cap on availability payments was introduced early on to help safeguard financial sustainability. It's reviewed based on the state of the national economy, and the PPP Unit is responsible for monitoring it across all projects

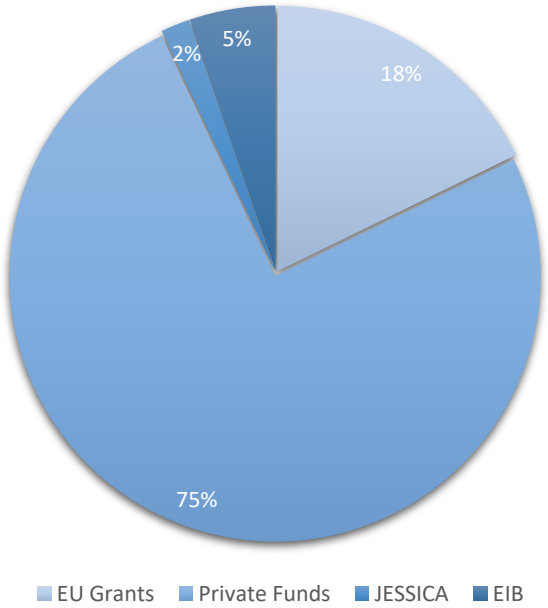
Strategic use of EU Structural Funds and support from international financial institutions

Greek PPPs often involve a mix of EU funding, IFI financing, contributions from Greek and international banks, as well as private capital from contractors. This blended finance model helps reduce future liabilities while making the most of the resources available to us

PPP Projects Financing

Greece has developed **innovative ways of financing PPP projects**. In a study for the REGI Committee of the European Parliament, Greece is recognized to be leading in the **blending of EU grants and private capital financing** of PPP schemes.





Procurement of PPPs

WORLD BANK GROUP

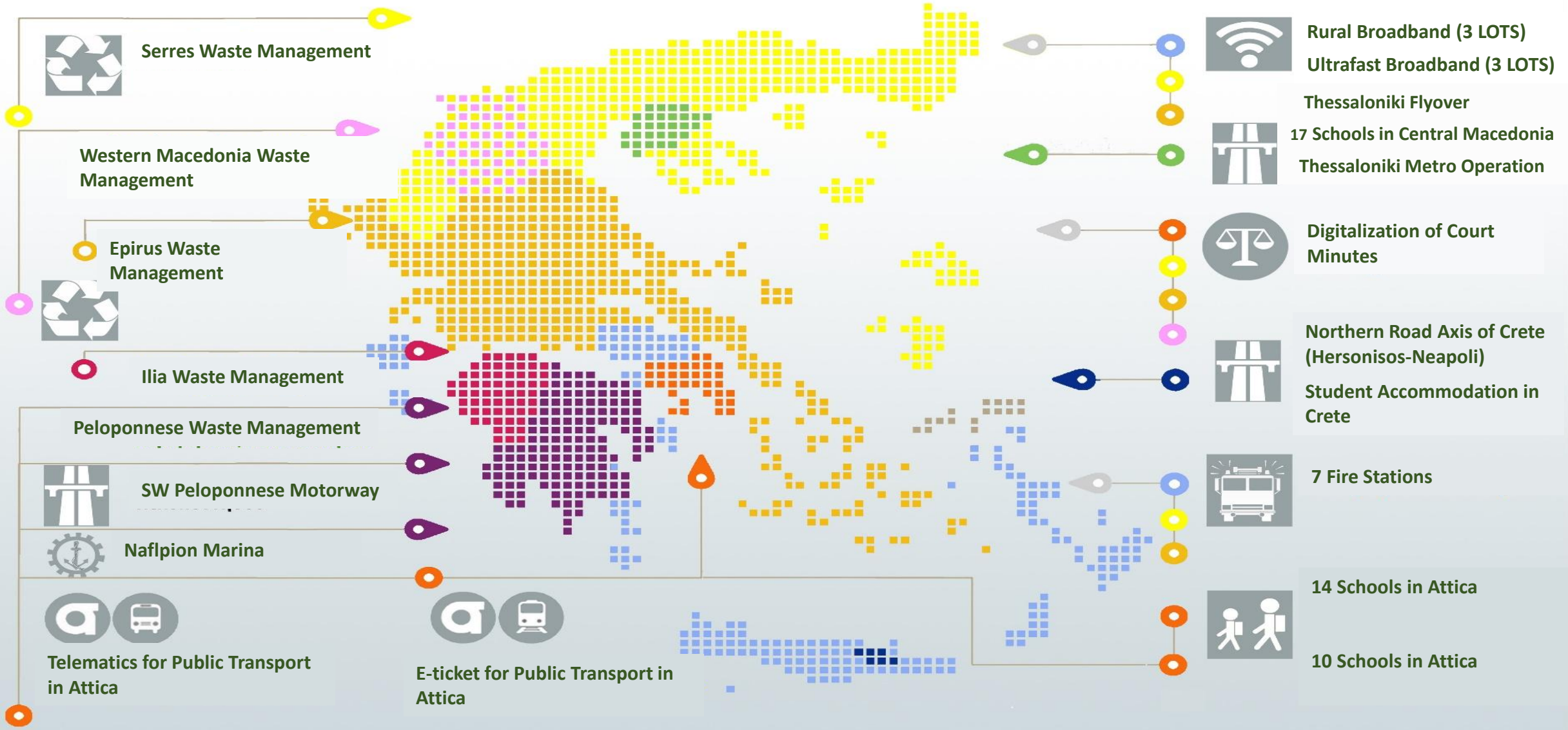
PPIAF

Greece was ranked:

2nd worldwide in the field of **Procurement of PPPs** according to the **World Bank** 2024 Benchmarking Infrastructure Development report

2nd worldwide among **81** countries in the field of **Procurement of PPPs** according to the **Global Infrastructure Hub** (a G20 dedicated infrastructure agency) InfraCompass 2020 report

28 PPP contracts of approx. EUR 3.5 bn. total development cost



14 PPP contracts in the last 3 years

3 ROAD PROJECTS CONTRACTS

- ✓ Thessaloniki Ring Road (Flyover)
- ✓ Northern Road Axis of Crete (Hersonisos-Neapoli)
- ✓ Southwest Peloponnese Motorway

3 BROADBAND CONTRACTS

- ✓ Ultrafast Broadband in 32 regional units

1 METRO CONTRACT

- ✓ Thessaloniki Metro Operation

1 MARINA CONTRACT

- ✓ Nafplion Marina

1 SCHOOL BUILDINGS CONTRACT

- ✓ 17 School Units in Central Macedonia

1 STREET LIGHTING CONTRACT

- ✓ Street Lighting Infrastructure in Region of Epirus

1 STUDENT ACCOMMODATION CONTRACT

- ✓ Student Accommodation in University of Crete

3 IRRIGATION CONTRACTS

- ✓ Tavropos Irrigation network
- ✓ Iperia – Orfana Irrigation network
- ✓ Nestos Irrigation network

PPP Projects Pipeline

35 approved PPP projects of EUR 5,5 billion development cost

- 1 ULTRAFAST BROADBAND PROJECT
- 3 ROAD PROJECTS + RAIL PROJECTS
- 5 STUDENT ACCOMMODATION PROJECTS
- 1 STREETLIGHTING PROJECT
- 7 WASTE MANAGEMENT PROJECTS
- 3 COURT BUILDINGS PROJECTS
- 3 WATER INFRASTRUCTURE PROJECTS
- 3 SCHOOL BUILDINGS PROJECTS
- 4 GOVERNMENT PUBLIC SECTOR ACCOMMODATION PROJECTS
- 1 HEALTH INFRASTRUCTURE
- 2 POLICE STATIONS + CORRECTION FACILITIES PROJECTS
- 2 IRRIGATION PROJECTS

A. Education Infrastructure PPP Projects (appr. EUR 775 mn)

6 STUDENT ACCOMMODATION PROJECTS in the Regions of

- Crete
- Thrace
- Thessaly
- Western Macedonia
- Attica

3 SCHOOL BUILDINGS PROJECTS in the Regions of

- Crete
- South Aegean
- Western Macedonia

B. Waste and Water PPP Projects (appr. EUR 2 bn)

7 WASTE MANAGEMENT PROJECTS in the Regions of

- Attica
- Central Macedonia
- South Aegean (Santorini, Rhodes, Kos-Kalymnos)

8 WATER INFRASTRUCTURE PROJECTS in the Regions of

- Thessaly
- Eastern Macedonia and Thrace
- Peloponnese
- Ionian Islands
- Crete

C. Government Buildings PPP Projects (appr. EUR 1.4 bn)

3 COURT BUILDINGS PROJECTS in the Regions of

- Crete
- Thessaly
- Central Greece

6 GOVERNMENT – PUBLIC SECTOR ACCOMMODATION PROJECTS

- Governmental Park
- Building for the General Secretariat for Infrastructure
- Buildings for the Academy of Athens
- Public sector accommodation in the premises of a former paper factory
- Police stations
- Correctional facilities project

D. Transport PPP Projects (appr. EUR 830 mn)

2 ROAD PROJECTS in the regions of

- Central Macedonia
- Eastern Macedonia and Thrace

1 RAILWAY PROJECTS

- Northern Greece Railway Project

Case study: Green Ferries PPP Project

Scope of the Project

Current Challenges to be Addressed

Insecurity concerning adequacy of regular maritime services for the remote island residents

- Lack of reliable and regular interconnection of the islands of the barren ferry lines network
- Lack of alternatives in transportation
- Annual bids and contracts per ferry line
- Reduced level of redundancy and reliability

Exclusive Use of Fossil Fuel

- Negative effects on atmospheric pollution
- Severe adverse impacts on environmentally sensitive areas in the event of a spill.
- Need for compliance with the applicable regulations on the "greening" of the fleet

Aged Fleet

- More than half of the Greek ferry fleet reaches its operational lifetime span. Without long-term contracts the line operators are not motivated to invest in new vessels.
- Advancing with the decision to initiate a Newbuilding program requires the prior selection of a green fuel pathway

Project's Goals

Reliable Transportation Services for Remote Island Residents

- Normalize and further upgrade an essential public service

Greening of Maritime Transportation

- Green transformation of Maritime transportation within EU and IMO framework

Fleet Renewal

- Collaborating with private sector to invest in new "green" vessels.
- Enabling the provision of long-term contracts.
- Increase safety of maritime transportation

Project Perimeter

	Current situation	After Project Implementation
Vessels	• Variation on vessels' designs and types • Old Vessels: most of them are near to their lifetime span 34% older than 30 years 52% older than 20 years	• Provision of modern types of vessels • Homogenization of the vessels types
Operators	• Many different operators • Local operators with restrictions on funding leverage.	• State owned vessels • Vessels operated by the private partner
Fuels	• Vessels operate with fossil fuels • Until the end of 2029, the EU ETS and FuelEU Maritime under 'Fit for 55' do not apply to barren ferry lines. However, the continuation of these exemptions and the vessels affected remain uncertain. • There is no OPS infrastructure and no marine green fuel supply chain in Greece	• Deployment of green fuels including Offshore Power Supply (OPS) infrastructure at ports. • Leverage the production and logistics of green fuels in Europe and Greece
State Contribution	• Barren lines are not adequately served by the market, therefore financial support by Greek state is required. • Every year a relevant tender is launched, specifying the criteria.	• Long-term solution and secure of state funding in long term • EU and private sector funding leverage

Need for a Public Private Partnership (PPP) Structure

Reasons to apply a PPP Structure for this Project

High construction and operational costs

The renewal of the fleet combined with the deployment of green fuels is expensive. The investors should be motivated with a level of secured return while the Greek state will impose operation and maintenance requirements with performance-based incentives

Social Impact

Residents of the remote islands are greatly affected as the sea transportation has a vital role in their life. The transportation quality and safety is enhanced. Interconnectivity is also ensured in the long run. The private partner will ensure high level services through KPIs motivation.

Lack of commerciality

The lines under examination are not profitable for a private entity and the subsidy is provided on an annual basis not allowing a long-term investment strategy. The PPP contracts are long-term enabling the provision of high-quality services under an agreed payment mechanism. The decision-making complexity of the green fuel pathway will also be resolved and defined.

Benefits from the Implementation of the Project

Social

- Meeting the transportation needs of residents of remote islands. Safety, reliability and quality of the transportation work are enhanced.
- Creation of new jobs with high expertise and specialization
- Contribution to the renewal of the Greek coastal shipping fleet. Considering the current average age of the fleet, a significant proportion of it will need to be replaced during the current decade.
- Upgrade of port facilities

Environmental

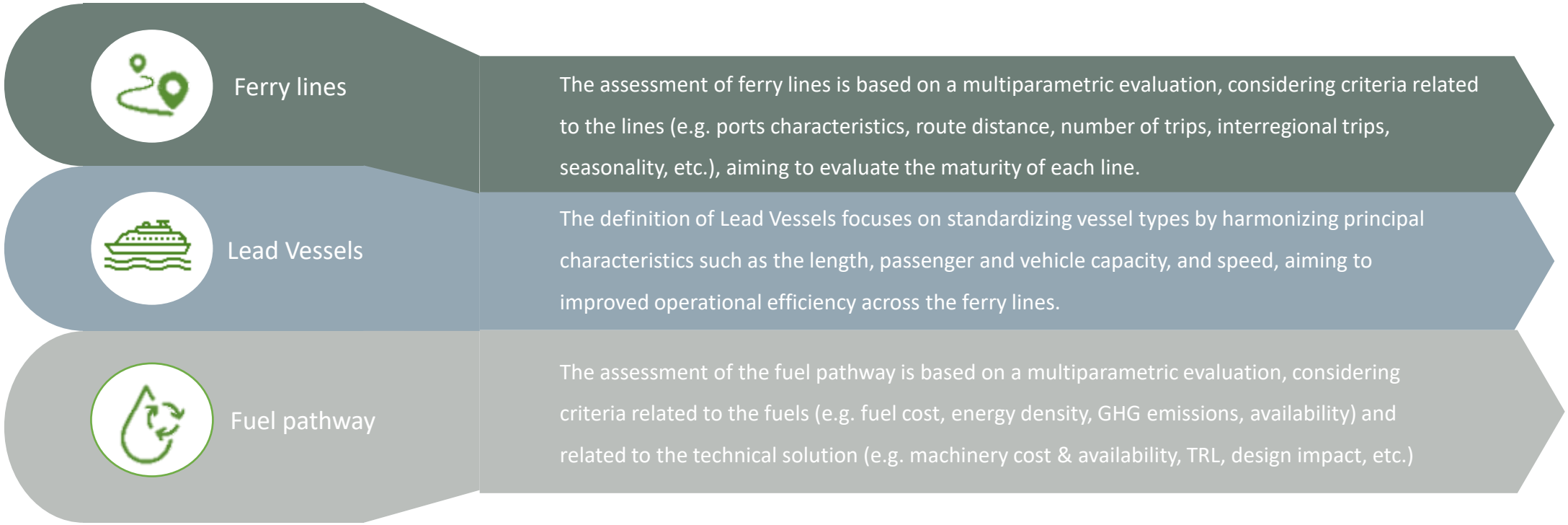
- Reduction of ship-related emissions including CO2
- Alignment of the Greek state with the EU commitments (EU Fit For 55)
- Leveraging the green fuels use within the broader context of the marine industry.

Economic

- Leveraging the European and Hellenic shipbuilding ecosystem to advance the construction of green vessels, enhancing competitiveness with leading shipbuilding nations.
- Enhancing economic and industrial activity for the production and supply of the selected green fuels.

Technical parameters

The technical assessment is structured around three main pillars:



Ferry Lines

N/E Aegean
11 lines

Cyclades
7 lines

Dodecanese
19 lines

Ionian Islands
3 lines

Crete & Others
4 lines

Lead Vessels – Summary

Objective

Definition criteria

- Vessel's length
- Passenger capacity Winter
- Passenger capacity Summer
- Garage Area

Project Goals

❑ Standardization of vessel operating in barren lines

❑ Improve vessel's utilization factor

Benefits

✓ Reduced construction cost and time

✓ Improve European / Greek shipbuilding technical know-how

✓ Operation, maintenance and repair effectiveness

Proposal

Eight types of Lead Vessels		Number of vessels	Lines to be served
1p	 25m passenger ferry plastic	4	5
1st	 25m passenger ferry steel	5	5
2	 40m RoPax Ferry closed	8	10
3	 45m RoPax Ferry closed	6	7
4	 60m RoPax Ferry closed	1	1
5	 80m RoPax Ferry closed	5	5
6	 100m RoPax Ferry closed	4	6
7	 40m High speed Ferry	2	5
Total		**35**	**44**

Fuel Pathway

Current Status

- Current vessels operate solely on fossil fuels
- No Onshore Power Supply (OPS) infrastructure at Ports

In-line with the relevant European Guidelines & Regulations, the below fuels were assessed.

Fuel Category	Fuel Type
Biofuels	FAME
	Bio-methanol
	Bio-LNG
RFNBO (e-Fuels)	e-Diesel
	e-Methanol
	e-LNG
	e-Ammonia
	e-Hydrogen
Electricity	Batteries

The selected fuels were evaluated through a filtering process to exclude those presenting technical, safety, or economic challenges.

e-Diesel

- High cost
- Energy intensive production process
- Challenges for large-scale adoption

e-Ammonia

- Toxicity / Safety challenges
- Storage technical challenges
- Limited infrastructure

Liquified Hydrogen

- High cost
- Storage technical challenges
- Limited infrastructure
- Limited operational experience

PPP Structure // Main Characteristics and Private Partner's Responsibilities

Main Characteristics

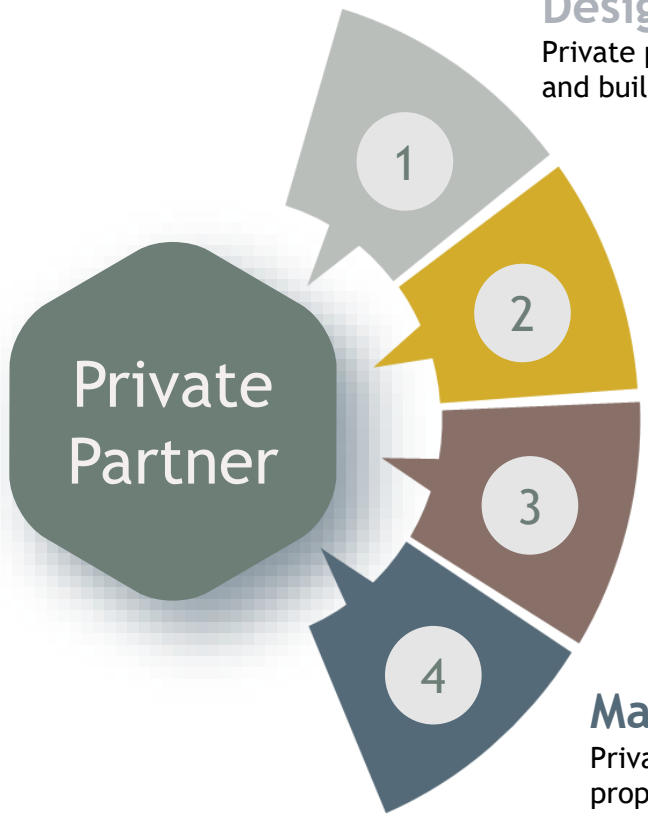
Throughout the term of the PPP contract, the ownership of the vessels shall remain with the state

State support in the form of Capital Grant and Availability Payments

Ensure the existence of certain specifications for the social and environmental purpose of the project

Vessels serving exclusively the selected barren lines

Private Partner's Responsibilities



Design and Build

Private partner will undertake the design and building of the vessel

Funding

Private partner shall secure necessary financing through equity, sub-dedt and commercial loans

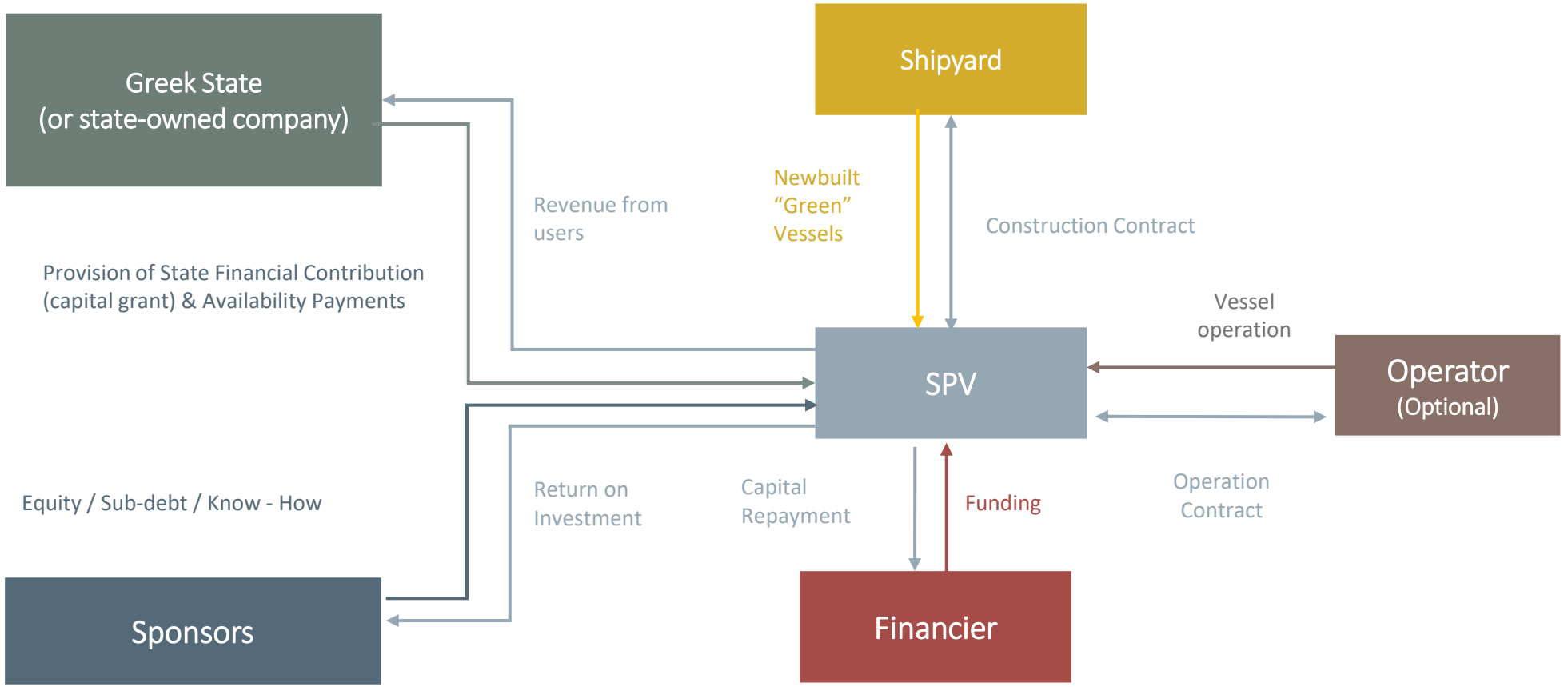
Operate

Private partner will operate the vessels with the obligation to hand back the vessels to the state at the end of the PPP contract

Maintain

Private partner will perform the proper maintenance of the vessels up to the end of the PPP contract.

PPP Structuring // Structure Overview



PPP contract:
Defines PPP term / specifications / KPIs / rights & responsibilities of the Partners

Independent auditor:
Supervisory role with responsibility for control, based on KPIs

Thank you!

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