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ON LINE MAGAZINE OF MARITIME AND TRANSPORT ECONOMICS



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City of the future: infrastructures and sustainable finance - Conference in Genoa on 4 February 2022

Last Friday, the Representation Hall of Genoa Municipality (Palazzo Doria-Tursi), hosted a conference on infrastructures - smart cities and sustainable finance within the NRRP funds with the participation of Genoa Mayor, Marco Bucci, and the President of the Western Ligurian Sea Port Authority, Paolo Emilio Signorini



The Conference, organised by PKF Studio TCL in partnership with LIUC University, the United Nations Centre of Excellence ExSUF, Municipia and AIFI (Italian Private Equity Association), was attended by leading speakers from the world of Culture, Entrepreneurship and Finance of Genoa and not only. Besides Mayor Bucci and the President of Port Authority Signorini, we recall Paola Deda,

Director of Forests, Land and Housing Division, UNECE, Federico Visconti, Rector at LIUC - Cattaneo University; Anna Gervasoni, President of ExSUF Centre of Excellence and Director General of AIFI, Roberta Cocco, Co-coordinator of the Advisory Committee for the Digital PA, Stefano De Capitani, President of Municipia, Giulio De Carli, Managing Partner of One Works; Giampiero Bambagioni, Vice-Chair of United for Smart Sustainable Cities (U4SSC) and Barbara Pollicina, Founding Managing Partner of PKF Studio TCL.

Dr. Pollicina summarised the main topics covered during the event.

Infrastructures for Genoa and Liguria are a highly topical and interesting issue; the leitmotif of all speeches was the high relevance of infrastructures for the development of smart cities, particularly for Genoa, and therefore the need not to waste current unique opportunities

deriving from the NRRP European Funds.

However, in order to achieve this objective, the commitment of both the public and private sectors is needed. It is no coincidence that Genoa has been chosen as the venue for this event! It is a further sign of rebirth and a fresh start, hoping to leave the Pandemic behind us.

The NRRP projects allocated over **2.5 billion euro in resources to Liguria, with another 3.5 billion euro coming from traditional European funds and the Complementary Fund. There are therefore 6 billion euro to be spent well and within the next 5 years!**

The largest funds concern infrastructures: **692 million euro for ports**, including over 600 million euro for Sampierdarena breakwater and 45 million euro for Vado Ligure breakwater, **electrified quays and green ports, but there are also 182 million euro for the development of railway junctions.**

There are overall 20 national flagship projects and one of the first to be launched, as confirmed by Minister Gelmini during last December Restart Liguria conference, will be the Erzelli project and the completion of the scientific and technological park, as well as the Water front designed by Architect Renzo Piano, Genoa Port-Airport infrastructure node, the Third Pass, and the Sky tram for Valbisagno valley.

So many ambitious projects and funds from Europe! However, the timeframe to develop these plans without losing face with Europe is very tight.

That's the reason why public-private partnerships, and therefore Public Private Partnership (PPP) projects, can be a useful and effective tool to achieve the objectives.

As known, a PPP plan is based on a project developed by a private operator for to realize a public work and/or work of public utility, where the private concessionaire originally carries out the work and then takes its functional and economic management over for a certain number of years so as to be able to return on the investment made.

The merger between public and private capital can therefore help market recovery and development with a positive multiplier effect that can boost innovative skills and encourage competitiveness.

In essence, what is the key to success of PPP projects? An adequate definition of shared objectives and a detailed and thorough evaluation of individual projects are certainly essential elements.

Private investors' interests are obviously focused on the achievement of an economic benefit from the operation, while the Public Administration needs that the projects meet the requirements envisaged within the political and planning strategy to be implemented. Finally, the interest of the community is that the projects are implemented in a short time upgrading the use of public goods and services, namely, the quality of life in a green perspective (also winking, being in Genoa, at our sea!).

The element that unifies apparently inconsistent interests is given by the characteristics of the Public-Private Partnerships; in fact, pursuant to the regulations governing this tool:

1. the evaluation of the project submitted by the private operator must be carried out by the Public Administration **within 3 months from the presentation of the proposal;**
2. the public operator may participate with capital up to a maximum of 49%, pursuant to the provisions set by law
3. the operational risk of the project must be borne by the private operator.

The merger between these factors, underlines Dr. Pollicina, implies the development of a dialogue between the Administration and the economic operator with the common objective of reaching, on the one hand, a proposal in line with the requirements of the Administration (compliance of the work to the political and general policy guidelines to be pursued and the needs to improve the quality of life for the community) and, on the other hand, the possibility to achieve the profitability expected by the private operator investing capital and resources thus turning into an entrepreneur operating in the public sphere.

A virtuous circle is thus created, which is able to control itself and allow positive multiplier effects of investments and projects with a timeframe capable of respecting the schedule set by the European Union for the NRRP funds.

All the above implies a multi-disciplinary analysis that goes into the various structural elements of the proposal, namely: the technical area, **the economic-financial analysis of the project, and the legal-administrative and contractual analysis of the proposal.**

This is where the many professional skills (engineers, architects, designers, lawyers, accountants, business consultants, auditors, etc.) are involved and must work together to achieve the objective.

A further multiplier effect on development and resources for the local economy.

The Government itself, aware of the "change of pace" demanded to the Public Administration and encouraging a larger utilization of the PPP tool, has provided for measures to strengthen the public administrations, in order to allow the effective implementation of the projects envisaged by the NRRP.

These measures include the obligation for public administrations to adopt an 'Integrated Activity and Organisation Plan' as a tool to ensure the quality and transparency of administrative activities, improve the quality of services to citizens and businesses, and move towards a steady and gradual simplification and re-engineering of the processes governing the public administration itself.

In essence, the actions implemented by the Government, besides providing an adequate governance system to monitor the proper utilization of NRRP funds, are aimed at improving the quality of the administrative action; the Government, aware of the tight deadlines set by the EU for the utilization of these funds, has decided to identify in PPP projects and therefore in the co-operation between public and private sectors a good way to achieve the objectives.

In conclusion, therefore, this is an important challenge that Genoa, local politicians and entrepreneurs must seize with both hands. Good luck Genoa!!!

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