

Current PPP Trends in PPP Projects in Lithuania and Experience in PPP blending with EU funds

Riga

5 December 2024

Neringa Pazusiene, PPP Competence Center



PPP LITHUANIA
CENTRAL PROJECT
MANAGEMENT AGENCY

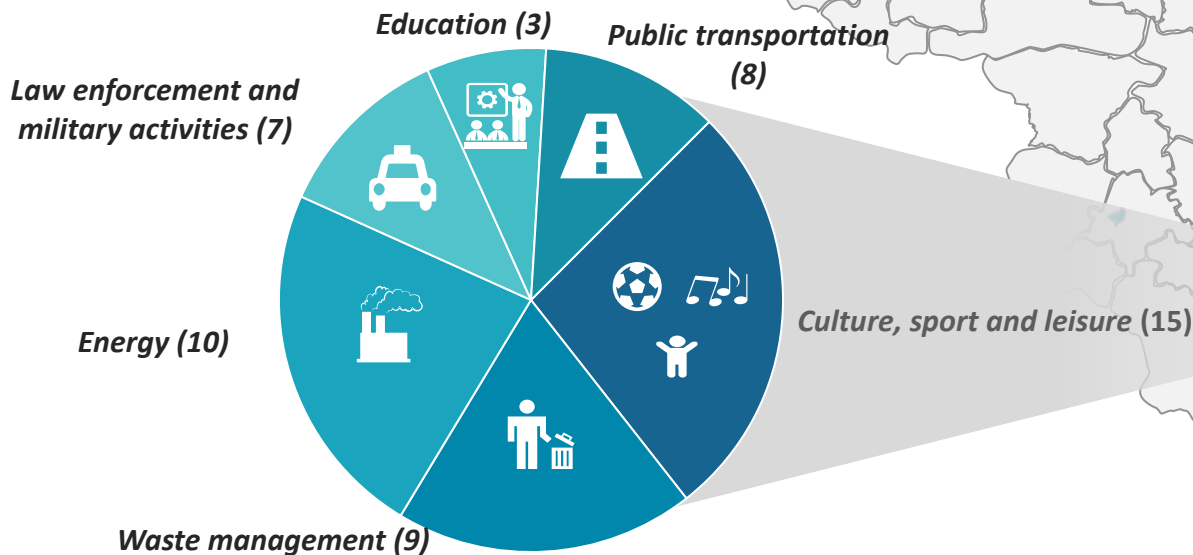
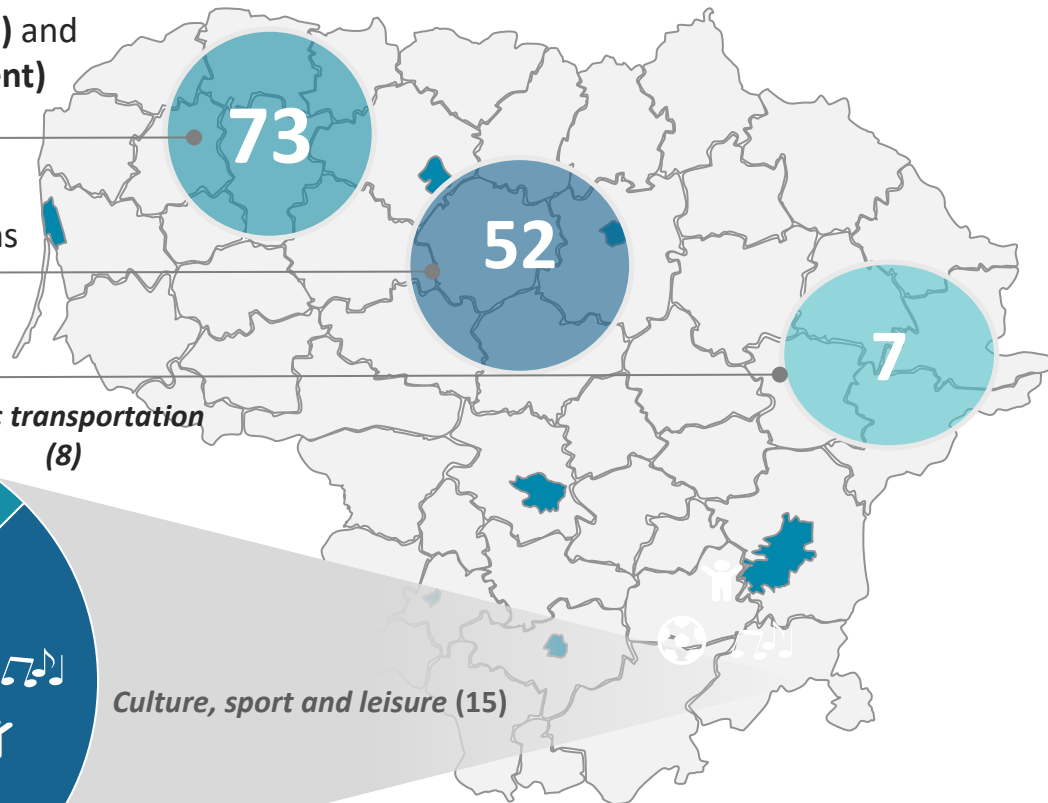


Review of the Lithuanian PPP Market Since 1997

73 PPP contracts are signed and have reached financial close: categorized by type (**60 concessions / 13 PFI**) and ownership (**61 municipality / 10 central government**)

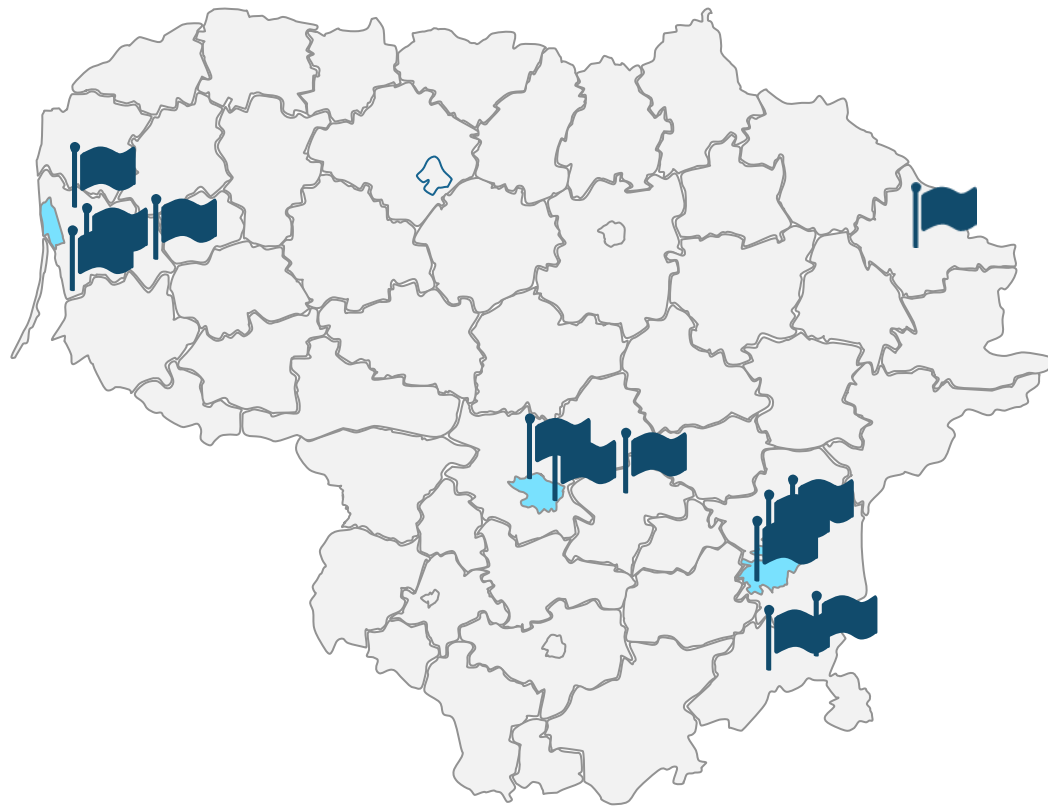
52 PPP contracts are valid: 13 PFI / 39 concessions

7 PPP projects are in procurement procedure

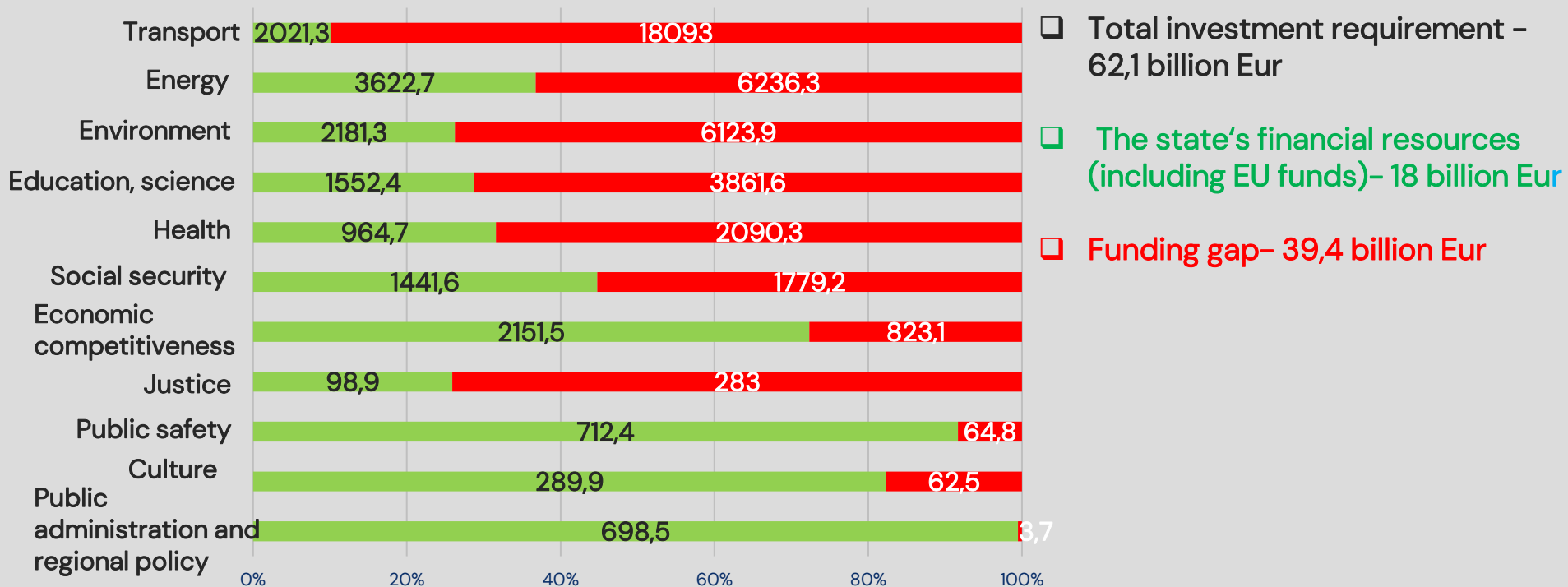


PPP projects pipeline

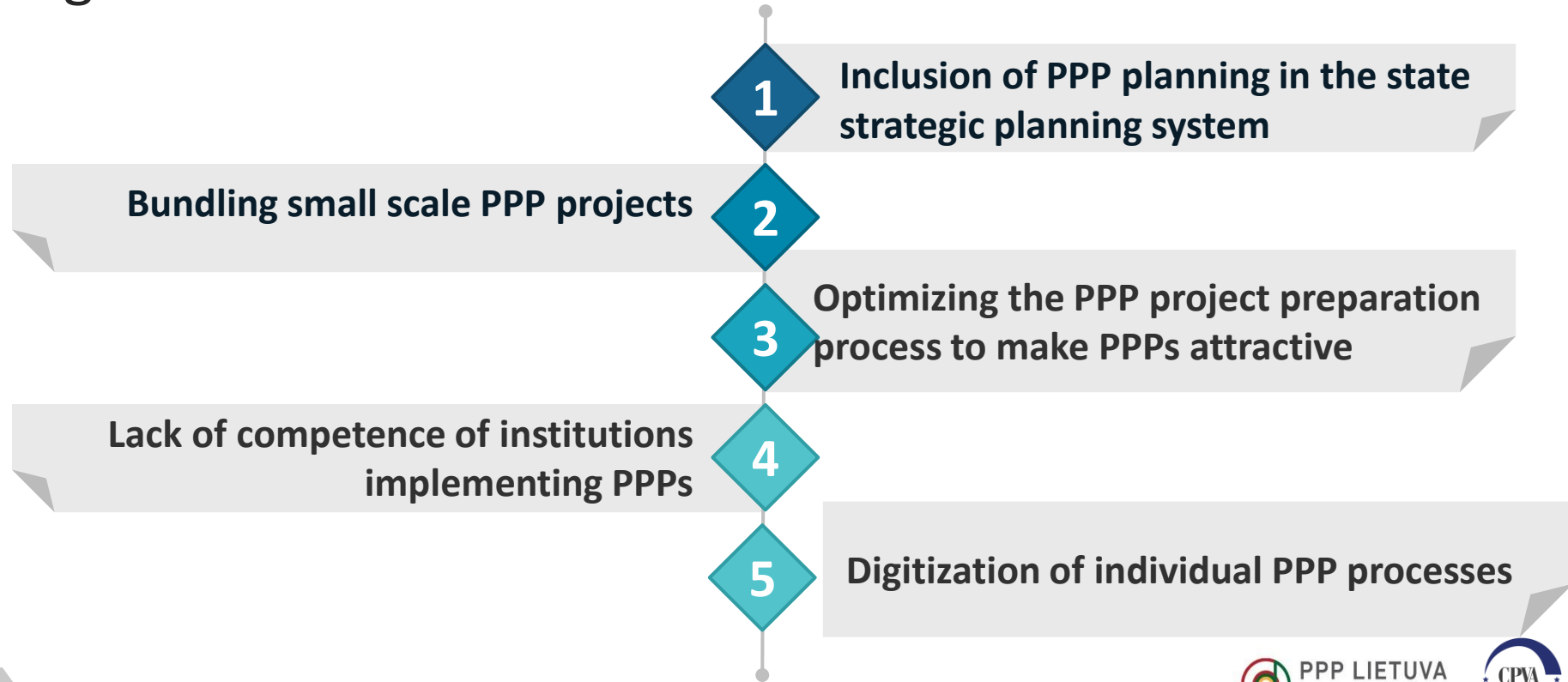
- **Construction and renovation of new roads and streets – 3 PFI**
- **Military Campus – 3 PFI**
- **Development of Klaipėda port – 1 Concession**
- **Renovation of zoo infrastructure – 1 PFI**
- **Creation of a new storage and restoration center for exhibits of the National Museum – 1 PFI**
- **Creation of a new multifunction complex – 2 PFI**
- **Creation of solar power parks for municipal needs – 2 PFI**



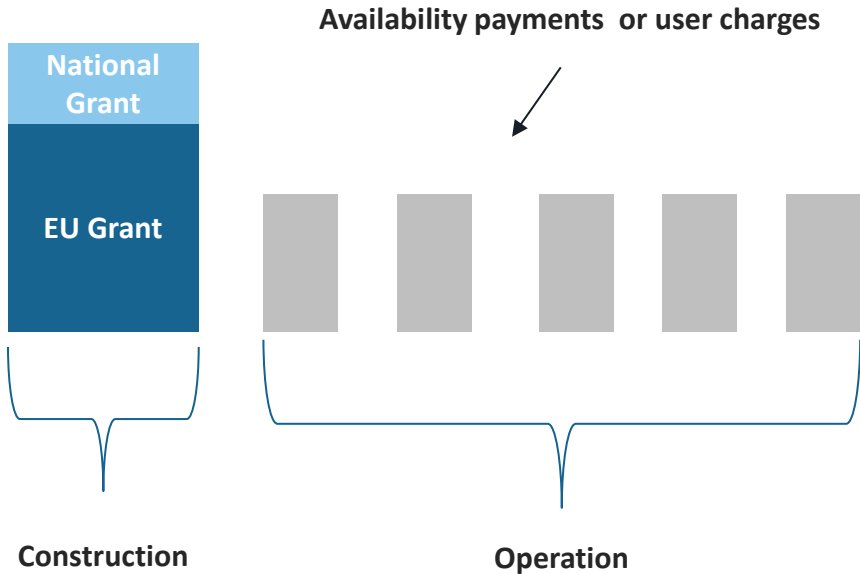
The funding gap



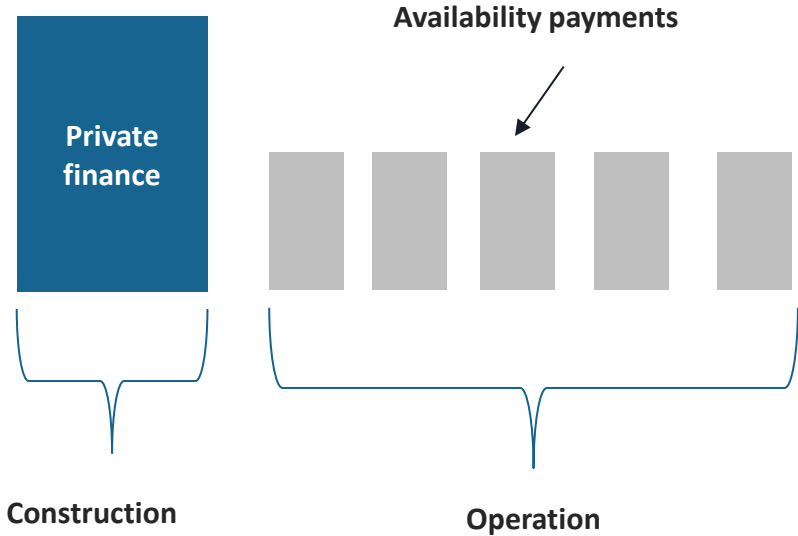
The challenge and issues that led to changes in the legal regulation of PPPs in Lithuania



The models for blending PPPs with EU funds

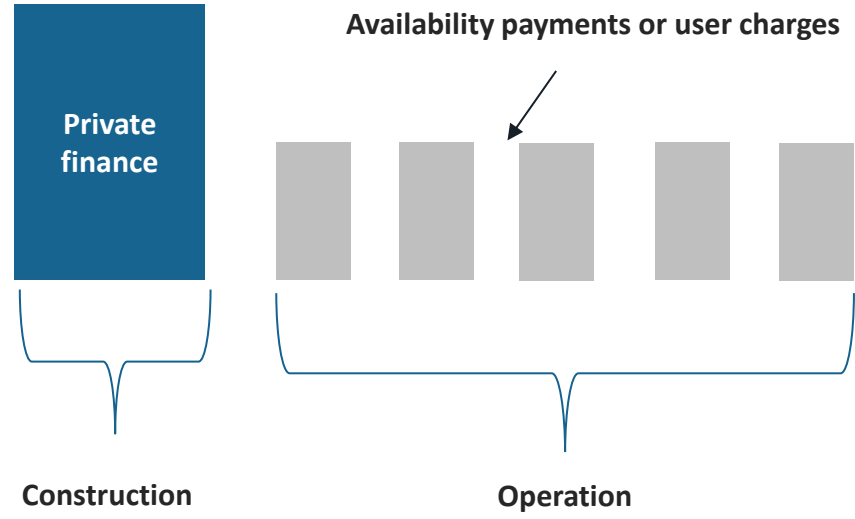


Model 1 – CAPEX subsidy



Model 2 – Payment subsidy

The models for blending PPPs with EU funds



Model 3 – Financial Instrument

Challenges related to blending PPPs and EU funds



The capacity issue



Limited public sector capacity to deliver complex project structures.

The integration issue



Timing PPP mixed with EU funds.

The “beneficiary” issue



Who can be a “project initiator”? SPVs as recipients of grants? State aid issue? VAT issue? Escrow account issue?

Off-balance sheet or not?



The statistical question.

Lessons and observations related to blending PPPs and EU funds



It is necessary to describe the process.



There should be a separate appendix describing the process.



Clear timelines and conditions for compensation payment must be established.

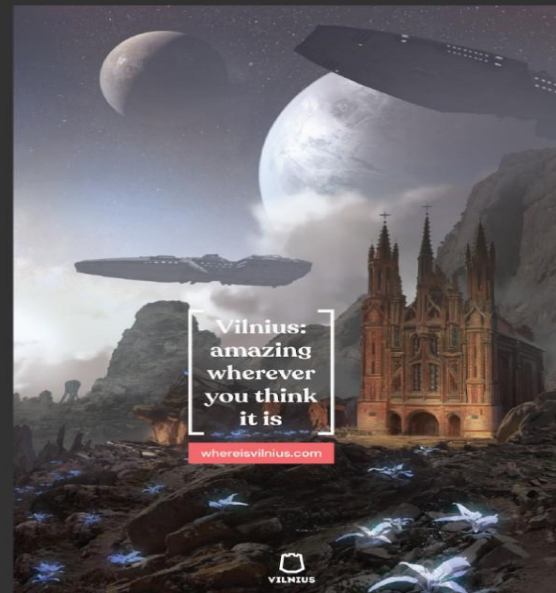
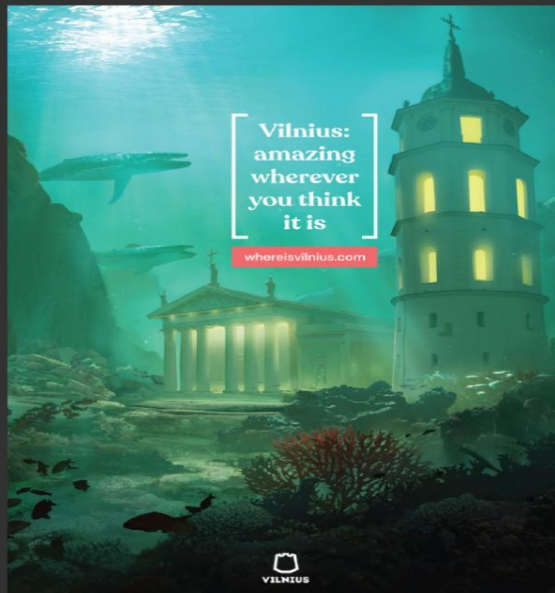
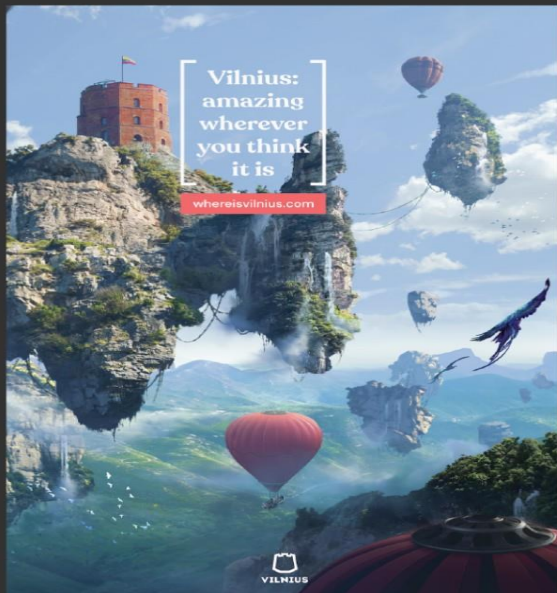


How to compensate if part of the expenses are recognized as inappropriate.



Only the costs of asset creation (excluding VAT) are reimbursed, not the entire investment. Supporting documents are provided by the sub-contractor of the private partner.





More information www.ppplietuva.lt