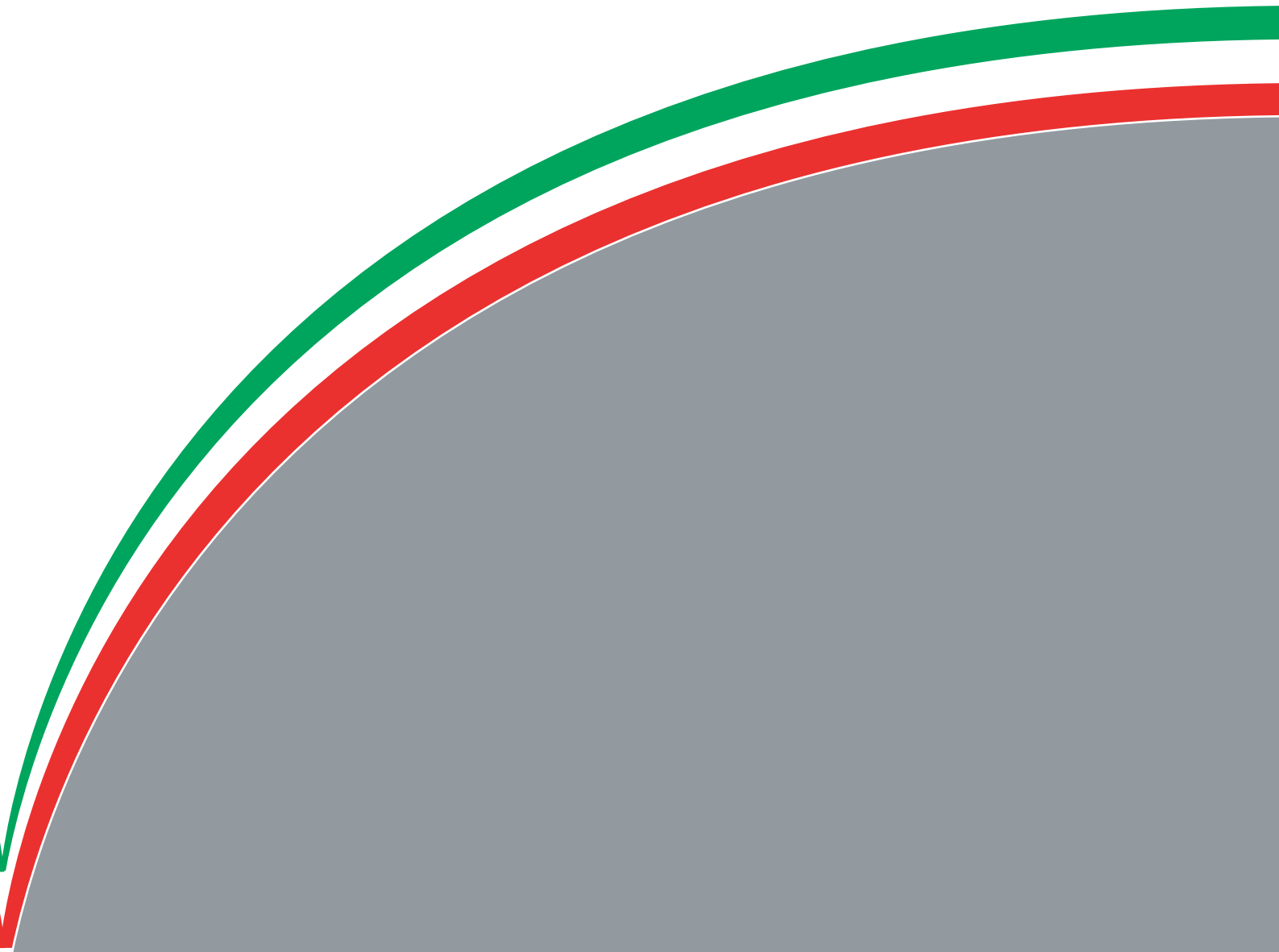




*Interministerial Committee
for Economic Planning*

**Report on the state of implementation
of the Strategic Infrastructure Programme**

Presented to the CIPE during the meeting of 6 March 2009





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OVERVIEW

In 2001, the Italian government set itself an ambitious objective: to bridge Italy's accumulated infrastructure deficit with respect to its main European competitors.

A first step in this direction was the adoption of a new law for the approval, financing, implementation and supervision of the public works under the ordinary procedure: Law 443/2001, the so-called Objective Law. A second step, again in 2001, was the approval by the Interministerial Committee for Economic Planning (CIPE) of a Strategic Infrastructure Programme for the modernization and development of the country.

Many amendments and additions have been made to the Programme over time. In Resolution 69/2008 the CIPE welcomed the infrastructure Annex to the 2009-2013 Economic and Financial Planning Document, and called for an updated report on the costs and coverage of the works in the Programme already submitted to the CIPE and on the development of Community infrastructure initiatives, specifically the trans-European transport networks (TEN-T).

This report was drawn up in response to that request.

In the same resolution, the CIPE invited the Ministry for Infrastructure and Transport to forward to the Department for the Planning and Coordination of Economic Policy (DIPE) of the Presidency of the Council of Ministers, and to the Ministry for the Economy and Finance, a prospectus detailing the interventions to be made in the next three years and the portion of these to be charged to the resources allocated for the Programme's implementation. In compliance with the resolution, the Ministry for Infrastructure sent an account of the interventions to be submitted to the CIPE.

The Programme is the product of a broad institutional debate, combined:

- in the upstream phase, with Community planning, aimed primarily at completing the national sections of the major European corridors; the total cost of the railway, road and once-off structures in Italy amounts to some €104 billion, of which €43 billion for works already under construction. Italy's centrality in the new geo-economic European area is testified to by the assignment of over 20 per cent of the €6.8 billion allocated under the Community budget to the Brenner, Turin-Lyon and "Terzo valico dei Giovi" railway lines – the largest share granted to any one member country;

- in the downstream phase, with the desires expressed by the Regions and other Local Authorities regarding the selection of the works, the procedures for approving their location and environmental impact assessments. The state of litigation, which has consistently found in favour of the government, demonstrates the full observance of the institutional roles attributed by the Constitution and by law.

A glance at the list of some of the projects approved and funded in recent years will suffice to gain some idea of the strategic importance of the Programme.

In addition to the major alpine passes and high-speed railway works on the Turin-Venice and Milan-Naples lines, substantial investments are being made in the metropolitan networks in Italy's major cities (Milan, Rome and Naples), in keeping with the need to relieve traffic on the national road and motorway system.

Work is due to begin soon on vital motorway axes in the North, mostly funded by private resources (the Brescia-Bergamo-Milan (Bre.Be.Mi) and Pedemontana Lombarda motorways) while the MOSE System is already in the advanced implementation phase. In the Centre, the Apennine ridge is being reinforced (Quadrilatero) and work is under way on the Tyrrhenian Corridor (the Rosignano–Civitavecchia motorway), with obvious benefits for relieving the heavily congested A1 motorway.

In the South and Islands, work is under way to modernize the Salerno–Reggio Calabria motorway and the Jonica state road (SS106), and over 90 per cent of the water sector infrastructure projects are already in the construction phase. In Sicily, the Messina–Palermo motorway has been completed and work has started on the Syracuse–Gela, Caltanissetta–Agrigento, and Palermo–Agrigento routes.

Many of these projects have been in the pipeline for decades but, unfortunately, never seriously tackled before 2001.

Over time, the scale of the Programme has increased considerably following the inclusion of new works and the updating of costs. Based on the Survey¹ conducted for this Report, the total cost of the projects approved by the CIPE stands at around €116.8 billion; financial coverage equals €66.9 billion (57 per cent), of which €41.1 billion in public resources and

¹ The Survey (referred to in the report as the “Rilevazione PIS febbraio 2009”), involved sending a questionnaire regarding the projects examined by the CIPE to 164 persons responsible for the proceedings. The questionnaire comprised four sections: the cost of the works, financial coverage, funding developments and timelines, and expenditure and implementation. The questionnaires were sent to the project managers beginning in mid-November 2008 and the data-gathering phase was completed in the last week of February 2009. The Survey was co-edited by the Department for the Planning and Coordination of Economic Policy (DIPE) of the Council of Ministers and the Technical Mission Structure of the Ministry for Infrastructure and Transport.

€25.8 billion in private resources; the residual borrowing requirement amounts to €49.9 billion.

The figures involved are substantial and testify to the budgetary effort of both the tax authorities and the private sector.

In the previous legislature, through a series of regulations that are still today the subject of various legal disputes at national and European level, the realization of investment was curbed, above all in the motorway and high-speed rail sectors. The severe financial and manufacturing crisis that struck the global economy made it even more difficult to raise public and private funds to support investment and growth.

In a series of measures adopted in the early months of its legislature, the government took swift action to address problems in funding and implementing the Programme, and to mitigate the effects of the crisis, thus creating the premises for a structural recovery.

Regarding the public resources, a special Infrastructure Fund was created, to which the CIPE has already made an initial allocation of €7.3 billion drawn on the Underutilized Areas Fund. Many multiyear contributions, allocated by the CIPE in previous years to individual projects in the Programme and drawn on the resources of the Objective Law, were also authorized in the last quarter of 2008. Finally, for the funding of EXPO 2015, the three-year budgetary limit was lifted, ensuring financial coverage based on drawings for each year from 2009 to 2015.

Turning to private resources, half of the motorway concessions were approved and regulations were drawn up for fast tracking the awarding of the works and their implementation. The high-speed rail sections will be completed by the general contractors within the framework of their agreements with the Italian Railway Network (RFI).

In addition to these measures, and with a view to attracting private capital, the government recently adopted and launched initiatives aimed at strengthening the activities of several national and Community financial institutions operating in the public works sector (the Deposits and Loans Fund, the European Investment Bank, the Marguerite Fund, etc.).

Thanks in part to these measures and based on the results of the Survey, it is estimated that the value of the projects awarded in 2010 will be €76.6 billion, equal to around 65.5 per cent of the total cost of the works approved by the CIPE; in 2013 expenditure is expected to exceed 50 per cent of the works approved.

Both the government's action and the potential benefits for the entire country are undoubtedly confirmed by these results.

1. TRANSPORT POLICY IN EUROPE

The decisions that led to the definition of the Strategic Infrastructure Programme (hereinafter the “Programme”) and its subsequent development are deeply rooted in the process of shaping a more complex geo-economic landscape such as the European one.

National planning implemented primarily under the General Transport Plan, from the beginning of 1986 up to the 2001 Transport and Logistics Plan, crossed over with the 1993 Master Plan of the Christophersen Group and the 2004 Master Plan of the High-level Group chaired by Karel Van Miert, which reshaped the European infrastructural landscape by identifying several corridors and priority projects for the European economy that also concern Italy.

The European transport system set itself a number of objectives included under the definition of *Wider Europe*: a geo-economic proximity policy, the need to increase trade between the enlarged Union of 27 countries, and to promote the free movement of people and goods including in respect of extra-EU trade. To these objectives was added that of bringing Europe and the countries on the southern shore of the Mediterranean closer together, primarily via the European infrastructure that crosses the Italian peninsula.

Europe considers that all the priority projects have now been selected and is working determinedly on their realization, including through the disbursement of specific Community contributions drawn on budgetary allocations already approved for the period 2007-2013. The identification of expenditure breakdowns for carrying out the works and of the commitments by the institutional entities in charge of financing them, along with the classic tools of public-private partnership, is the distinctive hallmark of the current European transport policy.

With the approval of the Community budget, Europe allocated to Italy €25.6 billion drawing on the 2007-2013 Structural Funds, and over 20 per cent of the €6.8 billion earmarked for the TEN-T networks (with the largest share going to the Turin-Lyon, Brenner, and Trieste–Divaccia alpine passes).

When the European ministers responsible for transport met on 9 October 2008, the Italian government stressed the importance of supervising all the material, legal and financial actions necessary to the completion of the TEN-T networks, also with a view to ensuring appropriate coordination with the procedures for activating the resources allocated under the

National and Regional Operational Programmes of the 2007–2013 National Strategic Framework for the multimodal infrastructure works of each individual corridor.

Among the various regulatory provisions, of special note are those aimed at encouraging a shift in freight from road to rail, also considering the existing interconnections between the multimodal network nodes and arches situated along the corridors, and the introduction of a single environmental monitoring system on every TEN-T Corridor.

It was precisely the transition from the planning phase to the allocation of resources and implementation of the works that led to the full assumption of responsibility by the individual member states for the completion of not only the border sections but also the sections of the corridors inside each state's borders.

The total cost of the rail, road and ad hoc works for corridors 1 (Berlin–Palermo), 5 (Lisbon–Turin–Trieste–Kiev) and 24 (Rotterdam–Genoa) that cross Italy is roughly €104 billion. To date, the CIPE has already approved projects for a value of around €75 billion, and allocated around €45.2 billion to works under construction.

Corridor 1 (Berlin–Palermo) includes works valued at around €59 billion, of which 27 road works and 32 rail works. Up until four years ago, it envisaged just one axis joining two logistic nodes: the intermodal transit nodes of Verona and Monaco. Today it is an economic infrastructure extending as far as Palermo, displaying a highly integrated road and rail network, and directly involving the partners located in each state (local authorities, railway and road companies etc.). The corridor 1 projects approved by the CIPE include, for example, the Verona node, the quadrupling of the Fortezza–Verona railway line and the Brenner railway tunnel. The total cost of the works under construction amount to €38 billion, of which €23 billion for works that have already been completed. The remainder is for works in the advanced planning stage.

On corridor 5 (Lisbon–Kiev) the CIPE approved interventions costing some €38 billion (€10.8 billion for road works and €27.1 billion for rail works), of which more than €11 billion for works that have been completed or are under construction. The works approved by the CIPE include, for example, the high-speed Milan–Verona and Verona–Padua railway networks.

Corridor 24 (Rotterdam–Genoa), known as the “Corridor from Sea to Sea” because it stretches from the North Sea to the Mediterranean and will ensure Genoa and Rotterdam become two key terminal hubs on a dry canal capable of optimizing logistics processes, today boasts railway projects already approved by the CIPE for a total value of €7 billion, including the “Terzo Valico dei Giovi” high-speed railway line and the Voltri–Brignole line.

Finally, there is corridor 8 (Bari–Varna) and the trans-European “Motorways of the Sea” project. Corridor 8 was not included in the main corridors of the TEN-T networks since it crossed countries that had not yet joined the European Union; following Bulgaria’s admission to the EU and under the Euro-Mediterranean Project, Italy requested that this corridor be included among the TEN-T networks and the European Commission is assessing the proposal as part of a review of its original decision.

Corridor 8 comprises road and railway infrastructure works for carrying East-West traffic on the Adriatic Corridor and port traffic in the cities of Bari, Taranto and Brindisi, with a total cost of €5.9 billion, of which €0.4 for projects already approved by the CIPE. The construction of the works for this corridor will be facilitated by the provisions adopted by the government to implement the “Motorways of the Sea” project; in particular, recourse to the Ecobonus and the numerous port-area projects currently under construction will enable the reduction of costs and last-mile inefficiencies.

Table 1 summarizes the costs of the road and rail works of corridors 1, 5, 24 and 8, which cross Italy.

TABLE 1 – European corridors: cost of the works involving Italy
(billions of euros)

Corridor	Works	Total cost	Ongoing	Completed
1 Berlin – Palermo	Road	27.2	18.0	10.0
	Rail	32.0	20.0	13.0
	Road and rail	59.2	-	-
5 Lisbon – Kiev	Road	10.8	-	-
	Rail	27.1	7.2	4.2
	Road and rail	37.9	-	-
24 Rotterdam – Genoa	Rail	7.0	-	-
8 Bari – Varna	Road and rail	5.9	-	-

Source: Ministry for infrastructure and Transport – Technical Mission Structure.

In conclusion, Italy is heavily involved in the European process of infrastructural development, aimed at promoting the movement of people and goods along several major corridors from North to South and East to West. This is the context in which the strategic decisions leading to the definition and subsequent development of the Programme referred to in this Report are founded, and as such should be assessed.

2. THE OBJECTIVE LAW

The General Transport and Logistics Plan and the Community guidelines on the TEN-T networks were followed by the Objective Law 443/2001, which mandated the government to:

- identify, in a special Programme drawn up by the Ministry for Infrastructure and Transport in accordance with the other competent Ministries, Regions and Autonomous Provinces, the public and private infrastructure projects and productive districts of strategic and pre-eminent national interest for the modernization and development of the country;
- issue one or more legislative decrees aimed at defining a regulatory framework for the rapid realization of the infrastructure projects in the Programme, based on the criteria and principles indicated therein.

The set of regulations implementing the principles and objectives contained in the enabling law assign a central role to the CIPE and introduce particularly important innovations to the ordinary procedure for the execution of the public works in the project approval and financing phases, during the supervision of the executive phase, and in relation to litigation.

2.1 Procedural innovations

Legislative Decree 190/2002 established clear terms and procedures for the planning and implementation phases, in particular by:

- confirming the fundamental role of the environmental impact assessment and the division of competencies between the State and the Regions provided for in the ad hoc legislation, but also by bringing the assessment forward to the preliminary planning phase, together with all the other tasks liable to affect the delineation and even the feasibility of the project concerned;
- setting up a special Commission for the works subject to a public environmental impact assessment, which in the event of concurrent regional interests, could be extended to include representatives from the Region or Province concerned;
- making it obligatory for the Regions to seek the opinion of the Municipalities affected by the implementation of a project, but making these opinions non-binding;
- requesting the Region's agreement to the project's location and establishing, in the event of a reasoned negative opinion issued by the Region itself – whose President

attends the CIPE meetings for the approval of the relevant project – a procedure culminating in the issuance of a Presidential Decree, subject to a debate in the Council of Ministers;

- establishing, in order to set the project's expenditure limit, a 5 per cent ceiling for any works and measures that offset the territorial and social impact of the work, not including, however, any costs incurred for mitigating the environmental impact identified in the assessment procedure;
- deferring until the examination of the final project, in other words to a more advanced planning phase, the fact-finding Services Conference;
- mandating the CIPE, along with the President of the Region or Autonomous Province concerned, to simultaneously approve the final project and the plan for overcoming interferences;
- establishing in routine operation, as implementation procedures, the building and operating concessions and recourse to the general contractor, who: a) takes full responsibility for the correct and timely execution of the work with respect to the contracting entity; b) is paid, in full or in part, only after the works have been carried out; c) if comprising more than one entity, can, if necessary, set up a special company for the project's implementation.

Legislative Decree 190/2002 was amended by Legislative Decree 189/2005 (comprising a "Technical Annex") which:

- laid down more detailed rules for the approval of the projects, with significant repercussions for their funding profiles;
- established more detailed regulation of the variants;
- introduced the category of "public project company" which, by developing a working hypothesis already advanced for the co-financing of the Umbria–Marche road axis (the Quadrilatero), can draw on proceeds from the territory for the partial coverage of the costs and use the additional revenue, in terms of taxes and company registration fees, connected with the implementation of the work itself.

The provisions of these legislative decrees were later transposed into Part II – Title III – Chapter IV of Legislative Decree 163/2006, which has been amended on various occasions. Specific rules were laid down for the production plants and for the private strategic infrastructure for energy supplies, including transitional provisions and derogations.

2.2 Funding procedures

One of the first changes introduced by Legislative Decree 163/2006 concerns the possibility of granting funds for a preliminary project with a view to removing at the outset any obstacles to the feasibility of the work. The CIPE – above all when the Programme was first being implemented and when more advanced projects were available for only a few works on which to concentrate the resources – availed of this possibility, while simultaneously approving preliminary projects of major importance which did not have full financial coverage (the rail tunnel under the Brenner tunnel and the Turin–Lyon line).

The intuition of the Objective Law to reassign responsibility to the CIPE for the approval of projects and allocation of resources proved correct, inasmuch as the Committee is the appropriate forum for reconciling the country's developmental needs with those of financial stability. We will see in Chapter 4 how this task has not proved easy.

A second innovation, considering the Programme's borrowing requirement, was the decision to attract more private capital. With a view to developing virtuous forms of recourse to public-private partnerships (PPPs) for the implementation and management of the works included in the Programme, Legislative Decree 190/2002 provided that the Ministry for Infrastructure and Transport could request the help of the PPP Task Force, working within the Department for the Planning and Coordination of Economic Policy (DIPE) of the Presidency of the Council of Ministers, and that the CIPE itself could rely on the technical support of the PPP Task Force during the approval phase of the relevant infrastructure projects.

The preliminary examination of the economic and financial plans for the individual projects – by the Ministries for the Economy and for Infrastructure, the Committee's offices and by the PPP Task Force – was reinforced by the provisions of Article 4(134 et seq.) of Law 350/2003. In accordance with these provisions, applications to the CIPE for the allocation of resources for strategic works whose operation can generate an economic return, and which are not included in the financial plans of the concessionaires or in future additional documents, must be accompanied by a cost-benefit analysis and an economic-financial plan, drawn up by the contracting entity based on a standard model approved by the CIPE itself, indicating the resources available for the project's implementation and the relative earnings. CIPE Resolution 11/2004 approved:

- a standard synthetic economic-financial plan, which must be sent to the CIPE by all the contracting entities that request funds under the Objective Law;

- a standard analytical economic-financial plan, used to help compile the synthetic plan and in any event to be attached to the documentation on works for which further examinations of an economic and financial nature become necessary.

The PPP Task Force routinely requests that the analytical economic and financial plan be submitted to it for the purposes of arriving at an opinion.

Given that the intervention of the PPP Task Force at the time of approval of the preliminary and/or definitive strategic infrastructure projects has often been late with respect to the need to organize correctly the public-private partnerships for implementing the initiatives, Article 161(1bis) of Legislative Decree 163/2006, as amended by Legislative Decree 113/2007, provided that the contracting authorities conduct feasibility studies of the works, based on the models defined in a resolution adopted by the CIPE, and prior to the inclusion of the works themselves in the Programme. It further provided that in respect of these studies, the same authorities seek the assessments of the PPP Task Force, aimed at verifying, for those projects whose operation could generate an economic return, forms of recourse to private capital and their concrete feasibility.

The PPP Task Force has already provided support to the Authority for the Supervision of Public Contracts in defining “Guidelines for granting public work concessions through the procedures set out in Article 153 of the Code” and “Guidelines for drawing up feasibility studies” of the ordinary works. During 2009 the models for conducting the feasibility studies of the strategic works will be defined which, it is important to remember, can be submitted for approval to the CIPE from the preliminary project stage.

The correct definition of project financing operations also depends, of course, on the experience acquired over the years by the PPP Task Force in examining the works submitted to the CIPE for approval. The projects that have been co-financed by the private sector are sufficiently numerous to enable some initial conclusions to be drawn regarding the strengths and weaknesses of the various forms of public-private partnerships tried out in the Programme’s implementation.

As we shall see more clearly in Chapter 4 of this Report, numerous regulations have complicated the activation of the financial resources for the coverage of the works, in part owing to the objective difficulty of reconciling the goal of efficient and effective expenditure with that of financial stability.

2.3 Monitoring and supervision

Returning to the changes introduced by the Objective Law, of special note is its attribution to the CIPE, together with the Ministry for Infrastructure and Transport, of the supervision of the implementation of projects approved and/or financed by the CIPE. This was confirmed in Article 4(139) of the 2004 Finance Law, which provided that this function be discharged also “in the interest of the financing entities” for interventions which, given their potential to generate an economic return (see above), were financed by private resources. In Resolution 63/2003, the CIPE regulated its relations with the Ministry for Infrastructure and Transport in respect of the supervision of the assignment and implementation of the interventions.

In relation to the supervision of the works, a distinction must be made between the supervision of files, documents, the scale, financial coverage, borrowing requirement and state of advancement of the Programme and more in-depth verifications, aimed at eliminating potential problems and ensuring that the individual projects are completed.

Regarding the former, data on the Programme’s performance have improved year on year thanks to the numerous explorative surveys conducted by the CIPE. A first general survey of the Programme’s implementation was approved in Resolution 130/2006, in which the CIPE reviewed the programme, updated the costs and coverage of the projects that it had examined to date (Annex 1), and broke down complex items into sub-interventions (Annex 2). On the same occasion the Committee, taking account of the criticisms raised also by the State Audit Office regarding the difficulty of determining the overall scope of the Programme, ruled that any, further breakdowns of the complex items involving the “overshooting” of the cost indicated in Annex I could be made only on the basis of the procedure set out in Article 1 of Law 443/2001, as amended by Article 13 of Law 166/2002.

A second verification of the Programme’s implementation was made by a special interministerial working group, set up by the Committee in its session of 29 September 2006, whose conclusions were included in a report submitted to the CIPE in its meeting of 17 November 2006. Subsequently, the 2008-2012 Economic and Financial Planning Document set out, in tables, the state of advancement of the works in the Programme.

Finally, the 2009-2013 Economic and Financial Planning Document proposed an updated table illustrating the planning scenario, referred to in Resolution 130/2006; in expressing an initial positive opinion of the Planning Document’s updated planning scenario, CIPE Resolution 69/2008 made provision for a resolution to reassess Resolution 130/2006 and to update the costs and coverage of the works already submitted to the Committee.

This was the origin of the strategic infrastructure survey conducted for this Report (“Rilevazione PIS”), updated to February 2009.

Turning to the verification and incentivization of the activities necessary for launching and completing the individual projects, Legislative Decree 190/2002 created the role of Special Commissioners, appointed by the President of the Council of Ministers acting on a proposal by the Minister for Infrastructure and Transport, reached in agreement with the President of the Region or Autonomous Province or with the Mayor of the Metropolitan city concerned.

Subsequent Prime Ministerial Decrees appointed the Special Commissioners responsible for monitoring the provisions and procedures required for the prompt planning, examination, award and implementation of the works in a given geographical area. More specifically, one Commissioner was appointed for the water sector and seven for the monitoring of infrastructure located in the same number of territorial agglomerations (North East; Liguria/Lombardy; Emilia-Romagna/Tuscany; Sardinia/Umbria/Marche; Lazio/Abruzzo/Molise; Campania; Puglia/Basilicata/Calabria/Sicily).

The Commissioners have helped build a single centralized information architecture, gathering data which, for particularly complex works, are often spread among many different entities. By contrast, they were not attributed the extraordinary powers aimed at eliminating obstacles and the inertia of the entities ordinarily responsible for completing the works, in particular:

- the powers of substitution referred to in Article 13 of Decree-Law 67/1997 (the decree for “unblocking” construction sites), which was the subject of some four corrective and supplementary amendments aimed at making it more incisive. Besides, even if these powers had been conferred, it is important to note that they would still have had at least two major limits: 1) the Special Commissioner would have recourse, from an operational perspective, to the same authorities he must substitute; 2) in the event of there being overlaps in competencies between the Local Authorities, the Commissioner would be obliged to give advance notice of the provision he intended to adopt to the authority concerned, which within a short space of time could order its suspension and even adopt alternative provisions;
- the powers attributed by Law 225/1992 (better known as the “civil protection” law) which, unlike those in Law 67/1997, are exercised by the Commissioner for civil protection who avails of a specially established and autonomous structure, and entail the direct transfer of competencies to the Commissioner himself. The Commissioner is then responsible for the complete and direct management of the project approval,

award and implementation phases. While the prerequisites for the activation of these powers are necessarily circumscribable to particularly urgent cases, which clearly do not subsist for the majority of the works included in the Programme, recourse to them can produce positive results, as in the case of the Mestre bypass.

The experience of the Commissioners under the Objective Law did not, therefore, produce particularly significant results and even when the commissarial powers were attributed to the Superintendents of the public works during the previous legislature, their role in driving and speeding up the projects proved limited.

Recourse to the Commissioners for overcoming slowdowns and delays is nonetheless commonplace. Most recently, Decree Law 185/2008 provided for the appointment by Prime Ministerial Decree of the Special Commissioners, entrusted with the task of supervising and ensuring compliance with the timeframe for the realization of the public investments for which the State is competent, and which are considered a priority for the economic development of Italy. It further provided that the Commissioners, whose remuneration is conditional on their adherence to the terms and conditions for the implementation of the works, be granted from the time of their appointment the powers, including of substitution, referred to in Article 13 of Decree Law 67/1997 in addition to the power to propose to the competent Minister or President of the Region concerned, the revocation of the assignment of the resources. With respect to the powers conferred under the Objective Law, the Special Commissioner now enjoys several additional powers, has increased responsibility and is called on to refer principally, if not exclusively, to the delegated Minister.

Experience to date indicates that no single institutional, organizational and procedural solution exists for the correct execution of the works. When the authorities responsible under the ordinary procedure for the planning, approval and implementation of the project are not in a position to operate effectively, it is right that alternative solutions be sought, as happened, for example, with the so-called infrastructural federalism, already in operation in Lombardy and Veneto, and the appointment of Commissioners endowed with effective powers.

Article 15(5) of Legislative Decree 190/2002 is of particular significance as regards the high supervision of the Programme. It entrusted to a decree by the Minister of the Interior, in concert with the Minister for Justice and the Minister for Infrastructure and Transport, the identification of procedures for monitoring infrastructure projects and industrial plants with a view to preventing and combating attempted mafia infiltration. Based on this law, the interministerial decree of 14 March 2003, amended on many occasions, set up the Co-ordination Committee for the high supervision of the major public works, which, in its session

of 27 October 2004, set out guidelines for the inclusion of specific clauses in the resolutions approving the strategic infrastructure projects and, in particular, the clauses stipulating the legality protocols.

Again, with a view to preventing attempted infiltration by mafia organizations, Legislative Decree 189/2005 stipulated that the tender notices for the selection of the general contractor and, insofar as this were compatible, the procedures for awarding concessions, should include in the cost of the work a flat rate, not subject to any reduction, for the implementation of these preventive measures.

Article 176 of Legislative Decree 163/2006 was subsequently amended by Legislative Decree 113/2007, with a provision assigning direct responsibility to the CIPE for defining, based on proposals by the Co-ordination Committee for the high supervision of the major public works, a more detailed plan for the legality protocols, which would include the monitoring of financial flows along the entire chain of subjects taking part in the implementation of the interventions financed by resources allocated to the Programme (from the contractor to the sub-contractors and suppliers).

In Resolution 50/2008, subsequently amended by Resolution 107/2008, the CIPE, acting on a proposal submitted by the Co-ordination Committee, launched a trial identifying as the object part of the chain of sub-contractors and suppliers for the Rome metro C line along with the relevant criteria to be applied (the obligation to use dedicated accounts and online bank transfers, which must bear the Individual Project Code).

2.4 Litigation

Such are the importance of the interests involved in their implementation that every procedure for the approval, funding and award of public works contracts is vulnerable to litigation. Of particular importance, therefore, are the procedural provisions. Not only have more rapid timeframes been established for processing the relative disputes, but also, in keeping with the indications of Council Directives 89/665/EEC of 21 December 1989 and 92/13/EEC of 25 February 1992, the principle has been established – vital for resolving the notorious issue of litigation that so often delays the implementation of even strategic works – of “reparation in kind”, so that the suspension or jurisdictional annulment of the award does not result in the rescission of any contract previously stipulated by the contracting entities.

The regulatory framework outlined above has withstood the appeals lodged to date by Local Authorities and the private sector.

The law was initially denounced as unconstitutional by several Regions, which claimed it undermined the prerogatives attributed to them under the Constitution regarding infrastructure planning in the territories for which they were competent. The legislator responded by introducing several amendments to Article 13 of Law 166/2002, aimed at ensuring more comprehensive safeguards of regional prerogatives, in particular via a provision that the interventions in the Programme should be included in a General Framework Agreement, valid for several years, between the Government and each individual Region or Autonomous Province for the purposes of jointly coordinating and implementing the works.

In its Ruling no. 303 of 25 September 2003, the Constitutional Court substantially acknowledged the legitimacy of the regulatory framework. At the same time, it recalled the essential prerequisite of a State-Region agreement for the Programme's implementation, emphasizing how this could also be reached following the unilateral identification of the project by the government, and how the funds assigned to the works must be considered ineffective until such time as the agreement had been concluded.

In accordance with the abovementioned ruling, the planning decisions by the CIPE were agreed with the Regions through the stipulation of the General Framework Agreements provided for in Article 13 of Law 166/2002, which take the form of planning documents drawn up between the State and the individual Regions, for the purpose of implementing the planning processes involving both institutions and local territories.

To date, the outcome of litigation has been positive for the government: of approximately 240 appeals (administrative or jurisdictional) regarding 43 strategic works, lodged by Authorities, companies, associations and the private sector, around one third have already been ruled on, consistently in favour of the Committee (rejected, dismissed or declared inadmissible), or have been dropped. In just one case the Constitutional Court annulled a CIPE resolution, citing a conflict of attribution with the Region concerned (Ruling 67/2003, relative to the Bologna metro), while in other cases the rulings upheld the appeals in part, although only with regard to the implementing measures in the CIPE resolutions approving the projects, whose legitimacy were not called into question. In confirmation of this, the aforementioned Decree Law 185/2008, citing the norms on litigation similar to those contained in the Objective Law, makes special provision for administrative proceedings regarding the other priority works for which the State is competent: on the one hand, by considerably reducing the length of proceedings before the regional administrative tribunals; on the other, by establishing that in the event of an annulment of the pleadings the judge can rule exclusively

on the reparation of any damages in an amount not exceeding one tenth of the value of the works based on the bids made during the call for tenders.

3. THE STRATEGIC IMPORTANCE AND SCALE OF THE PROGRAMME

As we have seen in the previous chapters, the Programme approved in the CIPE Resolution 121/2001 is the fruit of guidelines on mobility defined at national and European level; over time a series of amendments were introduced in the Economic and Financial Planning Documents presented between 2003 and 2008 (subject to the Committee's opinion and the agreement of the Unified Conference referred to in Article 8 of Legislative Decree 281/1997) and in several Finance Acts.

The Programme is divided into corridors i.e. sections of multimodal territory responding in operational terms to the need to reorganize the supply of national and European infrastructure, and is divided among 14 groups of infrastructure corresponding to the same number of sub-systems attributable to transport networks, once-off structures, water schemes, and the energy and telecommunications sectors. Infrastructure needs such as roads, railways, motorways, port hubs and interports, urban systems, links to the major airport hubs, the logistics platform of Sardinia, the water systems necessary for normal water supply, the MOSE System, the Strait of Messina Bridge – are all pieces of an inevitably complex mosaic that ought to be analyzed in systemic terms.

With the passage of time, the strategic choices of the Programme have also had a significant impact on the formulation of a variety of public planning documents: the Italian Railway (RFI) Planning Contract, broken down by investment and services, the National Road Agency (ANAS) Planning Contract and many Multiyear Plans for the Port Authorities are examples of documents which partly implemented the systemic guidelines that came from the Objective Law before assuming their current form. More than 80 per cent of the value of the Programme is included in the 2007-2011 Planning Contracts for ANAS and RFI, which are currently in force; the attestation of the economic congruity and the cost-benefit analysis conducted by ANSA and RFI for each individual project included in these contracts reinforces not only the strategic credibility of the Programme, but also recognizes the same utility of the Programme that led to its creation in the first place.

Over time, the Programme has been modified through specific sectoral plans and policies for making more targeted territorial planning interventions. Other examples of this include the amendments to the Programme that came about through the establishment under Article 80(21) of Law 289/2002 of the School Buildings Safety Programme, paying particular attention to schools located in earthquake-prone areas; or the identification and implementation of an Institutional Building Programme, indispensable to the decorum of the

representative institutions of the Italian Republic; up to the Programme for speeding up the completion of strategic works adopted in the 2004 Finance Law which allocated, drawing on the Underutilized Areas Fund (FAS), €1,130 million initially, then a further €892 million for strategic works in southern Italy and €40 million for railway planning, again in the South. An additional €200 million in resources for the same initiative were drawn on Law 166/2002.

The launch of work between 2001 and 2006 on some urban systems, including the Rome and Naples metros, the works under way on the Salerno-Reggio Calabria motorway, the conclusion of the works on the Messina-Palermo motorway, the opening of negotiations with the European Union for the establishment of Corridor Partnerships for the construction of the Brenner and Frejus Passes, the marked acceleration of investment in the water sector – by objectively altering the transport landscape of Italy – triggered several irreversible processes of optimization of the logistics and supply chain.

A National Logistics Plan was also drawn up, adopted by the CIPE with Resolution 44/2006, which offers an updated picture of the country's infrastructure, divided into macro areas comprising logistics platforms for various transport modes designed to improve the rationalization of traffic flows. The Plan has led not so much to a modification of the Programme's costs as to its greater rationalization.

3.1 Changes to the scale of the Programme over time

Changes to the financial dimension of the Programme have been photographed by the Economic and Financial Planning Documents (DPEFs) presented between 2003 and 2008.

In 2001, when it was first approved by the CIPE, the Programme cost €125.9 billion compared with available funds of €11.9 billion.

Among the 127 strategic works included in the 2001 Programme, the Infrastructure Annex to the 2003-2006 DPEF indicated 21 "priority" projects, while the 2004-2007 DPEF that followed, in keeping with the Community guidelines aimed at guaranteeing the financial planning alongside the material one, also identified projects which, in terms of quality and planning levels, were suited to funded in the following three-year period.

CIPE Resolution 3/2005, implementing the changes to the Programme contained in the 2005-2008 DPEF, increased the financial resources under the Programme to €131.4 billion. The increase was determined by the inclusion of 10 new projects, including:

- 2 by law, establishing a fund for ensuring the continued efficiency of the headquarters of institutional bodies (the Institutional Building Programme) and the School Buildings Safety Programme;
- 2 water schemes;
- 6 complementary to other interventions in the transport sector already included in the Programme.

The 2006-2009 DPEF approved another significant increase: the cost of the Programme rose to €173.4 billion, owing to part to the insertion by the Houses of Parliament of the works included in the plan to expand the national electric grid and in part to the increase in the prices of raw materials in the building sector, estimated at around 4.2 per cent by the Ministry for Infrastructure and Transport.

In its session of 17 November 2006, the CIPE noted the findings of the survey on the state of advancement of the Programme, substantially confirming the Programme's value in the amount of €174 billion and setting at around €91 billion the "financial perimeter" for all the projects, which at different planning stages, had been the subject of a CIPE resolution and therefore represented, based on various timelines and drawing on various sources of finance, State commitments to implementing the Programme.

In approving the 2008-2012 DPEF, Committee Resolution 45/2007 updated the cost (€97.5 billion), coverage (€53.5 billion) and borrowing requirement (€44 billion) of the works already approved by the CIPE (Annex A to the resolution), and those of the works indicated as priority projects not yet submitted to the Committee (Annex B). These include the Turin-Milan A4 motorway, various major sections of the Jonica state road (SS106), road access to the Savona and La Spezia ports, the Romea E45-E55, the Grosseto-Fano and the high speed/high capacity railway lines from Fortezza to Verona and from Ronchi to Trieste.

In short, the approval of new works in the previous legislature, which implied a large increase in the Programme's perimeter for the projects already approved by the CIPE, was accompanied by the substantial abandonment of activity on several major works such as the Strait of Messina Bridge, the Turin-Lyon railway link and the high speed/high capacity lines already approved by the CIPE, due to the annulment of the contracts of the general contractors.

In CIPE Resolution 69/2008, which approved the 2009-2013 DPEF, the total cost of the Programme was set at €174.2 billion, substantially confirming the indications contained in Resolution 130/2006, mentioned earlier. In the same resolution, the CIPE called on the

Ministry for Infrastructure and Transport, together with the offices of the Committee (the DIPE) and the Authorities concerned, to quantify the cost and coverage of the works already approved by the Committee, identifying actual changes to costs as opposed to the estimated ones, the additions to the Programme approved in the interim by law, and the resources to be allocated to implementing the Programme in proportion to the procedural and expenditure timeframes for the interventions under way and those due to be activated in the next three years.

Based on the Survey's findings, the total cost of the works approved by the CIPE is around €116.8 billion, not counting the new international Turin-Lyon rail link, which has been treated separately,² representing an increase of around 28 per cent with respect to the €91 billion of November 2006. Financial coverage equals €66.9 billion (57 per cent of the cost), of which €41.1 billion in public funds and €25.8 billion in private resources. The residual borrowing requirement amounts to €49.9 billion.³

The cost increase compared with 2006 is mostly attributable (€19.5 billion) to the approval of new works by the CIPE, as summarized in Table 2 on the page that follows.

Around €7.4 billion⁴ of the increase is ascribable to the variation in the transition costs between the planning and implementation phases of the works. In particular, the increases were in the order of:

- €3 billion for works in the planning stages, owing essentially to the Brenner railway tunnel, the high speed/high capacity Verona-Padua rail link, the extension of the A4 motorway from Quarto d'Altino to Villesse and the Perugia road system;
- 0.1 billion for works tendered, attributable above all to the Brescia-Bergamo-Milan motorway (Bre.Be.Mi);
- 0.8 billion for works awarded, owing mainly to the Strait of Messina Bridge and the A4 Valtrompia motorway link;
- €3.5 billion for works under construction, owing mainly to the Salerno-Reggio Calabria motorway and the increased value of the Mestre bypass.

² In its ruling no. 4482 of 23 August 2007, the Council of State (Section VI) declared that the appeal lodged by the Bassa Valle di Susa and Val Cenischia Mountain Community was inadmissible owing to the discontinuance of the matter in issue, in view of the fact that the project for implementing the Turin-Lyon railway line, approved by the CIPE with Resolution 113/2003, no longer fell within the scope of Law 443/2001, but was now subject to the ordinary procedures pursuant to Article 81 of Presidential Decree 616/1977.

³ As highlighted in paragraph 4.1, the State Audit Office rejected the approval of resolutions regarding several works in the Programme for a total value of €6.9 billion.

⁴ Not including the new Turin-Lyon rail link.

Finally the “Rilevazione PIS” also found other variations in cost due to further increases in raw materials and bidding discounts.

TABLE 2 – New works approved by the CIPE in 2006-2008

(millions of euros)

Works	Cost
Interconnection of the Tirso and Flumendosa-Campidano water schemes and improved utilization of the Tirso–Fluminimannu valley basins of Pabillonis-Mogoro, lot 3	18.583
New Lorenteggio-Linate M4 metro line, 1 st operational section from Lorenteggio to Sforza Policlinico	788.700
Road access to the Savona port hub, interconnection between the A10 tollgates at Savona and Albisola and the Savona and Vado ports: alternate route at the Aurelia state road (SS1) between the Letimbro mountain stream and Albisola Superiore	239.414
Route S.G.C. Grosseto-Fano state road (SS78), lots 5-6-7-8 of the Grosseto-Siena section, extension to four lanes of the Di Paganico state road (SS223) from 30+0.40 km to 41+600 km	271.123
Development of the national electric grid: project for the authorization to build and operate the S. Barbara 380 kV power lines	90.000
Sinni drinking water aqueduct, lots 1-2-3	76.700
Jonica state road (SS106), 3 rd major section	1,234.754
Completion of the Guasticce interport: access and key urbanization works	26.077
Milan metro M5 line Garibaldi–San Siro	657.052
Milan metro M2 line Cologno Nord–Vimercate	532.916
Milan metro M3 line San Donato–Paullo	798.018
Quadrupling of the Verona-Fortezza southerly access to the Brenner tunnel	2,563.400
Chiauci Bridge dyke: completion	25.011
Doubling of the Pontremolese railway: the Parma-Osteriazza and Berceto-Chiesaccia sections	2,303.758
Extraction of hydrocarbon deposits at Tempa Rossa	877.000
Milan metro M4 line Sforza Policlinico-Linate, lot 2	910.082
Upgrade of access to the former Paullese state road (SS415): expansion of the section from Peschiera Borromeo to Spino d'Adda, Adda bridge lot	5.130
A4 motorway: conversion to four lanes in the section between Novara and Milan	265.319
Turin metro, line 1, route 4 Lingotto–Bengasi	258.544
Upgrading of the high speed/high capacity Verona railway node	670.000
Accessibility Valtellina: alternate route at Morbegno, variant to the 2 nd phase of lot 1	287.713
Road link, as an alternate route to the Gallaratese state road (SS341), between Samarate and the provincial border, section between the A8 and SS527	133.002

Works	Cost
Access to Malpensa airport: SS11 link to Magenta, Milan west ring road + alternate route at Abbiategrasso and the upgrading of SS494 from Abbiategrasso to Ponte Ticino	419.107
Asti-Cuneo motorway; Cuneo bypass, lots 1-6	118.491
Alternate route to the built-up area of L'Acquila	20.053
SS675 Umbria-Lazio, section 3, lot 1, phase A	52.055
Milan light rail tram system (Parco Nord) Desio-Seregno	214.210
Palermo-Agrigento route (SS121 – SS189): modernization of the Palermo-Lercara Freddi section	1,218.411
Road access to the La Spezia port hub: interconnection between the A12 and port tollbooths: alternate route at the Aurelia State Road (SS1), lot 3 between Felettino and the motorway feeder road	240.818
Veneto Regional Metropolitan Railway System (S.F.M.R.), phase II	140.000
A4 Turin-Milan, section II, alternate route at Bernate Ticino	249.488
A12 motorway, Cecina (Rosignano Marittimo) – Civitavecchia section	3,787.800
Total	19,492.729

Source: DIPE calculations based on "Rilevazione PIS", February 2009.

3.2 Distribution of the works by sector and macro area

Table 3 shows the breakdown by sector of the works already approved by the CIPE.

The road/motorway, railway and metro sectors absorb around 87 per cent of the total investment approved by the CIPE. Some 44 per cent of this is "in rail" (railways and metro lines), in keeping with the objectives underpinning the General Transport and Logistics Plan, which, as was recalled earlier, aims to provide alternative modes of transport to roads.

As can be seen from the data in Chapter 4 the resources assigned to the MOSE System alone took up 21.2 per cent of the total resources assigned by the CIPE drawing on the resources available under the Objective Law; roads/motorways and metro systems account for 47.7 per and 15.5 per cent respectively.

TABLE 3 – Breakdown by sector of the works approved by the CIPE

Sector	Cost <i>(millions of euros)</i>	%
Rail corridors	37,184.6	31.8
Road corridors	49,635.3	42.5
Metros	14,317.7	12.3
Intermodal nodes	236.7	0.2
Defence of the soil – the MOSE System	4,298.3	3.7
Strait of Messina Bridge	4,684.3	4.0
Energy and electric grid	1,793.0	1.5
Construction	1,497.3	1.3
Water schemes	1,400.2	1.2
Ports and interports	1,754.0	1.5
Total	116,801.4	100.0

Source: DIPE calculations based on “Rilevazione PIS”, February 2009.

The most critical situation in terms of financial coverage is that of the railway sector where overall coverage equals 18 per cent of the total cost of the works; roads/motorways, metros and ports/interports have coverage of between 60 and 75 per cent of the costs. The MOSE System is 76 per cent covered, while the water sector has almost 100 per cent coverage.

The financial burden of the railway works in the South and Islands is considerably lighter than in the country as a whole, in part because most of the high speed/high capacity Rome to Naples railway line was completed before the Objective Law and in part due to the concentration of the major railway passes in the Centre and North. In southern Italy, the Programme helped speed up the modernization and completion of important road works and motorways such as the Salerno-Reggio Calabria motorway, the Jonica state road (SS106), the Messina-Palermo, Caltanissetta-Agrigento and Syracuse-Gela motorways, and the development of water sector infrastructure. Investment in metros – 28.6 per cent of the national total – also appears significant in terms of meeting the needs of a country marked by a widespread, high level of anthropization.

In order to redress the socio-economic imbalances between the various macro areas in Italy, at least 30 per cent of the ordinary resources go to the South and Islands. The share of CIPE appropriations to the South drawn on the resources of the Objective Law stands at 33 per cent, as compared with 26 per cent and 39 per cent assigned to the Centre and North respectively; the remaining 2 per cent is allocated to various projects throughout the country (grand stations, the construction of schools, electric grids) and the plan to double the Pontremolese railway line.

Overall, the public resources assigned to the South and Islands amount to around 47 per cent of the total. Thanks to the strong public commitment to the area, most of the planned and current investment has coverage.

The distribution of the resources and the structuring of the various funding sources in the other macro areas of the country reflect the evolution and characteristics of the most important works in the Programme. A large share of the funds drawn on the Objective Law has been allocated to a number of major projects: MOSE (Veneto), Quadrilatero (Marche and Umbria) and the Metro C (Rome). In Lombardy, the definitive projects for new important motorway axes are about to be approved, mostly funded with private resources (Bre.Be.Mi, Pedemontana Lombarda).

4. THE SOURCES OF FINANCIAL COVERAGE: RECENT GOVERNMENT PROVISIONS

In the wake of the “Rilevazione PIS”, it was found that the resources available for the works already examined by the CIPE amount to €66.9 billion or 57.3 per cent of the total cost of the works approved: €41.1 billion are public resources, while private resources amount to around €25.8 billion.

Table 4 shows the breakdown of resources by funding source.

Notwithstanding the non-negligible allocations in terms of absolute value and the financial coverage of the individual works, operators reported objective difficulties in activating the public and private resources in the Programme. Ongoing changes to the legal and regulatory framework – through a series of regulations dictated principally, but not exclusively, by public finance considerations and the desire to contain tariffs – has created a climate of uncertainty, which must be remedied as a matter of urgency.

TABLE 4 – Breakdown of resources by funding source

Source	Amount <i>(millions of euros)</i>	%
Objective Law	14,092.8	21.1
Underutilized Areas Fund (FAS) for the Objective Law	2,021.9	3.0
Underutilized Aread Fund (FAS)	1,621.5	2.4
Other public resources	9,935.2	14.9
European Union	1,499.7	2.2
National Road Agency (ANAS)	1,556.3	2.3
Italian Railway Network (RFI)	6,028.8	9.0
Regions and Provinces	2,554.5	3.8
Municipalities	1,778.7	2.7
Private sector	25,802.2	38.6
Total	66,891.6	100.0

Source: DIPE calculations based on “Rilevazione PIS”, February 2009.

4.1 The funding of the individual works under a multiyear financial plan

A first question concerns the interpretation of the regulations governing the timeframes and procedures for allocating the public resources to individual projects. As mentioned in Chapter 2, in the initial phase of the Programme's implementation, the Committee availed of the possibility of granting funds to a preliminary project, while simultaneously approving preliminary projects of major importance without financial coverage (such as the tunnel under the Brenner Pass).

This situation changed with Legislative Decree 189/2005, accompanied by the Technical Annex referred to previously (now Annex XXI to Legislative Decree 163/2006), which states in Article 2 that the illustrative report on the preliminary project must include "the summary of the forms and sources of funding for the coverage of the expenditure". Indeed, the legislative decree prescribed the mandatory application of the provisions in the Technical Annex for new projects only, while for projects in progress or previously tendered, it was at the discretion of the contracting entity whether or not to adapt the project to the provisions themselves, with eventual variations to the relative amounts, or to leave it unchanged.

Article 253(27)(f) of Legislative Decree 163/2006, establishing the "transitional regulations", confirmed that the abovementioned provisions "are applicable to infrastructure projects which have been tendered or...awarded or...adopted by the competent body after the date of entry into force of Legislative Decree 189/2005", confirming the possibility for the contracting entity to avail of the same provisions also in respect of projects tendered previously.

The State Audit Office, in part recalling the new laws and in part citing the principle of caution that must characterize the administrative activity, revoked the authorization of resolutions approving preliminary projects and the funding of definitive projects for several interventions of strategic importance and involving a significant disbursement (the quadrupling of the Fortezza-Verona high speed/high capacity line, the Verona railway node, the Pontremolese railway line). The total value of these revoked works equals €6.9 billion, with a residual borrowing requirement, net of available funds, of €6.7 billion.

In particular, the Court deemed insufficient the following elements for guaranteeing the financial coverage of this substantial borrowing requirement: the coverage of the cost of the definitive plan; the subdivision of the works into lots, with precedence given to the funding of the lots most suited to satisfying demand; the breakdown of the various phases of activity into the different tables of the Planning Contract of the Italian Railway Network, based on the maturation of the financial requirements (the planning phase is financed in the table relative

to the works under way, while the costs for its implementation are funded in the table relative to the priority projects to be launched).

The Court's stance, by ideally requiring the assignment of financial coverage when the resources are actually drawn and therefore in the award phase, or better again, when construction commences, has led to growing budgetary difficulties. The same practice followed to date of procuring the entire financial coverage when the definitive project of a work is approved is attributable only indirectly to Article 166(5) of Legislative Decree 163/2006 which states "the approval of the definitive project enables the realization and, for strategic production plants, operation of all the works, services and activities envisaged in the approved plan"; in other words it gives the go ahead to the implementation of the work.

As mentioned previously, the Committee appears to be the right forum for balancing the developmental requirements of the country with those of financial stability. The proper exercise of this corrective action requires the swift identification of procedural and possibly also legal solutions, to enable:

- the Ministry for the Economy and Finance to enter in the State budget the financial resources for covering the works based on the allocations for each individual work;
- the State Audit Office to verify in the State's multiyear financial plan, constructed on the basis of the aforementioned allocations and not, as now, on the coverage of the preliminary and definitive projects, adequate forms of financial coverage of the works or of the single operational lots approved by the Committee.

A first, encouraging example of this was had with the provisions of Article 14 of Decree Law 112/2008, ratified by Law 133/2008, relative to the funding of EXPO 2015. By lifting the three-year state budget constraint, expenditure was authorized for each of the years from 2009 to 2015 in keeping with the expenditure forecasts contained in the financial plan submitted to the Bureau International des Expositions (BIE) which took into account, relative to the funded interventions, the impact of the drawings on the public finances for each of these years.

4.2 Loan implementation and disbursement

A second problem concerns the implementation of the funds specifically assigned by the Committee to the single projects drawing on the annual budgetary allocations to the Programme. In allocating the initial resources for the Programme's implementation, Article 13 Of Law 166/2002 had established 15-year limits for committed funds from the years 2002-

2003 and 2004, and in Interministerial Decree no. 5279 of 20 March 2003, the Ministry for Infrastructure and Transport, in agreement with the Ministry for the Economy and Finance had, amongst other things, defined the procedures for disbursing the loans granted by the Committee, envisaging the preventive subordination of the loan contract to both Ministries, the disbursements of the loan according to the state of advancement of the project, the identification of the reference rate and the communication, by the funding entities, of the disbursements made to the Committee and the abovementioned Ministries.

To date, the allocations made by the Committee amount to approximately €14.1 billion, of which around €94 million assigned to works revoked by the State Audit Office.

Tables 5 and 6 break down the appropriations by macro area and by sector.

Of the Committee's appropriations, €8.8 billion are in loans, equal to around 63 per cent of the total appropriations. The amounts disbursed to the contracting entities amount to €2.7 billion, equal to around 28 per cent of the total amount of loans activated⁵ and to around 18 per cent of the total value of the Committee's appropriations.

TABLE 5 – CIPE appropriations by macro area

Macro area	Appropriations (millions of euros)	%
Centre	3,699.4	26.3
Inter-area ¹	260.8	1.9
North	5,464.9	38.7
South	4,667.7	33.1
Total	14,092.8	100.0

¹ See Chapter 3, paragraph 3.1.

Source: DIPE calculations based on "Rilevazione PIS", February 2009.

⁵ The amount of the loan, if activated, can be marginally different from the CIPE appropriation due to interest rate variations in the period between the date of the appropriation and that of the stipulation of the loan contract.

TABLE 6 - CIPE appropriations by sector

Sector	Appropriations <i>(millions of euros)</i>	%
Rail corridors	314.1	2.2
Road corridors	6,716.7	47.7
Metros	2,186.6	15.5
Intermodal nodes	0,0	0.0
Defence of the soil – the MOSE System	2,994.3	21.3
Strait of Messina Bridge	0.0	0.0
Energy and electric grid	0.0	0,0
Construction	510.8	3.6
Water schemes	809.6	5.7
Ports and interports	560.7	4.0
Total	14,092.8	100.0

Source: DIPE calculations based on “Rilevazione PIS”, February 2009.

In the pages that follow, Table 7 presents a prospectus relative to the loans implemented for each individual work. The percentage of contributions not yet activated mainly regard the appropriations approved by the Committee in the last two years and therefore reflect the standard timeframe for the activation of the resources. The data relative to the expenditure of the loans that are already active are more worrying: here, the accumulated delays for the assignment and commencement of the works are added to the long intervals between the Committee's appropriation and activation of the individual loans.

A first measure aimed at limiting the impact of the loans on the state budget was adopted by the legislator in the 2004 Finance Law which – in Article 4(77) – provides that the commitment ceilings in the budget based on specific legislative provisions should be interpreted as multiyear contributions for the realization of investments, in other words as assistance by the State, of a share to be specified by interministerial decree, towards the payment of a portion of the costs deriving from the loans and from other financial operations that the various entities concerned other than the local authorities, as defined based on the national accounting standards SEC 95, are authorized to make for the realization of the investment.

TABLE 7 – Loan contracts implemented (as of 25 February 2009)

Works	CIPE appropriations <i>(millions of euros)</i> (a)	Loans implemented <i>(millions of euros)</i> (b)	As % of appropriations (b/a)	Amount disbursed (c)	As % of loans approved (c/b)
Mestre bypass	113.4	113.4	100.0	36.9	32.6
Quadrilatero Marche Umbria	1,430.6	920.0	64.3	56.5	6.1
Salerno-Reggio Calabria motorway	1,965.2	2,000.0	101.8	471.4	23.6
Camaldoli hill consolidation	6.5	6.5	99.4	3.8	59.1
Vallone San Rocco	26.5	30.8	116.3	1.3	4.1
Isclero Valley high-speed road	60.8	60.8	100.0	45.7	75.2
Alifana, line 1 Naples metro	89.4	89.4	100.0	89.4	100.0
Rome ring road	392.2	392.2	100.0	236.5	60.3
MOSE	2,961.3	2,161.3	73.0	1,030.7	47.7
Favara di Bugio aqueduct	39.6	39.6	100.0	34.7	87.7
Gela-Aragona aqueduct	53.6	53.6	100.0	2.3	4.3
Sinni pipeline	18.4	18.4	100.0		0.0
Frida-Sinni-Pertusillo aqueduct	15.8	15.8	100.0	10.2	64.4
RH Ofanto and Rendina rivers district in Lavello agri. zone	19.9	19.9	100.0		0.0
Monti Lepini state road (SS156)	60.0	60.0	100.0	15.0	25.0
Naples metro, completion of line 1: Dante–Centro Direzionale	223.0	123.0	55.1	92.7	75.4

Works	CIPE appropriations <i>(millions of euros)</i> (a)	Loans implemented <i>(millions of euros)</i> (b)	As % of appropriations (b/a)	Amount disbursed (c)	As % of loans approved (c/b)
Major Rail Stations, supplementary works	260.8	260.8	100.0	26.4	10.1
Metro access to Milan Fair	109.2	109.2	100.0	21.6	19.8
Access to Milan Fair	182.8	182.8	100.0	150.7	82.4
Sardinia Flumineddu-Tirso water schemes	0.2	0.2	100.0	0.2	100.0
South-east Sardinia water schemes	55.2	55.2	100.0	0.3	0.6
Tirso and Flumendosa-Campidano water systems	52.9	52.9	100.0	37.8	71.4
Interconnection of Tirso and Flumendosa-Campidano water schemes and enhanced utilization of the Tirso - Fluminimannu di Pabillonis-Mogoro valley basins, lot 3	13.6	13.6	100.0	13.6	100.0
Messina-Syracuse-Gela motorway	9.0	9.0	100.0	9.0	100.0
Tre Valli - Eggi-San Sabino section	14.6	14.6	100.0		0.0
Civitavecchia interport	11.2	11.2	100.0	2.3	20.6
Bologna metro	210.6	3.1	1.5	1.8	59.2
Rome metro, C line	546.8	316.0	57.8	19.6	6.2
Port of Taranto logistic platform	21.5	21.5	100.0		0.0
Catania interport	33.6	21.6	64.2	4.8	22.2
Gioia Tauro interport	12.2	12.2	100.0	10.4	85.4
Passo Corese-Rieti railway	90.0		0.0		
Umbrian logistic platforms (Terni-Narni-Foligno)	29.3	29.3	100.0		0.0
Menta dam water scheme, lot 1	23.2	23.2	100.0	23.2	100.0

Works	CIPE appropriations <i>(millions of euros)</i> (a)	Loans implemented <i>(millions of euros)</i> (b)	As % of appropriations (b/a)	Amount disbursed (c)	As % of loans approved (c/b)
Ruzzo aqueduct upgrade	36.8	36.8	100.0	1.9	5.3
Aqueduct works in the Noce and Sinni river valleys	26.0	6.0	23.1		0.0
Agri valley aqueduct	17.3	6.0	34.7		0.0
Catania rail junction: below-ground conversion of central rail station	11.6		0.0		
Completion of facilities for irrigation and potable use of the Monti Nieddu and Is Canargius and minor basins	52.3	52.3	100.0		0.0
Carlo Felice state road (SS131) upgrade	124.0	124.0	100.0	33.0	26.6
Bari-Taranto line: doubling of the S. Andrea-Bitetto section	31.0		0.0		
Saronno-Seregno railway upgrade	48.5		0.0		
Pontine plain-A2 motorway link: Cisterna-Valmontone-A2	100.0	100.0	100.0		0.0
South Tyrrhenian Corridor: A12 motorway-Appia	259.6	259.6	100.0		0.0
New M5 metro line from Garibaldi to Monza Bettola	175.7	175.7	100.0		0.0
M1 metro line extension to Monza Bettola	54.0	54.0	100.0		0.0
Restructuring of S. Giuliano-Ginosa water pipeline	31.9		0.0		
Munich-Verona rail axis: Brenner tunnel	45.0		0.0		
Modernization of SS275 Maglie-S.M. di Leuca	0.0				
Civitavecchia port hub	141.3	69.8	49.4	16.5	23.7
State Road 28 Colle di Nava upgrade	4.8	4.8	100.0		0.0
Naples metro, line 6	94.7		0.0		

Works	CIPE appropriations <i>(millions of euros)</i> (a)	Loans implemented <i>(millions of euros)</i> (b)	As % of appropriations (b/a)	Amount disbursed (c)	As % of loans approved (c/b)
SS28 alternate route Imperia centre-Aurelia bis	5.0	5.0	100.0		0.0
Conza water potabilizer	38.6	38.6	100.0		0.0
Trieste hub: logistic platform between the Scalo Legnami and the Mineral Oil Free Zone	32.0		0.0		
Coastal rapid transport Rimini Fiera – Cattolica: 1 st operational phase, Rimini-Riccione	42.9		0.0		
Institutional buildings	250.0	250.0	100.0		0.0
Montescuro west	20.4	20.4	100.0		0.0
Mass transit for the city of Parma	172.0	170.9	99.3	7.8	4.5
Completion of 4-lane Cassia state road	6.6	6.6	100.0		0.0
Campogalliano-Sassuolo motorway link between A22 motorway and Pedemontana state road (SS467)	234.6		0.0		
Links Fiumicino interport - Rome area interport hubs, linking the A12 Rome-Civitavecchia motorway to the town of Fiumicino's street grid to serve the Rome Fiumicino interport	18.0		0.0		
Molise region water schemes: irrigation of lower Molise with waters of the Biferno and Fortore rivers	75.0	75.0	100.0		0.0
Brescia light metro – Metrobus: improvements to the 1st operational lot Prealpino-S. Eufemia	40.0		0.0		
Novara freight centre	21.0	21.0	100.0		0.0
Caianello (A1 motorway) – Benevento route. Upgrade of "Teleisina" State Road to 3 lanes from 0.000 km to 60.900 km	110.0		0.0		

Works	CIPE appropriations <i>(millions of euros)</i> (a)	Loans implemented <i>(millions of euros)</i> (b)	As % of appropriations (b/a)	Amount disbursed (c)	As % of loans approved (c/b)
Completion of Basento Bradano water scheme, outfitting of Sector G	69.3	69.3	100.0		0.0
Completion of Pavoncelli-bis tunnel	22.9	22.9	100.0		0.0
Cannitello variant	19.0		0.0		
Extension of rail network in Catania metropolitan area from railway station to the airport: Stesicoro-airport	90.0		0.0		
Basento-Bradano water scheme: Acerenza section, distribution: 3rd lot	101.7		0.0		
Lecco-Bergamo connection: Cisano Bergamasco alternate route	25.8		0.0		
State Road 17: alternate route in residential area of Aquila	10.8		0.0		
Malpensa access: State Road 11 link to Magenta – Milan west ring road + Abbiategrosso alternate route and upgrade of SS494 Abbiategrosso-Ponte Ticino	65.0		0.0		
New M4 metro line Lorenteggio-Linate – 1 st operational section Lorenteggio-Sforza Policlinico	80.0		0.0		
Access roads to Savona port hub – interconnection A10 motorway exists of Savona and Albisola with ports of Savona and Vado: State Road 1 “Aurelia” alternate route between Savona (Letimbro mountain stream) and upper Albisola	239.4		0.0		
Jonica state road (SS106), 3 rd major section	698.4		0.0		
Quadrupling of Verona-Fortezza southern access line to main Brenner tunnel, lots 1 and 2	53.0		0.0		
Jonica state road (SS106), 4 th major section, Nova Siri alternate route	9.2		0.0		

Works	CIPE appropriations <i>(millions of euros)</i> (a)	Loans implemented <i>(millions of euros)</i> (b)	As % of appropriations (b/a)	Amount disbursed (c)	As % of loans approved (c/b)
SS675 Umbria-Lazio, section 3, lot 1, phase A	52.1		0.0		
State Road 78 Grosseto – Fano quickway, Grosseto - Siena trunk, lots 5-6-7-8, upgrade of the Di Paganico state road (SS223) to 4 lanes from 30.040 km to 41.600 km.	271.1		0.0		
Completion of Guasticce interport: roads and key urbanization works	26.1	26.1	100.0		0.0%
Chiauci bridge dam: completion	25.0		0.0		
Turin metro, line 1, 4 th section Lingotto – Bengasi	129.7		0.0		
Verona node, high-speed/high-capacity rail line	16.0		0.0		
Valtellina access, Morbegno alternate route: variant to the 2 nd phase of lot 1	60.0		0.0		
Milan light rail tram system (Parco Nord) Desio-Seregno	128.5		0.0		
Palermo-Agrigento road link (SS121 – SS189): modernization of Palermo-Lercara Friddi section	211.7		0.0		
Access roads to La Spezia port hub: interconnection between A12 exits and port: Aurelia state road (SS1), 3 rd lot between Fellettino and motorway link	214.6		0.0		
Total	14,092.8	8,835.9	62.7	2,508.0	28.4

Source: DIPE calculations based on “Rilevazione PIS”, February 2009.

In reality, no action was ever taken to fix the proportion of the State contribution sector by sector, and indeed after Law 350/2003 had already entered into force Objective Law resources supplied all the cover for five interventions in 2004 (Monti Nieddu water system in Sardinia, Sinni aqueduct, Ruzzo aqueduct, Menta dam – 1st lot and S. Giuliano Ginosa conductor), three in 2006, four in 2007 and three in 2008.

A second step consisted in the provisions of the Finance Law for 2007, which made a portion of the resources of the units entered in the State budget unavailable for the fiscal years 2007, 2008 and 2009. Accordingly, with Resolution 21/2008, the Committee, in determining the resources it could allocate, took into account the amounts set aside from the appropriations earmarked for the Programme's implementation. Supplementing the provisions of Article 4(177) of the 2004 Finance Law, the Finance Law for 2007 established that, for the implementation of measures authorizing multi-year contributions, the utilization of such resources must be approved by a decree issued by the competent ministry in concert with the Ministry for the Economy and Finance after verifying that there are no adverse effects on the borrowing requirement and net borrowing; if adverse effects are found they must offset by drawing on the resources of an ad hoc fund instituted in the budget of the Ministry for the Economy and Finance. The new provisions also applied to contributions granted earlier and for which loans had not yet been approved at the time the provisions were issued. In fact, the resources of the above-mentioned fund proved inadequate owing to the delay of loan approvals and their being concentrated in the year 2007. Decree Law 154/2008, Article 6(2), refinanced the fund for 2010 and 2011.

Plainly, the intervening legislation has had a considerable impact on the time required for effective implementation of the financing granted by the Committee and, in limited cases, on the very possibility of making the loans in a timely manner in the event that adverse financial affects cannot be offset by the resources of the above-mentioned fund.

4.3 Private investors' resources and role

A third critical area concerns the resources that private investors are willing to put into fee-producing works. In the field of motorway concessions, a source of substantial private resources, there has been a succession of legislative measures, often contradictory, that have certainly done little to foster the stability of the regulatory framework that is necessary in order to attract private capital effectively and ensure the implementation of the works.

The general framework established by Article 11 of Laws 498/1992, as specified by CIPE Resolutions 141/1994 and 319/1996, was first made subject to derogation by Article 21 of Decree Law 355/2003, ratified as Law 47/2004, which approved the Fourth Addendum to the agreement of Autostrade per l'Italia, deferring its formal implementation to a subsequent interministerial decree. The Fourth Addendum contains significant differences with respect to CIPE Resolution 319/1996, beginning with the modification of the regulatory period, which is extended from 5 to 10 years. Investments of more than €10.2 billion had been envisaged for the period 2002-2009, which were realized only in part, as shown in the opinion issued by the Consulting Unit for implementing the guidelines on the regulation of public utility services (NARS) in February 2007.

Article 12 of Decree Law 262/2006, ratified with amendments by Law 286/2006 (which incorporated the decree law into Article 2, paragraphs 82-90), subsequently provided for all the motorway agreements in force to be reformulated as ad hoc, single agreements to be approved by a decree issued by the Ministry for Infrastructure and the Ministry for the Economy and Finance, at the end of a lengthy procedure involving, in succession, the interested parties, the competent ministries, the NARS, the CIPE, the competent parliamentary committees and the State Audit Office. The reformulation must substantively comply with the principle of price cap and correspondence between tariffs and investments made.

Legal action was brought against the aforementioned provisions because they unilaterally amended outstanding contracts as regards the criteria for calculating tariffs and the procurement procedures, as a consequence of the rule requiring the concessionaires to act in every respect as the contracting authorities, with competitive tendering procedures, for the award of works contracts (regardless of the amount) and supply and service contracts (if the amount exceeded the Community threshold).

There ensued a rather complex dispute, with the European Commission bringing two procedures for infraction against Italy and the consequent adoption by the CIPE of two resolutions concerning economic regulation of the motorway sector (Resolutions 1/2007 and 39/2007) that restricted the obligation to apply the new rules to new investments and new agreements.

Despite this limiting of the scope of the new regulatory framework, its implementation has proved highly problematic. As of mid-2008 only three single agreements had been approved; the drafts of another three, already signed by the concessionaires and the National Road Agency, were in process (approved by the CIPE with prescriptions); five draft agreements

had been withdrawn from the Committee's examination by the Ministry for Infrastructure, which had submitted them, consequent to the objections of the NARS for their failure to comply with the new regulatory framework.

This brief account readily conveys a sense of the practical consequences for the implementation of the Programme.

Additional primary legislative measures were issued in 2008 with a view to closing the Community infraction procedures. First, Decree Law 59/2008, ratified with amendments by Law 101/2008, approved all of the 11 above-mentioned draft agreements already signed with the National Road Agency while limiting the single-agreement rule only to the first update of the plan or the first revision of the agreement.

Second, Decree Law 185/2008 further amending Decree Law 262/2006:

- allowed concessionaires to opt for an additional tariff scheme based on the innovative provisions of the Autostrade per l'Italia agreement;
- suspended tariff increases for all agreements up to 30 April 2009;
- empowered the government to take steps to create the conditions for accelerating execution of the investment plans (without detriment, however, to the provisions of the motorway agreements in force);
- modified the procedure for tariff adjustments.

Lastly, the bill ratifying the "omnibus extension decree" (approved by the Senate on 11 February 2009) envisages further important changes regarding the procedures for awarding motorway concessions. The changes being approved establish that only for works (and, therefore, no longer for supplies and services) will concessionaires will be required to comply with the principles and rules of the public procurement code "insofar as they are compatible" (hence, with decidedly lesser constraints) and that holders of concessions already approved as of 30 June 2002, including concessions renewed or extended pursuant to subsequent legislation, will be required to award to third parties 40 per cent of the works (hence, no longer the totality), and will act "exclusively in respect of said portion as contracting authorities in every respect". This will allow the concessionaires (and, still more, those already "approved") to award the contracts swiftly, thereby speeding up execution of the works.

These legal interventions helped clarify and stabilize the regulatory framework. On the subsequent implementing and authorizing measures will depend the effective use of the

abundant resources that have been allocated for some time now by private entities for covering important motorway projects already approved or ready for submission to the CIPE (Table 8).

Investment in the high speed railway network has also been heavily conditioned by litigation with the general contractors of the sections between Milan and Verona, Verona and Padua (the multimodal padano corridor), and between Milan and Genoa (the multimodal Tyrrhenian/North East corridor).

In the two years 1991 and 1992, the RFI had granted Treno Alta Velocità S.p.A. (TAV) concessions for these corridors. TAV terminated the agreement relative to the Verona-Venice section, resulting in the opening by the general contractor (Iricav Due/Fintecna) of the arbitral procedure that concluded in the award of 17 March 2003, confirming the validity of the agreement for the Verona-Padua section. Article 131(2) of the 2001 Finance Law subsequently ordered the revocation of the concessions and the cancellation by law of the agreements stipulated by TAV with the general contractors for the Milan-Genoa (COCIV) and Milan-Verona sections (Cepac Due - ENI). Article 131(2) was subsequently abrogated by Article 11(1) of Law 166/2002, which provided for the continuation, without interruption, of the agreements between TAV and the aforementioned general contractors. Article 13 of Law 40/2007 reaffirmed the revocation of the concessions granted to TAV for the Milan-Genoa and Milan-Verona sections, in addition to the Verona-Padua sub-section, resulting in the termination of the agreements drawn up with the respective general contractors. Finally, Article 12 of Decree Law 112/2008, ratified by Law 133/2008, amended Law 40/2007, and provided for the continuation, following the revocations established under the same law, of the concession agreements stipulated by TAV with the abovementioned general contractors, without interruption, and directly with the RFI. It further provided that the addendums to the agreements establish the share of the works to be awarded by the same general contractors to third parties through competitive tendering procedures consistent with Community legislation.

TABLE 8 – Objective Law works included in motorway concession agreements

Concession agreements	Works	Investment	Updated cost	Resources	Borrowing requirement	Private share	Construction period
ASPI		26,792,865					2002-2038
	A4 motorway junction to Valtrompia	258,000	923,460	258,591	664,869	258,591	
	<i>Accessibility Rho-Pero*</i>		336,568	336,568	-	153,807	
Centropadane		566,486					2006-2021
	Motorway linking the Ospitaletto toll-area (A4), the Poncarale toll-area (A21) and Montichiari Airport	288,896	345,717	345,717	-	308,621	
Autoroutes in Veneto		1,798,800					2006-2022
	A4 Quarto d'Altino-Villese	1,193,445	1,181,606	1,181,606	-	1,181,606	
	Villese-Gorizia motorway upgrade	140,238	165,396	165,396	-	163,953	
SATAP A4	A4 Turin-Milan	1,038,000					2007-2013
	<i>Accessibility Rho-Pero*</i>		336,568	336,568	-	153,807	
	Novara-Milan motorway upgrade	256,000	265,319	265,319	-	265,319	
	Section II, Bernate Ticino variant	249,488	249,488	249,488	-	249,488	
Bre.Be.Mi		934,073					2008-2012
	Direct motorway link between Brescia and Milan	1,663,214	1,663,214	1,663,214	-	1,488,214	

Concession agreements	Works	Investment	Updated cost	Resources	Borrowing requirement	Private share	Construction period
Asti Cuneo		988,382					2008-2012
	Motorway link between Asti and Cuneo lots 1-6	118,491	118,491	118,491	-	94,556	
Pedemontana Motorway - Lombardy		3,483,505					2007-2015
	Dalmine-Como-Varese-Gaggiolo Pass, with branches to the Milan east ring road (Usmate) and to the A8 (Castronno)	3,897,968	4,758,180	3,897,968	860,212	2,869,906	
Milan Serravalle		711,349					2007-2015
	Milan east ring road	1821	1,458	1,458	-	1,458	
Cisa		2,062,997					2006-2031
	Completion of the motorway between Parma (A1) and Nogarole Rocca (A22)	1,832,720	1,832,719	1,832,719	-	1,832,719	2006-2016

* The accessibility works at the Rho-Pero Fair District are included in both the ASPI and SATAP agreements, which assigns a share of the works to both concessionaires, but are calculated as one item for the purposes of the interventions provided for in the Objective Law.

Source: DIPE calculations based on "Rilevazione PIS", February 2009.

In addition to the complex procedures for awarding the works there are the difficulties of financing the entire high speed/high capacity system, primarily owing to the reclassification by Eurostat of the debt incurred by Infrastrutture S.p.A. (ISPA) in the two years 2005 to 2006.

With regard to the railway works included in the Programme, it is worth noting that the 2009 Finance Law, in implementing the provisions of Decree Law 112/2008, ratified by Law 133/2008, cut by roughly €3.6 billion the resources allocated by the previous finance laws and assigned to the various tables of the 2007-2011 Planning Contract with the Italian Railway Network and related 2008 Addendum. Given that the disinvestment relates to precisely item 7122 i.e. to the ordinary resources of this Contract, in the 2009 Addendum to the same Contract it will be necessary to apply this reduction, *in primis* in respect of the works covered by resources that have not yet been committed (contracts with third parties) which, moreover, are included in the planning Tables B, C and D and, if necessary, also the interventions included in Table A. The identification of the works for which funds have been cut is currently being carried out by the parties (Ministry for Infrastructure and Transport and the RFI) and will be submitted to the Committee on completion.

This point highlights the difficulties, in the implementation of the resources, which are common to all the various forms of coverage for the major works: non-recoverable multiyear contributions, concessionaires' private funds, public and private resources connected with off-balance sheet transactions by public private partnerships.

Aside from the measures approved for the motorway and railway sectors, and with a view to attracting more private capital, the government recently adopted and promoted initiatives aimed at strengthening the activity of several national and Community financial institutions operating in the public works sector.

In the amendment to Article 22 of Decree Law 185/2008 (converted into law, with amendments, by Article 1 of Law 2/2009), the Deposits and Loans Fund extended the areas for which it is competent to the funding of infrastructure works of public interest promoted by the Regions, Local Authorities and Public Entities to be identified, including based on criteria of economic-financial sustainability, in a decree of the Ministry for the Economy and Finance. The real novelty of the law concerns the possibility of utilizing funds from postal savings (under the "separate management" regime): indeed, while up to today the Fund could finance works, systems and networks drawing exclusively on funds from the market, it can now increase the limits for using postal savings to fund infrastructure investment.

At the international level, following the Ecofin Council held in Nice on 13 September 2008, the European Investment Bank, together with the Deposits and Loans Fund, the French

Caisse des Depots et Consignations and the German Kreditanstalt für Wiederaufbau launched “Marguerite”, the 2020 European Fund for Energy, Climate Change and Infrastructure. The equity fund, which is specifically provided for by the concluding Resolution of the European Council of December 2008, will, beginning in the second half of 2009, finance infrastructure initiatives in the energy, environment and transport sectors in Europe, with an initial endowment of around €1-1.5 billion. A specially established working group will refer to the Ecofin Council in the course of 2009 on the initiative’s progress.

The Community institutions are also debating, following a proposal by the Minister for the Economy, Giulio Tremonti, the establishment of a dedicated European sovereign fund for infrastructure projects, financed not only by loans and funds (public debt) but also, and above all, by equity participation.

The Fund could be implemented in three ways:

1. by raising the EIB’s minimum capital; this solution would require the Bank’s statutes to be amended to enable it to invest in participations in the capital of companies;
2. by extending the operational scope of the European Investment Fund, established to support small and medium-sized enterprises, to include firms operating in the high-tech infrastructure sector;
3. by creating a brand new supranational fund for European infrastructure whose shareholders could include:
 - all the Member States; in this case the projects funded would be the best proposals made by the States themselves;
 - other major investors such as the EIB, the Deposits and Loans Fund, the Caisse des Depots et Consignations and Kreditanstalt für Wiederaufbau; in this case funding would go to intangible infrastructure projects (technology), whose location is irrelevant, or to transport and energy projects involving several countries, funding the infrastructure projects in each national territory (Italy, France, Germany).

If the European Union were to decide to apply the definition of “Sovereign Fund” literally the initial endowment should derive from the commitment of a part of the currency or gold reserves of the central banks of the European Union, first and foremost the European Central Bank. But in view of the current credit crisis and liquidity squeeze this hypothesis does not appear viable.

4.4 Resources of the Underutilized Areas Fund

The measures aimed at increasing the public resources for the major works include numerous legislative provisions that have had a significant impact on the planning of the Underutilized Areas Fund (the FAS) and, to a lesser extent, on the European Structural Funds.

To understand the economic policy objectives that inspired the adoption of these provisions, account must be taken of the gravity of the financial and economic crisis under way and of several empirical facts regarding the efficiency of the expenditure funded with resources drawn on the FAS from 2002 to today.

Already in the summer of 2008, around one year after the outbreak of the financial crisis, the government devised a new strategy for rationalizing the resources of the FAS, aimed at concentrating a larger proportion of funds in sectors and projects of strategic importance for the national economy, and mandating the CIPE to:

- reschedule the FAS resources appropriated during the period from 2000-20006 and not yet committed by Central Government before May 2008 (Article 6quater of Decree Law 112/2008, ratified by Law 133/2008);
- establish a new fund “for the financing of interventions aimed at upgrading the national infrastructure network, including the telecommunication and energy networks”, funded with a share of the national resources available for the 2007-2013 planning period (Article 6quinquies);
- record and reschedule the resources reimbursed under the Community budget for projects originally financed with sources other than the European Structural Funds and subsequently included in the programmes co-financed by the aforementioned Funds (Article 6sexies).

These measures are in keeping with the need to moderate the impact of the expenditure on the public budget.

Indeed, although Italy has weathered the financial crisis comparatively better than others, thanks to the greater caution exercised by Italian banks and more stringent rules, it continues to pay for its poor historical track record of public finance management. According to the latest European Commission estimates, Italy’s public deficit is expected to reach 3.8 per cent of GDP this year (one point more than in 2008), and to fall by just one decimal place in 2010. As a result, the public debt is forecast to reach 109.3 per cent of GDP in 2009, and 110.3 per cent in 2010. Going forward, the burden of the interest costs looks set to increase. First,

owing to the greater risk aversion of investors and the consequent widening of the spread with respect to securities seen as being safer (the yield differential with the 10-Year German Bund rose from 19 basis points in July 2007 to more than 170 basis points last January). Second, due to the extremely large placements of public debt securities of other sovereign issuers, connected with the effects of the automatic stabilizers and expansionary policies currently in force, in a context of inevitable further deterioration of stability at the European level.

Against this background, and through various measures contained in the 2008 Finance Law and in subsequent provisions (Decree Laws 90, 93, 97, 112, 154, 162, 180 and 185 of 2008), some €13 billion in resources drawing on the FAS were used to stabilize the public finances, safeguard the spending power of households and for other purposes (Table 9).

In adopting these measures, the government acted in accordance with the European Economic Recovery Plan that combines national investment, Community funds, support for the European Investment Bank and public-private investment and partnerships (Communication of the Commission to the European Council COM(800) of 26 November 2008). The Plan, which was agreed at the Brussels summit of 12 December 2008, makes provision for a budgetary impulse of €200 billion to boost demand, equal to around 1.5 per cent of GDP in the European Union, of which some €170 billion (1.2 per cent of GDP) will be drawn on national budgets and the remaining €30 billion (0.3 per cent of GDP) on EU and EIB funds, in full compliance with, and exploiting the maximum flexibility offered by the Stability and Growth Pact.

In an attempt to speed up the disbursement of funds to stimulate investment, the Plan will place strong emphasis on Structural Funds, seen as the traditional tools for stimulating growth in the European Economy (together with the EIB). Finally, it will increase the pre-financing of programmes to make up to €4.5 billion available earlier in 2009, of which €1.8 billion under the European Social Fund.

TABLE 9 – Reductions and pre-allocations to the FAS in 2008*(millions of euros)*

Legislative provision	Amount
Measures to stabilize the public finances Decree Law 112/2008, Article 60, list 1	7,972.5
Defence of households' purchasing power - Exemption on the property tax (ICI) Decree Law 93/2008, Article 5 (resources pursuant to Article 2(c)(538) 2008 Finance Law, Sicily-Calabria viability)	1,000.0
Defence of households' purchasing power - Exemption on the property tax (ICI) Decree Law 93/2008, Article 5 (resources pursuant to Article 2 (c)(135) 2008 Finance Law, mildew)	150.0
Energy and buildings upgrade, Article 1(22), 2008 Finance Law, "reduction Law 488/1992"	934.2
2008 Finance Law, Article 3(158)	150.0
Campania waste crisis Decree Law 90/2008, Article 17	450.0
Waste management and environmental sanitation services in the municipalities within the Convergence area with more than 500,000 inhabitants, Decree Law 97/2008, Article 4bis (8)(9)	240.0
Funding for the Rome and Catania Municipalities, Decree Law 154/2008, Article 5(3)	640.0
Funding of the Municipalities and National Health Service Decree Law 154/2008, Article 6(1)	1,309.8
Tax concessions - Marche and Umbria, Decree Law 162/2008, Article 3(2)	67.0
Urgent measures for the right to study, the promotion of merit and the quality of the university system, Decree Law 180/2008	62.9
Decree Law 185/2008 aid following the earthquake in Molise and Puglia Article 6(c)(4ter)	281.2
Subtotal of the reductions	13,257.6
Variations to prices, Decree Law 162/2008 Article 1(11)	900.0
Tirrenia di Navigazione S.p.A., Decree Law 185/2008, Article 26	390.0
Fund for the investments of the Gruppo Ferrovie dello Stato S.p.a. Decree Law 185/2008 Article 25	960.0
Trenitalia S.p.a. Decree Law 185/2008, Article 25	1,440.0
Subtotal of the pre-allocations to the Infrastructures Fund	3,690.0
Total reductions and pre-allocations	16,947.6

Source: DIPE.

When, at the end of November, the European Commission approved the Plan and the effects of the crisis on the real economy became increasingly apparent, the government approved the so-called “anti-crisis package” (Decree Law 185/2003, ratified by Law 2/2009), which makes CIPE responsible for allocating a portion of the national resources available under the FAS to:

- the Infrastructure Fund, confirming the provision of Decree Law 112/2008; the resources of the Fund can also be used for the making safe of school buildings, environmental remediation works, prison building works, museum and archaeological infrastructure projects and strategic mobility infrastructure;
- the new Social Fund for Employment and Training, which comprises the resources of the pre-existing Employment Fund, those in any event earmarked for financing social shock absorbers by way of derogation and the resources for training under the ordinary procedure; these resources will go to apprenticeships as well as to income support measures;
- the Fund for Competitiveness and Development, referred to in Article 1(841) of the 2007 Finance Law, for supporting investment in research, development and innovation by businesses and research centres.

For the resources drawn on the Underutilized Areas Fund that will go to the abovementioned Funds, the traditional constraints on the proportion of the resources destined to the various macro areas must be respected, with 85 per cent going to the South and Islands and 15 per cent to the Centre and North.

In Resolution 112/2008, the Committee allocated some €7.3 billion to the Infrastructure Fund to finance projects for which the Ministry for Infrastructure and Transport is competent. In turn, the Ministry must present to the Committee a programme of interventions to be implemented using these resources in accordance with the procedures laid down in Article 6quinquies of Law 133/2008. The €7.3 billion includes the pre-allocations provided for under legislation in favour of the infrastructure sector (the privatization of the Tirrenia Company and investment in the rail and local public transport sectors).

In identifying the interventions to be made, the procedures for funding the projects and for monitoring the costs, the CIPE will take account of the previous appropriations to the Underutilized Areas Fund in the past year, including the significant share of funds (over €2.2

billion) accorded in Resolutions 21/2004 and 98/2005 to the Programme for speeding up the works in the Objective Law launched in Article 4(130) of the 2004 Finance Law.

This Programme, which aims to achieve a significant acceleration of expenditure and stimulate the economy of the South and Islands, highlighted the large misalignment between the procedural forecasts provided at the time by the implementing entities and the effective timeframes for the completion of the funded interventions. This is largely attributable to problems that are inherent in the nature and quality of the projects assessed which, in most cases, have contradicted the initial judgement on the degree of advancement resulting from the official data provided by the same implementing entities, which formed the basis of the assessment of the eligibility of the interventions.

In light of this situation, in 2006 a portion of the resources appropriated by the CIPE in the two resolutions mentioned above (roughly €435 billion), was re-allocated by the Committee to the 4th major section of the Salerno-Reggio Calabria motorway, demonstrating flexibility and a more efficient management of the resources themselves.

5. THE STATE OF ADVANCEMENT

In order to gauge the state of material advancement of the Programme, the total cost of the works already examined by the Committee, €116.8 billion, has been subdivided into two categories:

- works downstream from the project approval phase (tendered, awarded, in progress and completed), whose total cost comes to €49.4 billion;
- works in the planning phase, with a total cost of €67.4 billion.

Tables 10 and 11 break these two categories down by sector and macro area (Centre/North and South).

TABLE 10 – Works downstream from project approval by sector and macro area

Sector	Italy <i>(millions of euros)</i>	Advancement (%)¹	South <i>(millions of euros)</i>	Advancement in South (%)¹	Advancement in Centre/ North (%)¹
Railway corridors	7,138.9	19.2	0.0	0.0	20.8
Road corridors	21,033.2	42.4	12,977.2	69.7	26.0
Metros	7,707.3	53.8	2,644.9	64.5	49.6
Intermodal nodes	0.0	0.0	-	-	0.0
Defence of the soil – the MOSE System	4,298.3	100.0	26.7	100.0	100.0
Strait of Messina Bridge	4,684.3	100.0	4,684.3	100.0	-
Electric power and grid	916.0	51.1	19.0	2.1	100.0
Construction	1,497.3	100.0	diffused	diffused	diffused
Water schemes	1,083.2	77.4	1,083.2	77.4	-
Ports and interports	1,048.3	59.8	364.3	77.5	53.3
Total	49,406.7	42.3	21,799.6	66.1	32.9

¹ Percentage ratio of the value of works in the area having completed the planning phase and their cost.

Source: DIPE calculations based on "Rilevazione PIS", February 2009.

TABLE 11 – Works in the planning phase by sector and macro area

Sector	Italy <i>(millions of euros)</i>	Advancement (%) ¹	South <i>(millions of euros)</i>	Advancement in South (%) ¹	Advancement in Centre/ North (%) ¹
Railway corridors	30,045.7	80.8	2,796.3	100.0	79.2
Road corridors	28,602.2	57.6	5,638.4	30.3	74.0
Metropolitan systems	6,610.4	46.2	1,456.1	35.5	50.4
Intermodal nodes	236.7	100.0	-	-	100.0
Defence of the soil – the MOSE System	0.0	0.0	0.0	0.0	0.0
Strait of Messina Bridge	0.0	0.0	0.0	0.0	-
Electric power and grid	877.0	48.9	877.0	97.9	0.0
Construction	0.0	0.0	diffused	diffused	diffused
Water schemes	317.0	22.6	317.0	22.6	-
Ports and interports	705.6	40.2	105.9	22.5	46.7
Total	67,394.7	57.7	11,190.7	33.9	67.1

¹ Percentage ratio of the value of works in the area still in the planning phase and their cost.
Source: DIPE calculations based on “Rilevazione PIS”, February 2009.

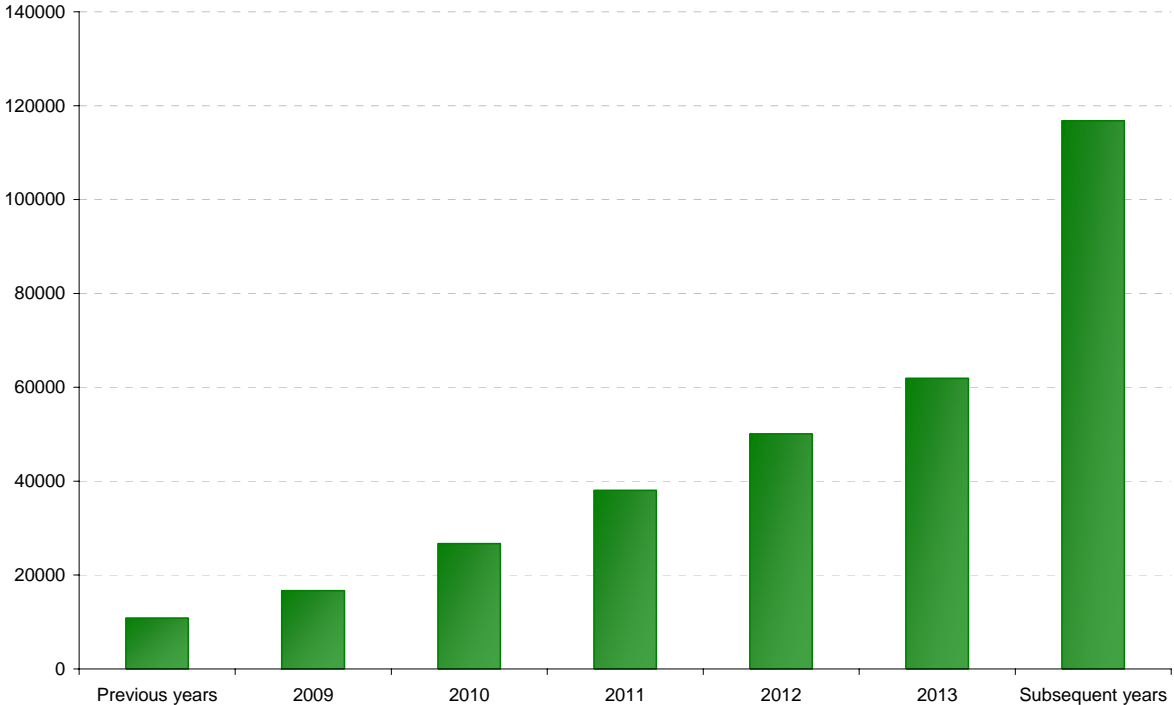
To summarize, the road modality, which represents nearly 48 per cent of funding under the Objective Law (Table 6), accounts for more than 42 per cent of the cost of the projects downstream from the planning phase. The state of advancement of rail transport projects (railways and metropolitan systems) is highly composite: while more than 80 per cent of railway projects are still in the planning phase, metropolitan systems in the post-planning phase account for 54 per cent of the cost of the works. Some 77 per cent of the cost of water schemes, which are concentrated in the South, consists in projects beyond the planning phase, testifying to the effectiveness of the Objective Law in its bid to enhance the infrastructural endowment of southern water systems.

Broken down by macro area, Tables 10 and 11 show that around 67 per cent of the cost of the works in the Centre and North refer to projects in the planning phase, partly because over 20 per cent of the total value of these works, have been examined by CIPE only recently (Table 2). By contrast, 66 per cent of the cost of the works in the South refer to post-planning phases.

As observed earlier, this reflects the strong public sector financial commitment to southern development, as a consequence of which the degree of financial coverage of the investments approved by the CIPE is higher in that region (79 per cent as against 48.7 per cent in the Centre and North).

Based on these data we can also update the spending forecasts and dates on which the works examined by the Committee were awarded. Figure 1 shows the cumulative spending timeline.

FIGURE 1 – Spending timeline
(cumulative amounts in millions of euros)



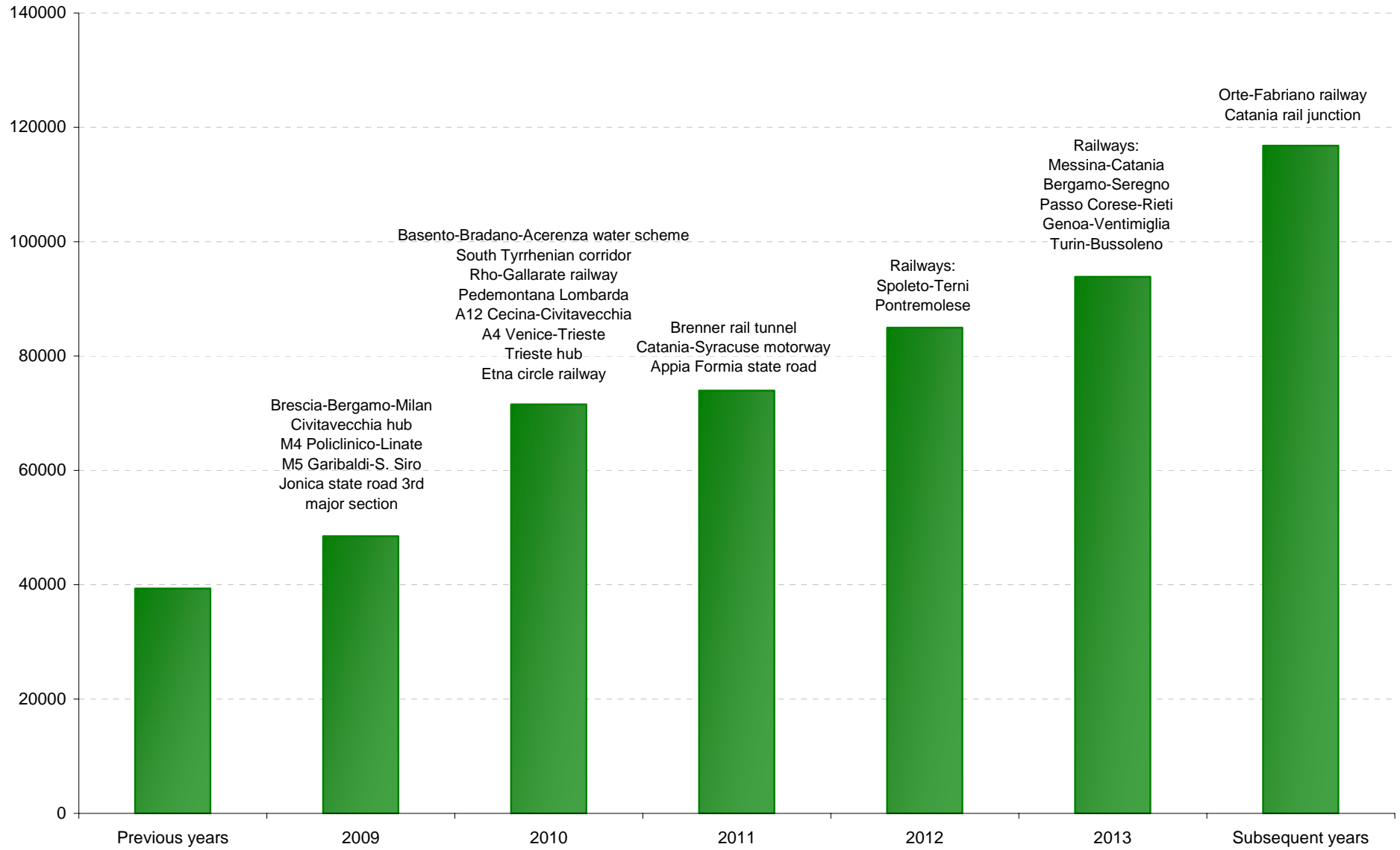
Source: DIPE calculations based on “Rilevazione PIS”, February 2009.

Indications provided by the PIS survey for each period considered show a growing cumulative volume of spending, which in 2013 is expected to exceed half the total amount of the Programme. This timeline, which refers to works that are now at various stages of planning or implementation, is consistent with the present and future state of assignment.

Figure 2 shows the cumulative value of the works examined by the CIPE on the basis of the timeline for their award.

FIGURE 2 – Award timeline

(cumulative amounts in millions of euros)



Source: DIPE calculations based on "Rilevazione PIS", February 2009.

As Figure 2 shows, the total value of the works assigned is expected to amount to €76.6 billion in 2010, or 65.5 per cent of the total cost. The figure also specifies some of the most important projects that will be awarded in the reference year. It is clear that the state of advancement of the road and motorway sector, already fairly well advanced today (see Table 10), will continue to improve, most notably this year and next. Railway investment, which is more severely cramped by the legal and regulatory impediments described in the previous chapter, are likely to continue to lag, before being concentrated in the years from 2011 on.

In any event, 2010 and especially 2011 will form a turning-point for the Programme as a whole. The stabilization of the legislative framework remains crucial to the activation of additional private resources, which as noted earlier on, can exploit the recent Community measures currently being implemented.

Considering the overall data on costs, funding and the state of advancement of the Programme, and on the problems in implementation and the measures taken to solve them, there is now a need to estimate the Programme's effective funding requirement through 2012 (i.e. for one year beyond the three-year budget just passed).

ANNEX 1 – LIST OF THE STRATEGIC WORKS IN THE PROGRAMME APPROVED BY THE CIPE

Defence of the soil	Camaldoli hill consolidation
	MOSE System
	Vallone San Rocco
Construction	Institutional buildings
	Major Rail Stations, rail station buildings
	Major Rail Stations, supplementary works
	School Buildings Safety Programme (emergency interim plan)
Energy and electric grid	Extraction of hydrocarbon deposits at Tempa Rossa
	380 kV line at S. Fiorano-Robbia (Switzerland)
	Electric line Turbigo-Bovisio - Turbigo-Rho section
	Development of the national electric grid: project for the authorization to build and operate the S. Barbara 380 kV power lines
	Development of the national electric grid : 380 kV electrode, underground, Matera-S. Sofia, variant in the Municipalities of Rapallo, Melfi and Riovero in Vulture in the Province of Potenza
	Development of the national electric grid: new 500 kV underwater link at c/c SAPEI (Sardinia-Italian peninsula)
Railways	Munich-Verona rail axis: Brenner tunnel
	High speed/high capacity rail link from Verona to Padua
	Rail link to the Marco Polo airport at Venice
	Orte-Falconara rail corridor: doubling of the Spoleto-Terni section
	Novara-Seregno railway: Galliate variant
	Passo Corese-Rieti railway
	High speed/high capacity line from Milan to Verona
	Bari-Taranto line: doubling of the S. Andrea-Bitetto section
	Catania rail junction: below-ground conversion of central rail station
	Falconara junction
	New rail line from Varese to Mendrisio: Arcisate-Stabio section (state border)
	Rho-Arona line upgrade: Rho-Gallarate section
	Saronno-Seregno railway upgrade
	Extension of the east Milan node: upgrade of the Seregno-Bergamo line
	Torino-Bussoleno line upgrade
	Quadrupling of the Verona-Fortezza southern access line to main Brenner tunnel, lots 1-2
	Doubling of the Foligno-Fabiano railway line
	Doubling of the Voltri-Brignole railway
	Doubling of the Pontremolese railway: Parma-Osteriazza and Berceto Chiesaccia sections
	Doubling of the Genoa-Ventimiglia line: Finale L.-Andora section
	Doubling of the Messina-Catania railway line: doubling of the Giampileri-Fiumefreddo line
	Doubling of the Milan-Mortara line: Cascina Bruciata-Parona Lomellina section
	Work on the high speed/high capacity Verona node
	Milan-Genoa high speed/high capacity line: "Terzo Valico dei Giovi"
	Cannitello variant
	Development of a high speed railway line from Catania-Syracuse

Intermodal systems	Metro access to the Milan Fair District: AC/SFR/MM/TP interchange node and private road transport system
	Railroad junction at Casalecchio di Reno
Metropolitan systems	Metro access to the Milan Fair District
	Alifana, Naples metro, line 1
	Extension of the M2 Milan metro from Cologno nord to Vimercate
	Naples metro, line 1 Capodichino-Centro Direzionale
	Roma metro line C
	Bologna metro
	Milan metro M3 line extension, San Donato-Paullo section
	Milan metro M4 line, Sforza Policlinico-Linate section, lot 2
	Milan metro M4 line, Sforza Policlinico-Linate section, lot 2
	Milan metro M5 line, Garibaldi-San Siro section
	Naples metro completion of line 1: link Dante-Centro/direzionale
	Naples metro, line 6
	Turin metro, line 1, section 4 Lingotto-Bengasi
	Brescia light metro – Metrobus: improvements to the 1 st working lot from Prealpino to S. Eufemia
	Milan light rail tram system (Parco Nord) Desio-Seregno
	New M4 metro line Lorenteggio-Linate: 1 st working lot from Lorenteggio to Sforza Policlinico
	New M5 metro line from Garibaldi to Monza Bettola: Garibaldi-Bignami section
	M1 metro line extension to Monza Bettola: Sesto FS-Monza Bettola section
	Extension of rail network in Catania metropolitan area from railway station to the airport: Stesticoro-airport
	Veneto Regional Metropolitan Railway System (S.F.M.R.), phase 2
	Coastal rapid transport Rimini Fiera–Cattolica: 1 st operational phase, Rimini-Riccione
	Mass transit for the city of Parma: motorway-station FS – line A university campus and airport – railway station, line C
Strait of Messina	Strait of Messina bridge
Ports and interports	Links Fiumicino interport - Rome area interport hubs, linking the A12 Rome-Civitavecchia motorway to the town of Fiumicino's street grid to serve the Rome Fiumicino interport
	Novara freight centre: completion of terminal west construction works
	Novara freight centre: new railway bridge on Terdoppio
	Completion of Guasticce interport: roads and key urbanization works
	Trieste hub: logistic platform between the Scalo Legnami and the Mineral Oil Free Zone
	Civitavecchia port hub
	Battipaglia interport, 1 st working lot
	Battipaglia interport, final lot
	Catania interport
	Civitavecchia interport
	Gioia Tauro interport
	Nola interport, access road
	Port of Taranto logistic platform
	Umbrian logistic platforms (Terni-Narni-Foligno-Città di Castello-S. Giustino)
	Restructuring of the system for accessing the operational areas of the Voltri port basin

	Access roads to La Spezia port hub: interconnection between A12 exits and port: Aurelia state road (SS1) alternate route, lot 3 between Felletino and motorway junction
Water sector	
	Favara di Bugio aqueduct
	Frida-Sinni-Pertusillo aqueduct: water supply network of Montalbano Jonico – 1 st working lot
	Gela-Aragona aqueduct
	Molisano Centrale aqueduct
	Molisano Destro aqueduct
	Sinni potable aqueduct, lots 1-2-3
	Valle dell'Agri aqueduct
	Sinni pipeline: restructuring and hydraulic remote control
	Upgrade of irrigation system in the RH Ofanto and Rendina rivers district in the Lavello agricultural zone
	Completion of Pavoncelli-bis tunnel
	Completion of Basento Bradano water scheme, outfitting of Sector G
	Completion of the Menta river dam, hydropower plant and pressure pipeline, works downstream of the hydropower plant, collecting works and storage facilities at the Menta mountain stream
	Completion of facilities for irrigation and potable use of the Monti Nieddu and Is Canargius and minor basins
	Chiauci bridge dam: completion
	Interconnection of Tirso and Flumendosa-Campidano water schemes and enhanced utilization of the Tirso - Fluminimannu di Pabillonis-Mogoro valley basins, lot 3
	Interconnection of Tirso and Flumendosa-Campidano water schemes and enhanced utilization of the Tirso - Fluminimannu di Pabillonis-Mogoro valley basins, lots 1-2
	Montescuro west
	Aqueduct works in the Noce and Sinni river valleys
	Water treatment plant at Conza
	Expansion of the Ruzzo aqueduct
	Restructuring of S. Giuliano-Ginosa water pipeline
	Basento-Bradano water scheme: Acerenza tranche, distribution: lot 3
	Water scheme for the Menta river dam, lot 1
	Basilicata water schemes: monitoring of water consumption and measurement of the water supplied
	Molise water schemes, irrigation of lower Molise with waters from the Biferno and Fortoro rivers - 1st intervention
	South-east Sardinia water schemes
	Sardegna-Flumineddu-Tirso water schemes - lots 2-3
Roads and motorways	
	A4 motorway Turin-Milan section II alternate route at Bernate Ticino
	Access to the Milan Fair District
	Malpensa access: SS11 link to Magenta – Milan west ring road + Abbiategrasso alternate route and upgrade of SS494 Abbiategrasso-Ponte Ticino
	Valtellina access, Morbegno alternate route: variant to 2 nd part of lot 1
	Valtellina access: SS38 lot 1 Morbegno alternate route from Fuentes interchange (included) to Tartano interchange (included)
	Colle di Nava state road (SS28) upgrade : alternate route at Pieve di Teco-Ormea with tunnel at the Armo-Cantarana pass
	State Road 156 Lepini hills upgrade: (tranche 2, lot 2)
	State Road 156 Monti Lepini upgrade: (tranche 2, lot 2)
	Modernization of State Road 275 Maglie-S.Maria di Leuca

Modernization of the Domitiana state road (SS7 quarter): works to upgrade Section A between km 0+000 and km 27+000 with the reopening of the alternate route at Mondragone
A4 motorway extension from Quarto d'Altino Villesse
Messina-Syracuse-Gela motorway
A12 motorway section Cecina (Rosignano marittimo)-Civitavecchia
A4 motorway: conversion to four lanes in the Novara-Milan section
Asti-Cuneo motorway; Cuneo bypass, lots 1-6
Brescia-Bergamo-Milan (Bre.Be.Mi) motorway
Cisa-Brenner: Fontevivo–Nogarole motorway
Ospitaletto-Montichiari motorway
Salerno-Reggio Calabria motorway
Campogalliano-Sassuolo motorway link between A22 motorway and State Road 467 Pedemontana
Civitavecchia-Orte-Terni-Rieti: Terni-regional border
Pontine plain-A2 motorway link: Cisterna-Valmontone-A2
Lecco-Bergamo motorway link: Calusco d'Adda terno d'Isola
Lecco-Bergamo motorway link: alternate route Cisano bergamasco
Road link, as an alternate route to the Gallaratese state road (SS341), between Samarate and the provincial border, A8-SS527 section
Completion of 4-lane Cassia State Road: km 41.300-km 74.000
Completion of Messina-Palermo motorway
South Tyrrhenian corridor: A12 (Rome-Fiunicino)-Appia (Formia): 1 st working lot A12-interchange Sabaudia/Terracina
Rome ring road
Itinerary A12 Pontina-Appia: alternate route to the Appia state road (SS7) in Formia
Itinerary Agrigento-Caltanissetta-A19: conversion to four lanes of the Porto Empedocle state road (SS640) in the section from Km 9+800 to Km 44+400
Itinerary state road Caianello (A1)-Benevento. Upgrade of Caianello (A1)-Benevento. Conversion to four lanes of the Telesina state road from km 0+000 to km 60+900
Palermo-Agrigento state road (SS121 – SS189): modernization of the section from Palermo to Lercara Friddi
Itinerary Ragusa-Catania: upgrade to four lanes of the Chiaramonte state road (SS514) and SS194 near Ragusa from the interchange with SS115 to the interchange with SS114
Route S.G.C. Grosseto-Fano state road (SS78), lots 5-6-7-8 of the Grosseto-Siena section, extension to four lanes of the Di Paganico state road (SS223) from 30+0.40 km to 41+600 km
Perugina road system: Madonna del Piano-Collestrada section
Perugina road system: Madonna del Piano-Corciano section
Mestre bypass
Pedemontana Lombarda motorway link Dalmine-Como-Varese Valico del Gaggiolo and ancillary works
Upgrade of the Carlo Felice state road (SS131)
Marche-Umbria Quadrilatero
A4 motorway link to Valtrompia
Villesse-Gorizia junction: upgrade to motorway
Upgrade of access to the former Paullese state road (SS415): expansion of the section from Peschiera Borromeo to Spino d'Adda, Adda bridge lot
Jonica state road (SS106) tranche 3
Jonica state road (SS106) tranche 4 alternate section at Nova Siri
Jonica state road (SS106) tranche 2 (Catanzaro) from Km 178+350 to 191+500 and extension of the Due Mari SS280 from the Sanssinato junction

to the Germaneto junction
Jonica state road (SS106) alternate route to the built-up area of Palizzi – lot 2 from Km 49+485 to Km 51+750 (lot 2 of tranche 5)
State Road 17: alternate route to the residential area of L'Aquila
SS675 Umbria-Lazio, section 3, lot 1, part A
SS28 alternate route Imperia centre-Aurelia bis
Isclero valley high-speed road (lots 4-5)
Tre Valli road: Eggi-Acquasparta
Pedemontana veneta toll motorway
Milan east ring road
Tre Valli Eggi-San Sabino section
External variant at Lecce 2 nd working lot
Road access to the Savona port hub, interconnection between the A10 tollgates at Savona and Albisola and the Savona and Vado ports: alternate route at the Aurelia state road (SS1) between the Letimbro mountain stream and Albisola Superiore



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