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3 European Commission
4 Directorate General for Economic and Financial Affairs
5 Unit L.3: Financing of climate change, infrastructure policies and Euratom
6
7 (the responsible unit supposed to be Unit L.3 based on the email address)
8

9 **Consultation on the Europe 2020 Project Bond Initiative**

10
11 I base my consultation answers on consultation documents from the consultation web page.
12

13
14 This answer will hold some thoughts about keeping ordinary citizens interested about large-scale
15 investment/infrastructure projects in their neighbouring areas.
16

17
18 This opinion represents an opinion of an individual citizen, not any legal entity.
19

20 This opinion does not contain:
21 – any business secrets
22 – any trade secrets
23 – any confidential information.
24

25 This opinion is public.

26
27 Annex 1 holds information about disclaimers and copyright.
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31 Best Regards,
32
33

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35 Jukka Rannila
36 citizen of Finland
37
38 signed electronically
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41 [Continues on the next page]
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43

44 Special Entity / Project Company

45

46 In the consultation document (STAKEHOLDER CONSULTATION PAPER, COMMISSION
47 STAFF WORKING PAPER, on the Europe 2020 Project Bond Initiative) are several interesting
48 models for financing large-scale investment/infrastructure projects.

49

50 When reading the consultation document, it came to my mind, that possibly private individuals,
51 different commercial entities and municipalities/towns/cities should be informed about the
52 investment/infrastructure projects during planning phase and maintenance phase.

53

54 There could be some possibilities:

- 55 – information services
- 56 – direct ownership with shares
- 57 – direct ownership with special class of shares
- 58 – contracts.

59

60 Information Services of a Special Entity / a Project Company

61

62 When thinking large-scale investment/infrastructure projects, several private individuals, different
63 commercial entities and municipalities/towns/cities can be affected in the actual building phase of a
64 investment/infrastructure project.

65

66 I have been following some investment/infrastructure projects, and sometimes private individuals,
67 different commercial entities and municipalities/towns/cities may come to the same conclusion – a
68 large-scale investment/infrastructure project is huge, that the whole thing is totally unreachable for
69 them.

70

71 On the other hand, in the maintenance phase a Special Entity / Project Company might need large-
72 scale co-operation between several private individuals, different commercial entities and
73 municipalities/towns/cities. Prime example is keeping the builded investment/infrastructure in good
74 shape and information about defects/problems should be informed immediately.

75

76 My question is following: how private individuals, different commercial entities and
77 municipalities/towns/cities would be committed to a large-scale investment/infrastructure
78 maintenance for several years.

79

80 Information Services

81

82 One obvious solution is naturally keep affected private individuals, different commercial entities
83 and municipalities/towns/cities informed for several years during the maintenance phase.

84

85 [Continues on the next page]

86

87

88

89 In simplest form this could mean following things:

- 90 – paper-form letters
- 91 – web pages
- 92 – information feeds.

93

94 In all those solution are some problems.

95

96 Conventional letters might suffer from changing postal addressed.

97 Conventional web pages must be interesting enough to keep the public informed.

98 Information feeds is a growing phenomenon and will be one option to keep the public informed

99

100 The obvious solution would be, that all those different methods are used in intelligent way to serve
101 private individuals, different commercial entities and municipalities/towns/cities for their
102 information needs.

103

104 Direct ownership with shares

105

106 One solution is to sell shares of a Special Entity / a Project Company.

107

108 The problem with this option is, that there might be a huge variety of different owners. The actual
109 shareholder meetings can mean ten/hundreds of different owners.

110

111 The idea in the consultation paper was, that there would be a limited number of shareholders for a
112 Special Entity / a Project Company.

113

114 Also different owners selling their shares to unknown owners might cause difficult situations.

115

116 Direct ownership with special class of shares

117

118 One solution is to have two class share, e.g. A and B class. For example:

- 119 – A series of shares is for institutional owners
- 120 – B series of shares is just for keeping different stakeholders informed.

121

122 In practical terms, this could mean that A series owners make the actual decisions and those
123 shareholders have actually provided the bulk of the capital for a Special Entity / a Project Company.
124 The B series owners might be owners, who right to attend shareholder meetings, but they are
125 minority shareholder owners.

126

127 The problem with this option comes from legislation, which might be complicated depending on the
128 legislation in different European Union member states, i.e. the legislation for A and B series might
129 be difficult to implement in reality.

130

131 [Continues on the next page]

132

133

134 Contracts with different stakeholders

135

136 One option is to make different contracts with private individuals, different commercial entities and
137 municipalities/towns/cities.

138

139 These contracts can be different for different stakeholders, and there can several classes of
140 contracts.

141

142 One example might contracts for municipalities/towns/cities, which means different responsibilities
143 for different stakeholders.

144

145 Example 1:

146 – a Special Entity / a Project Company shall provide annual reports

147 – a council of a municipality/town/city shall read annual reports in a council meeting.

148

149 Example 2:

150 – a Special Entity / a Project Company shall provide annual reports to individuals

151 – individuals shall keep their postal addresses up-to-date

152 – there might be annual meetings, when the annual report is explained in detail.

153

154 Example 3:

155 – a Special Entity / a Project Company shall have a register of interested
156 (sub)contractors

157 – (Sub)contractors shall be informed promptly about new requests for quotation
158 (RFQs)

159 – there might be annual meetings, when the annual report is explained in detail.

160

161 My proposal: Contracts with different stakeholders

162

163 When thinking the effectiveness of keeping private individuals, different commercial entities and
164 municipalities/towns/cities well-informed all the time, I came to the conclusion, where different
165 contracts are used.

166

167 Different classes for shares might be rigid solution, since the usage of share is always legislated
168 very specifically and the leverage/freedom might be hindered.

169

170 Contracts can be more intuitive and they can be created for different large-scale
171 investment/infrastructure project classes, e.g. roads, electricity networks, etc.

172

173 Also monetary issues can be handled more easily with contracts, since depending on the class of
174 large-scale investment/infrastructure project there can be different amounts of capital invested.

175

176 Also with contracts the unpredicted problems of unregulated shares selling problems can be
177 alleviated. Naturally contracts can be forwarded, but that can be done in a regulated manner.

178

179 For example, the change of ownership in certain land areas related to a large-scale
180 investment/infrastructure project might be a more guided process, e.g. a Special Entity / a Project
181 Company must be informed about changes in ownership of certain land areas.

182

183 Also with contracts different information services can be solved, since a contract can have
184 regulations about keeping stakeholders informed even if the information technology of information
185 services system is changing, e.g. a stakeholder can provide an electronic mail address or
186 information for short message service (SMS).

187

188 **Need for creating different contract types for different large-scale investment/infrastructure** 189 **project types**

190

191 I propose, that the European Commission launches new consultation(s) for creating different
192 contract types for different large-scale investment/infrastructure project types.

193

194 When analysed more in-detail previous large-scale investment/infrastructure projects, both successes
195 and failures, there could be easy-to-use contract models.

196

197 Naturally, those contract models should be evaluated carefully in every large-scale
198 investment/infrastructure project planning. With European-wide models, there could be both
199 practical legal expertise and academic legal research for contract models

200

201 **Readability of European-wide contract models / Open contests**

202

203 When practical legal expertise and academic legal research are used to create European-wide
204 contract models, there should be an open contest / contests of creating readability guides based on
205 actual legal texts. Those readability guides should be the most readable text in the world.

206

207 Too often we just throw large-scale complex model contracts to different stakeholders and expect
208 everyone to understand those texts. Overly complex legal texts is a fact-of-life, but there should be
209 readability guides in order to explain actual legal texts in different layered levels of detail.

210

211 One good example of producing highly understandable explanations on top of the actual legal text
212 is Creative Commons licences, check the following web page:

213

214 <http://creativecommons.org/licenses/>

215

216 There are three versions of that legal text:

- 217 – human-readable text
- 218 – machine-readable text
- 219 – actual legal code.

220 In this case human-readable text is produced by selecting different options, and the human-readable
221 text is produced after these selection, but there is also the overly complex legal texts as the final
222 resource.

223

224 **Good luck !!!!**

225

226 Hopefully this consultation produces fresh ideas for efficient and successful large-scale
227 investment/infrastructure projects.

228

229 **Please inform about the consultation results**

230

231 Hopefully there is adequate resources in the European Commission to assess answers to the
232 consultation.

233

234 My humble request is, that the European Commission informs about the results of this consultation.

235

236

237

238 Best regards,

239

240

241 Jukka Rannila

242 citizen of Finland

243

244 signed electronically

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246

247 [Annex 1 on the next page]

248

ANNEX 1

249 250 DISCLAIMERS

251 252 Legal disclaimer:

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289 The English explanation is in the following web page:

<http://creativecommons.org/licenses/by-nd-nc/1.0/fi/deed.en>

291



1 Based on the Finnish three-party system there is a phenomenon called extreme-centre in Finland. The 2011 parliamentary elections in Finland challenge the three-party system, since three "old" parties were not traditionally as the three largest parties. The is now a "new" party as the third largest party. We all must remain being interested about this new development in Finland.