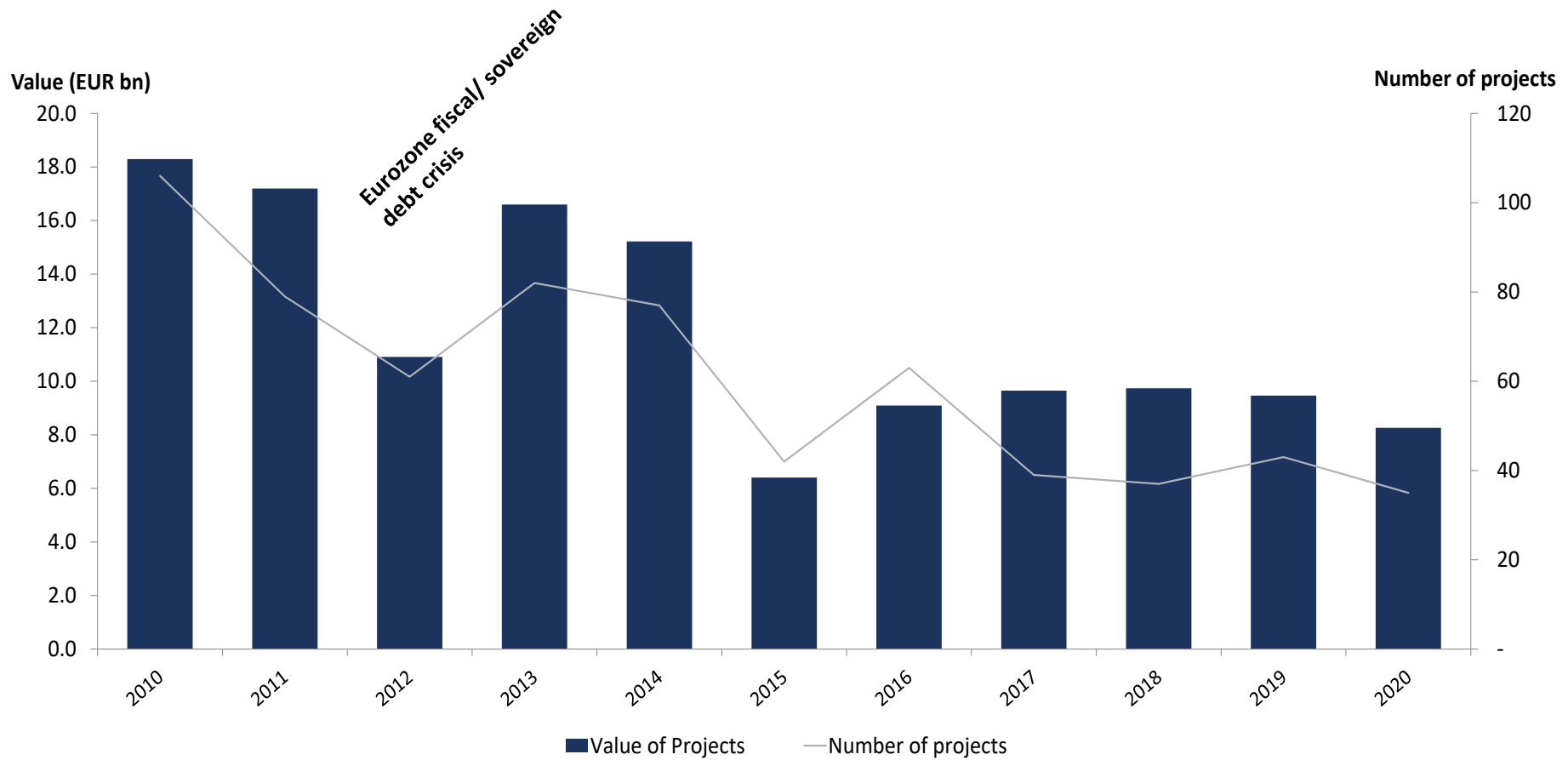


# Overview of European PPP market

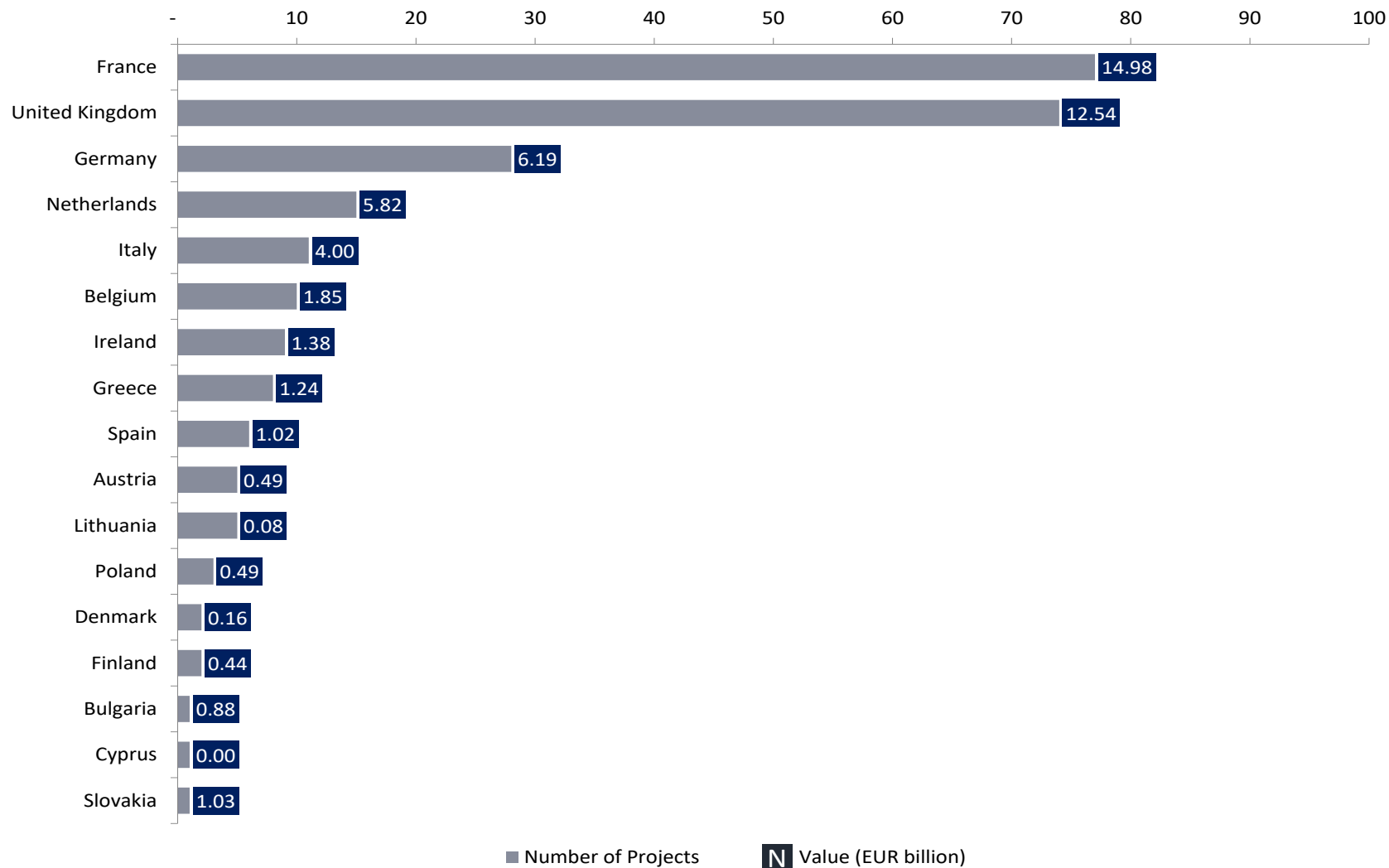
‘Does PPP add value for money’ - PPP in Practice

22 June 2021

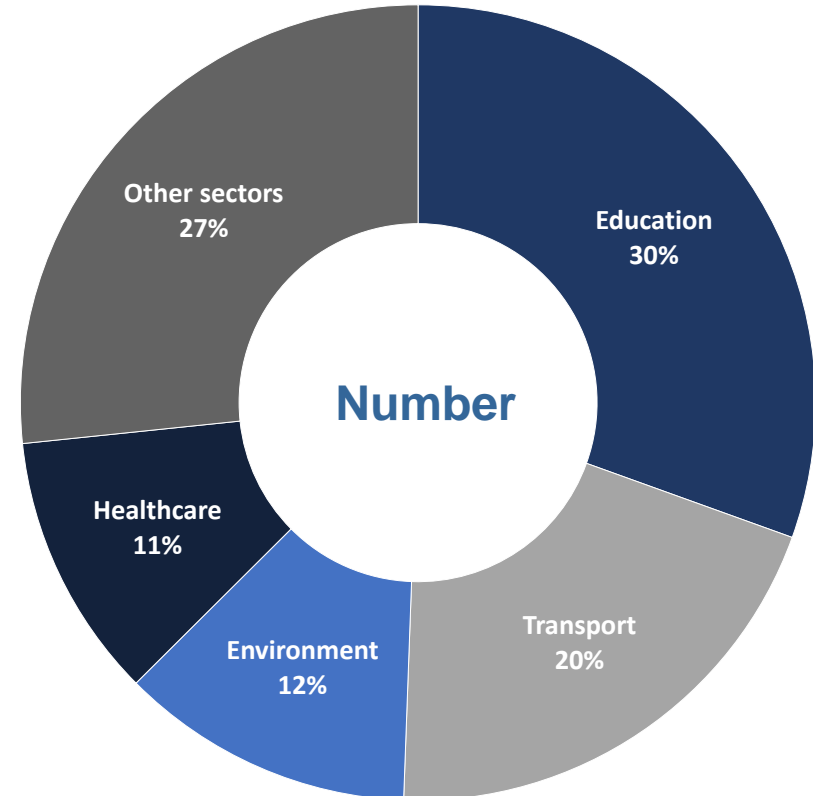
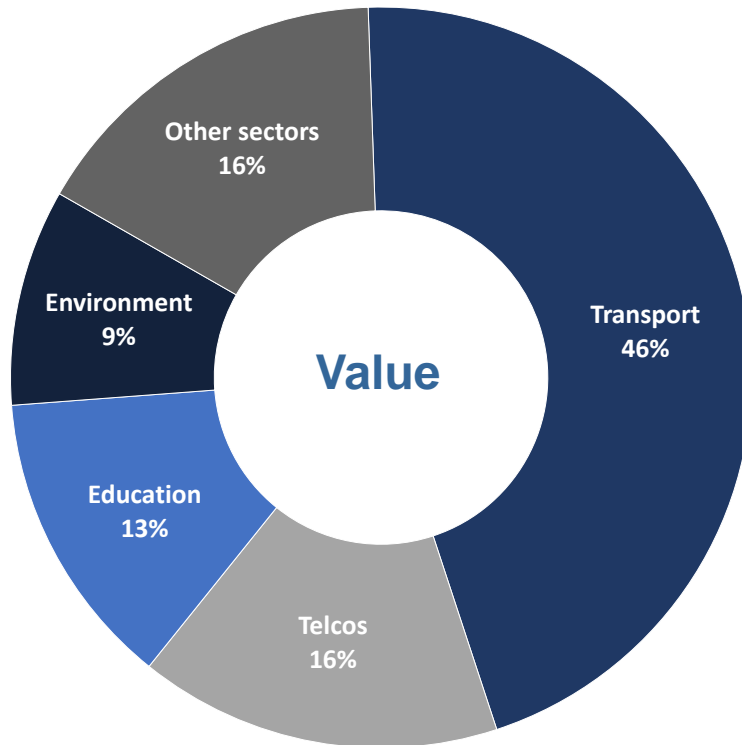
# Value and Number of EU, UK PPP Projects 2010-20



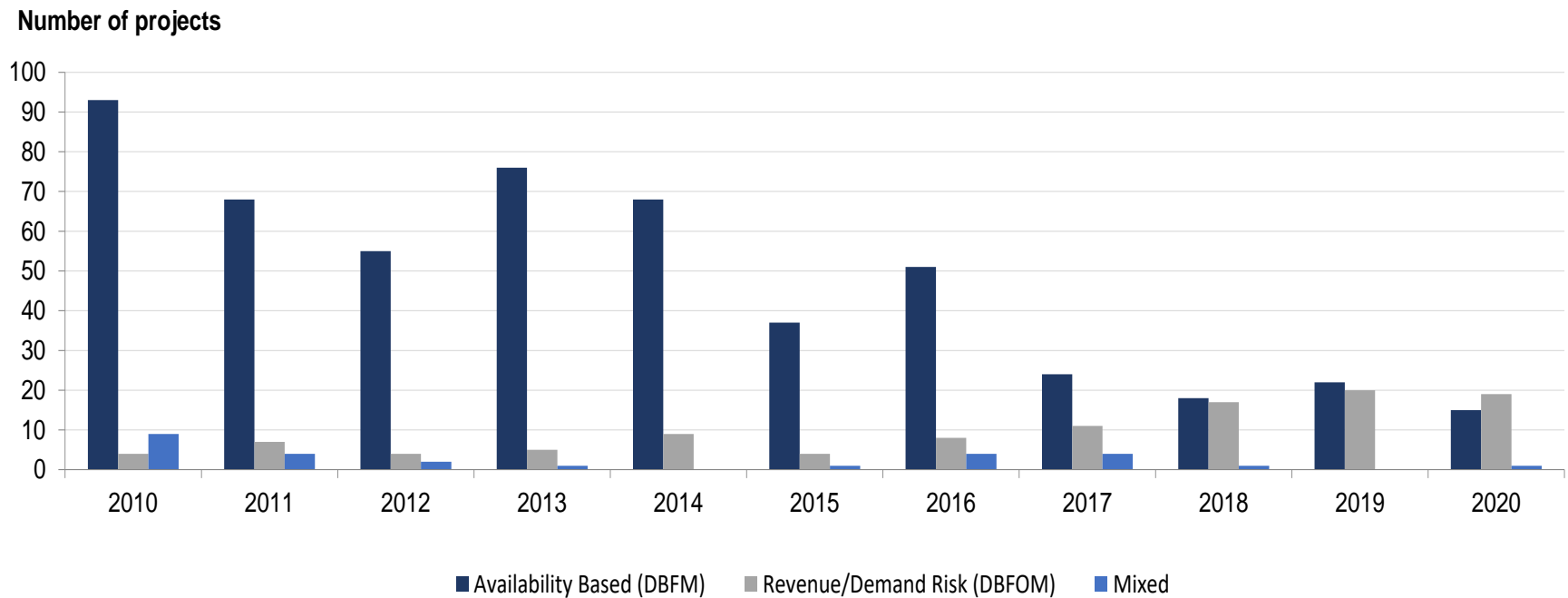
# Number and Value of EU, UK PPP Projects 2015-20



## Sector Distribution of EU, UK PPP Projects 2015-20



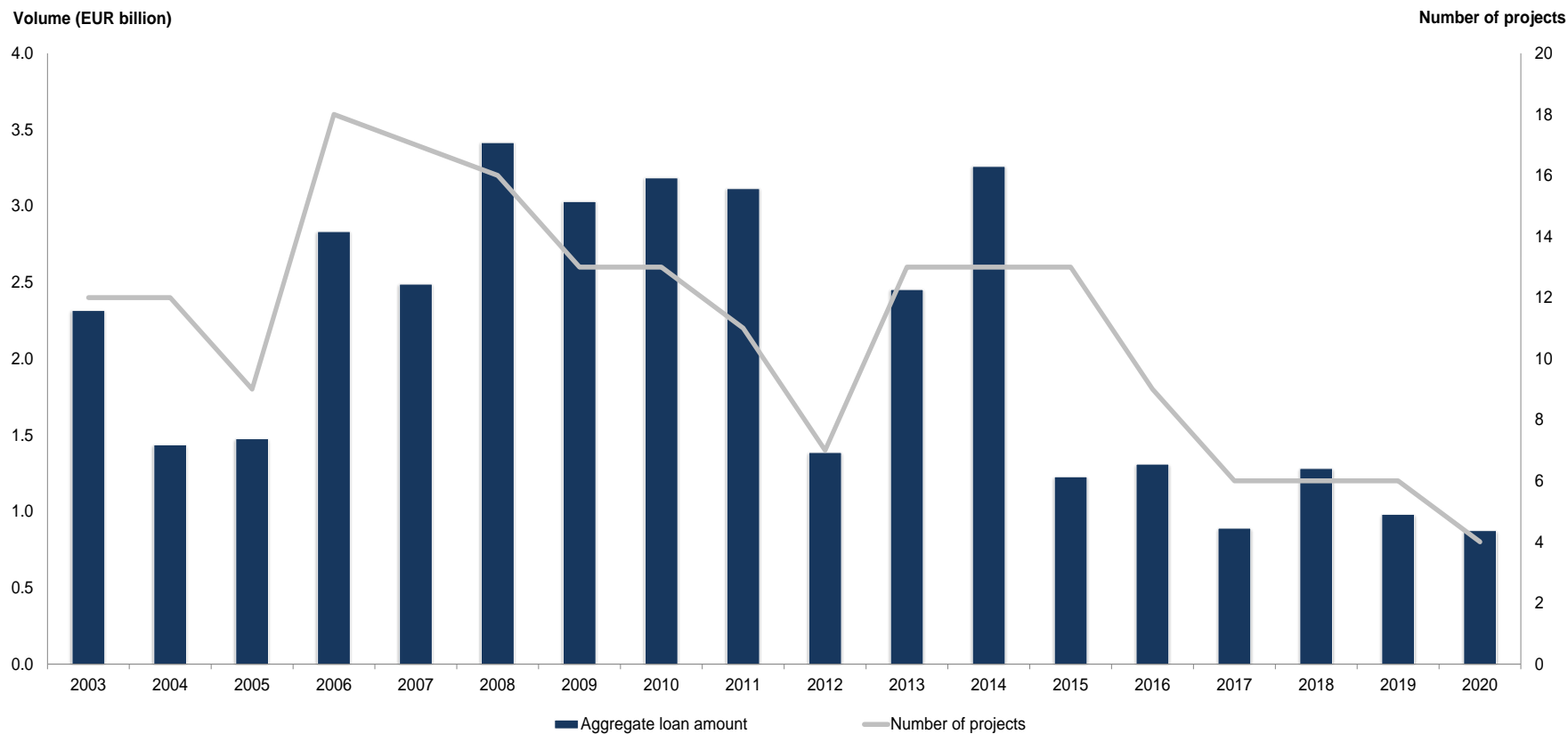
## Distribution by Payment Mechanism 2010-20



# EIB lending to PPPs (2003 - 2020)

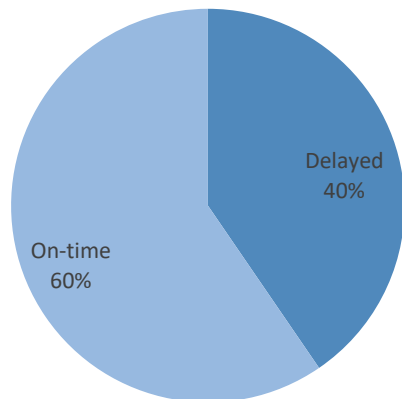
Since 2003:

- Over 198 projects in 29 countries
- Total lending volume > EUR 36 billion

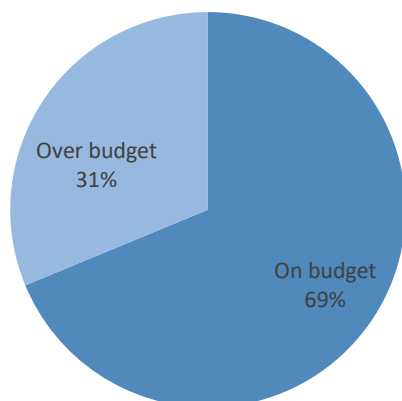


## Recent PPP performance studies

### Construction Period Time Performance (+30 days)



### Construction Period Cost Performance (+5%)



### EPEC study of PPPs (ongoing)

- Sample size: 225 projects for time performance and 64 projects for cost performance data in Europe
- Larger, nationally procured PPP projects performed slightly better on time and cost
- Brownfield PPP projects performed better than greenfield
- Size of PPP project does not appear to matter
- At sectoral level, time performance quite similar, but on cost performance, transport projects performed better than education and public order sub- sectors in study (89% of transport projects on budget)
- No noticeable improvements over time
- Authority changes in scope appear to be an important driver in time and cost overruns.

## Recent PPP performance studies cont.

- Comparative Study (2019) by Dr. Jörg Christen, Ministry of Finance of Rhineland-Palatinate, Hochschule Mainz, Fachbereich Technik
  - 50 PPP schools/880 conventionally procured schools in Germany
  - 12-31% lower construction cost for similar quality
  - 30% shorter construction time
  - Higher quality life cycle maintenance (= > less time lost for teaching, lower investment backlog, faster reaction)



## Motivations / potential benefits of PPPs

Improved long-term maintenance of assets
Improved quality and consistency of service delivery
Improved long-term management of risks
Reduced interface risks through integration of design, construction and service delivery obligations
Greater visibility and certainty of whole-life costs
Greater certainty of on-time delivery of assets within the budget
Opportunity for private sector innovation in design, construction and service delivery solutions
Access to skills from the private sector that are not available in the public sector
Opportunity for the public sector to focus on its core public service activities
Access to third party (e.g. financier) scrutiny of project proposals
Reform of current public sector practices (e.g. in procurement, project management, asset management)
Mobilising private sector capital to enable additional and /or earlier delivery of public services
More effective revenue generation through improved asset utilisation
Matching of long-term benefits of infrastructure to long-term funding

Ed Farquharson

## European PPP Expertise Centre

[epec@eib.org](mailto:epec@eib.org)

[www.eib.org/epec](http://www.eib.org/epec)

Twitter: @EpecNews

Telephone: +352 4379 22022