INFRA-FISCAL RADAR · WEEKLY

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How much room did you just give your PPPs?

Governments are enlarging the space PPPs are allowed to occupy — a **doubled fiscal ceiling** in one country, a State funding **70% of a “private” partnership** in another — while private money arrives at a post-COVID record.

Three decisions and one anchor. The ceiling counts the commitment; **nothing counts the capacity to pay it.**

Austral Fiscal & Infrastructure Intelligence · drawn from public reporting, with the Austral research series referenced throughout.

PARAGUAY · THE CEILING DOUBLES

Paraguay just doubled the room its PPPs may occupy.

Under **Ley 7452/2025** — which repealed the 2013 PPP law and was brought into force by decree in February 2026 — the cap on accumulated firm *and quantifiable contingent* commitments, in present value and net of fiscal assets, moves from 2% to **4% of GDP**. The annual Treasury payment cap doubles too, to **0.8% of GDP**.

2% → 4%

of GDP — the ceiling on PPP commitments and contingencies; contract terms also stretch 30 → 40 years and state participation 10% → 25%

The design is better than the headline suggests: contingencies count *inside* the ceiling, and the **Ministry of Economy and Finance** now holds functions that were scattered across agencies. A ceiling with one gatekeeper is a real constraint.

> **A bigger envelope needs a better filter.** Doubling the ceiling doubles what the pipeline can absorb, not what the budget can pay. The binding question is which projects are allowed to consume the new room — and at what subsidy, computed rather than negotiated.
>
> New Austral paper → ***The Pipeline Under the Ceiling*** — running a PPP programme against an active limit · ***The Viability Gap***

VIETNAM · WHOSE PARTNERSHIP IS IT

The State may now fund 70% of a “private” partnership.

Vietnam’s amended PPP law (**Law 57/2024/QH15**) lifts the state capital share from 50% to **70% of total investment** where land clearance and resettlement are heavy, where the project sits in a disadvantaged region, or where technology transfer needs the support to pencil.

50% → 70%

the State’s permitted share of **total project investment** — and **Decree 312/2025** now pays it out against “value of completed work”

At 70% public capital the label stops doing any work. What is left to the private partner is delivery and operation — which can be exactly right. But the **value-for-money case has to be re-run at the new ratio**, not inherited from the old one.

> **Name the instrument, then test it.** A 70% capital contribution is a subsidy: size it as the smallest amount that clears bankability, value for money and affordability together — and check that the risk still sits with whoever manages it, or the State has bought the project twice.
>
> Austral papers → ***The Viability Gap*** · ***The Retention Frontier***

UNITED KINGDOM · THE BILL ARRIVES

£50bn bought. £136bn still owed.

NISTA's **PFI and PF2 summary data, published March 2026**, counts **665 operational PFI contracts** across hospitals, schools, roads, waste and IT — a combined capital investment of roughly **£50 billion**.

£136bn of **unitary-charge payments still to run**, out to **2052–53** — against about £50bn of capital actually delivered

This is what a ceiling looks like from the far end. The commitments were affordable, one contract at a time, on the budget arithmetic of the year each was signed. **The stock is what nobody voted on.**

Roughly **£2.70 of future charge for every £1 of capital delivered** — financing, maintenance and service bundled into a payment that runs for decades after the ribbon is cut. Each contract was defensible on its own. **The programme was never appraised as a programme.**

> **Count the stock, not just the year.** A programme is affordable only if the whole payment profile is, under stress, out to the last contract year — and only if it sits somewhere a legislature can see it before the assets start handing back.
>
> Austral papers → ***The Recognition Rule*** · ***Stress-Testing PPP Portfolios***

GLOBAL · THE ANCHOR

Private money is back above $100bn.

The World Bank's **PPI database** puts private participation in infrastructure at **USD 100.7 billion** — up **16%** on the year and **20%** on the five-year average, and the first time the threshold has been cleared since the onset of COVID.

$100.7bn private participation in infrastructure — the **demand side of every ceiling being raised** above

Rising volume is not the risk. The risk is that capacity to *appraise* grows slower than capacity to *commit* — and the gap between them is filled by contracts nobody has priced at portfolio level.

A record year is also a **correlation year**. The deals signed into one buoyant window share a vintage — the same rate curve, the same traffic forecasts, the same currency assumptions — so they sour *together*, not one at a time.

> **Scale the appraisal with the pipeline.** A record year is the moment to stress the whole book — FX, demand, rates, correlated — not the moment to trust that each deal was fine on its own.
>
> Austral papers → ***The PPP Feasibility Framework*** · ***Stress-Testing PPP Portfolios***

THE THROUGH-LINE

Raise the ceiling. Then count what fills it.

A doubled cap, a 70% public stake, a record year of private capital — and, from the country that started earliest, **£136bn of bills still to pay on £50bn of assets.** Room is easy to create. **Capacity to pay is the thing that has to be measured:**

VfM value for money	Re-run the case at the ratio you actually chose.
FARO PPP fiscal risk	Price the commitment and the contingency inside the ceiling.
GFS accrual accounting	Put the stock where a legislature can see it.

Every ceiling above was set by someone who had counted the commitments. **None of them had counted the capacity.**

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