INFRA-FISCAL RADAR · WEEKLY

Week of 15 September 2026 · Issue 06

When does a PPP commitment show up in your numbers?

It is signed in one year and it lands in the accounts in another. This month three finance ministries published the gap. One shows a bill that is **zero for two budgets and then 273 billion**. One reports its PPP stock **jumping 41% without signing a thing**. In one, the bill arrived — and the State recovered **under seven cents on the real.**

Three decisions and one anchor. **Every one of those lags is a measurement choice, not a contract term.**

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

MEXICO · THE BILL THAT STARTS IN YEAR THREE

Zero, zero, then 273 billion pesos.

The **2027 economic criteria**, published on 8 September, carry the first budget appearance of the new strategic-infrastructure law. Third-party investment of **188.9 billion pesos** flows from 2027 to 2030. The **deferred payments** that pay for it are scheduled: **0.0 in 2027 · 0.0 in 2028 · 134.7 in 2029 · 138.8 in 2030** — and nothing after.

273.5 bn pesos of deferred payment against works that start now — **the first peso falls due in the third budget from today**

Credit where it is due: **we can see this because Mexico published the table.** The public-finance requirement line carries it too, at 0.3% of GDP in 2029 and 2030 and zero everywhere else. The asset arrives years before the cost does, and both are in the same document.

> **Publish the present value at signature, not the cash in the year.** A payment schedule that is zero for two years and then steps to 134.7 is a liability today, and a fiscal rule that binds on annual cash cannot see it. The NPV of the whole schedule, recognised when the contract is signed, is the number the rule should bind on.
>
> Austral papers → ***The Recognition Rule*** · ***The Useful Silence***

PERU · THE STOCK THAT MOVED ON ITS OWN

The PPP stock rose 41% without a single new contract.

The **2027–2030 macro framework** reports the present value of net PPP commitments at **4.22% of GDP** at end-2025, against **3.00%** a year earlier. The document says why: the rise “is explained by the inclusion of the projections” of three named contracts — a railway, a highway section and a water-treatment plant. **All three were already signed.** The projection caught up with them.

3.00 → 4.22 per cent of GDP in one year — **no new commitment, only measurement arriving late**

And this is the case that is going *right*. The statutory ceiling is **12% of GDP**, measured net of the revenue the projects collect. The ministry also publishes what happens if that revenue does not come: **12.38% of GDP — above its own ceiling.** Almost nobody publishes that second number.

Report the ceiling gross as well as net. A limit measured net of revenue the State does not control is a limit on a forecast. Publishing both readings, as Peru does, turns demand risk from a footnote into a number the ceiling has to answer for.

Austral papers → ***The Pipeline Under the Ceiling*** · ***The PPP Feasibility Framework***

BRAZIL · WHEN THE BILL DOES ARRIVE

Paid out 89.6 billion. Recovered 6.8 cents on the real.

The National Treasury's monthly guarantee report: since 2016 the Union has paid **R$89.58bn** honouring guarantees on state and municipal credit, and has recovered **R$6.06bn**. The Treasury explains the gap itself — about **R$79.78bn** was owed by states inside the fiscal recovery regime, which **suspends execution of the counter-guarantees.**

6.8¢ recovered per real honoured — the counter-guarantee exists, is contractual, and **does not collect where it is most needed**

These are credit guarantees to subnational governments, not PPP guarantees — and that is precisely why they matter here. **It is the same promise every counter-guarantee makes:** the State pays now and recovers later. Here the recovery rate is published, and it is under seven per cent.

> **Price the guarantee at its observed recovery rate, not at its contractual one.** If the counter-guarantee is suspended exactly when the debtor is in distress, its expected value in the states of the world that trigger it is close to zero. Provision on that basis.
>
> Austral papers → ***The Third-Party Guarantee Decision*** · ***Stress-Testing PPP Portfolios***

GLOBAL · THE ANCHOR

The liability does not arrive as spending. It arrives as a debt surprise.

An IMF departmental paper published **yesterday** studies fiscal rules across Latin America and the Caribbean. Countries that adopted a budget-balance rule saw **debt surprises fall by about 5% of GDP** — the absolute forecast error on debt. Its footnote names the channel: surprises in stock-flow adjustments, “often pertaining to below-the-line operations such as **the materialization of contingent liabilities**… are frequently as large and volatile as headline debt surprises themselves.”

~5% of GDP — the reduction in debt surprises where a budget-balance rule binds. **The commitment shows up in the debt stock, not in the deficit**

Read the three pages before this one against that sentence. A payment dated for 2029, a stock that moves when the projection updates, a guarantee honoured and not recovered: **none of them passes through the deficit on the way in.**

Publish the stock-flow decomposition. If the gap between the deficit and the change in debt is where these commitments land, then the decomposition of that gap is the disclosure that matters — and it is arithmetic a ministry already has.

Austral papers → ***The Anchor and the Perimeter*** · ***The Recognition Rule***

THE THROUGH-LINE

The contract is signed once. The number arrives in instalments.

Dated forward in Mexico, revised upward in Peru when the projection caught up, already paid and unrecovered in Brazil. Three ministries, three different lags — and **not one of them is a term of the contract. They are all choices about when to measure:**

VfM value for money	Compare options at the present value of the whole schedule, not at next year's cash.
FARO PPP fiscal risk	Price the guarantee at its observed recovery rate, and publish the gross reading of the ceiling.
GFS accrual accounting	Recognise at signature. The stock-flow gap is where everything else ends up.

Three finance ministries published the lag this month. **That is the good news: none of these numbers came from a leak.**

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