INFRA-FISCAL RADAR · WEEKLY

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Which balance sheet is your PPP on?

Four official documents this month drew the line in four different places. Eurostat pulled **€1.5 billion of military PPPs inside** the government balance sheet. One budget carries the same programme at **96.6 billion in its risk chapter and 3,166.9 billion in its annex**. One debt sustainability analysis stresses **14% of GDP** of contingent liabilities with the PPP line at **0.0**. And one debt limit was raised from 60% to 80% — and breached at **88.5%**.

Four decisions and one table. **The number depends on where you draw the perimeter — and the perimeter is a choice, not a contract term.**

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

LITHUANIA · INSIDE THE LINE

Eurostat put €1.5 billion of military PPPs on the government's books.

Ex-ante advice of 28 July: four PPP contracts for two new military bases (Rūdninkai, Kairiai), **€1,532 million**, availability-paid, with the EIB lending €540 million to the private vehicles. The same contract model as the three 2021 base contracts (€98.2 million) that Eurostat had accepted **off** balance sheet. This time: **on**.

€1.53 bn recorded on the government balance sheet — the same contract model sat off it at €98 million in 2021. **Scale and context changed the answer, not the clause**

The reasoning is the perimeter argument in one page. War is a force-majeure event; the partner may terminate and be compensated in full; the ministry decides what is built, who uses it and when it is exposed. In Eurostat's words: **"a financing mechanism rather than a genuine risk-sharing partnership"** — *"government investment with private financing, not private investment with government payments."*

Run the substance test before signature, not after. A PPP that leaves construction, availability and termination risk with the State is public investment with private financing, whatever the SPV is called. Book it as such from day one — and read the €98 million precedent as the exception it has now become.

Austral papers → ***The Recognition Rule*** · ***The Useful Silence***

MEXICO · ONE DOCUMENT, TWO PERIMETERS

The risk chapter says 96.6 billion. The annex says 3,166.9.

The **2027 economic criteria** (8 September) price the State's contingent exposure to CFE's Pidiregas projects at **about 96.6 billion pesos** over some twenty years — "limited risk". Twenty-three pages later the annex lists the same programme's **conditional Pidiregas** — capacity and energy charges owed to independent producers — at **3,166.9 billion pesos contracted**, 1,380.8 billion still to pay from 2027.

96.6 vs 3,166.9 billion pesos — the risk chapter's exposure and the annex's commitment stock, same programme. **Both are true. They measure different perimeters**

Neither number is wrong. The first asks *what does the Treasury pay if CFE defaults and the assets are worth nothing*; the second asks *what has CFE, wholly state-owned, already promised to pay*. The document answers both — in different chapters, on different pages, with no line between them.

> **Reconcile the two in one table.** Put the commitment stock in the fiscal-risk chapter and derive the State's exposure from it, with the assumptions on asset value and CFE's own capacity stated. A reader should not have to subtract page 74 from page 51 to find the perimeter.
>
> Austral papers → ***The PPP Budget Nobody Publishes*** · ***The Recognition Rule***

DR CONGO · THE ZERO IN THE STRESS TEST

Fourteen per cent of GDP in contingent liabilities. PPPs: 0.0.

The 2026 Article IV, published 8 September, stresses the debt path with a tailored contingent-liability shock of **14.0% of GDP**: 7.0 for incomplete SOE coverage, 2.0 for public institutions that do not report, 5.0 for the financial sector — and **0.0 for PPPs**, where the framework's default is 35% of the PPP stock.

0.0 of GDP for PPPs inside a 14%-of-GDP stress test — **not because the risk is nil, but because there is no measured stock for the 35% to apply to**

The same report carries a structural benchmark to rewrite the PPP law and hand PPP fiscal risk to the Ministry of Budget, and names **Inga 3** — the flagship hydro project — as "a potential source of fiscal and debt risks" with "complex and partially non-concessional financing". The largest project in the pipeline is in the text. In the stress test it weighs zero.

> **Measure the stock before the shock.** A stress test can only price a perimeter that has been counted. Make the first deliverable of the new PPP-risk mandate a signed-contract commitment stock — then the 35% has something to bite on.
>
> Austral papers → ***Stress-Testing PPP Portfolios*** · ***The Pipeline Under the Ceiling***

MAURITIUS · THE ANCHOR AND THE RULE

The debt limit went from 60% to 80%. Debt is at 88.5%.

IMF fiscal-responsibility advice, published 16 September: the 2008 Public Debt Management Act set a **60%** ceiling on public-sector debt; it was revised in 2010, 2017, 2020 and to **80%** in 2024 — and “breached repeatedly since its introduction”. Public-sector debt: **88.5% of GDP** at the end of FY24/25.

60 → 80 → 88.5 per cent of GDP: the original limit, the revised limit, the outturn. **A ceiling that moves to meet the debt is not a ceiling**

The mismatch is in the perimeters. The anchor covers the whole public sector; the operational rule covers only *budgetary* central government — leaving **156 extrabudgetary units, about a quarter of central-government spending**, outside the rule that steers the budget. Guarantees stand at 4.3% of GDP; two have already been called.

Bind the operational rule on the anchor’s perimeter — or bind what it leaves out. A narrow operational rule invites spending to migrate to the entities it does not see. Extend it to central government at least, and cap the deficits and borrowing of everything outside it.

Austral papers → ***The Anchor and the Perimeter*** · ***The Pipeline Under the Ceiling***

EUROPE · THE SECOND TABLE

Where the perimeter is published, the off-balance number is small.

Every January Eurostat publishes what sits outside general government. Liabilities of public corporations: **Germany 84.4% of GDP**, Netherlands 73.1%, Luxembourg 65%, France 61.9% — mostly public banks. Off-balance PPPs: **below 2% of GDP in every member state**, Portugal highest at 1.2%, nine countries at zero.

84.4% vs 1.2% of GDP — the largest public-corporation stock outside the perimeter, and the largest off-balance PPP stock. **The line is published, so hiding behind it buys little**

And as of this week the perimeter becomes a rating input for low-income countries too: the IMF–World Bank review of the LIC debt framework proposes a **debt-data confidence flag** on "whether the full public sector perimeter is captured". Read the two facts together: **where the second table exists, the second number is small.**

> **Publish the second table next to the first.** A debt anchor on one perimeter, plus an annual statement of what lies outside it — SOEs, PPPs, guarantees — in the same report the legislature and the rating agencies read. The EU has required it since 2013; the LIC-DSF will now score it.
>
> Austral papers → ***The Anchor and the Perimeter*** · ***The Useful Silence***

THE THROUGH-LINE

The anchor is only as honest as its perimeter.

Pulled inside in Vilnius, split across two chapters in Mexico City, carried at zero in Kinshasa, outrun in Port Louis — and published in full, every January, in Brussels. Same liabilities, five lines. **Every one of them was drawn by someone; none of them was drawn by the contract:**

VfM value for money	Compare procurement routes on the same perimeter, or the comparison is the loophole.
FARO PPP fiscal risk	The commitment stock of every signed contract — inside the risk statement, before the stress test.
GFS accrual accounting	Substance over form, contract by contract: on the balance sheet when the State carries the risk.

Thursday: *The Anchor and the Perimeter* — what a debt anchor measures, what walks around it, and what the same rule says when it is run on the whole balance sheet.

PAPERS, MODELS & FARO

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