

INFRA-FISCAL RADAR · WEEKLY

Week of 19 October 2026 · Issue 11

Every PPP is a payment promise. Most never reach the debt number.

A PPP does not avoid public money. It **schedules** it: availability payments, capacity charges, a guarantee that pays when the project cannot. Firm or contingent, it is a commitment of the State — and much of it sits outside the figure finance ministries publish and markets read.

This week: payments for the life of an asset, approved as “no debt”. A PPP where the private money is 3%. A power bill that is mostly capacity. A country building a guarantor so it can stop guaranteeing. And a debt ratio that jumped 26 points when an audit **found the commitments**.

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

MEXICO · JALISCO · THE FIRM COMMITMENT

Annual payments for the life of the asset. Officially, no debt.

On 8 October Jalisco's Congress received the initiative to build the replacement Chapala–Guadalajara aqueduct and pay for it through a **multi-year budget scheme**: annual payments over the project's useful life, authorised by Congress. The presentation was explicit: “no debt or contingent credits” are contracted.

MXN 11,922m committed through annual payments for the life of the project — a firm commitment, whatever the ledger calls it

This is not a trick, and it can be the right tool: a multi-year appropriation voted by the legislature is more honest than a guarantee nobody votes on. **The question is where it shows up next year** — in the multi-year budget, in the debt limit, or nowhere.

A multi-year infrastructure payment is a firm commitment. Record it at signature: present value, payment schedule, and a line in the fiscal-risk statement — so the next legislature sees what this one approved.

Austral papers → *The Recognition Rule · The PPP Budget Nobody Publishes*

SOLOMON ISLANDS · WHOSE PPP IS IT?

A private contract. A State guarantee. 97% public money.

Tina River is a textbook PPP: a 15 MW hydro plant built and run by private sponsors, power sold to the state utility under a **34-year PPA**, and a government guarantee agreement signed by the Ministry of Finance. On 14 October the World Bank disclosed its restructuring: cost up from **US\$241.9m to US\$318.1m**, commercial operation moved from 2024 to February 2028.

3% of the cost comes from the private sponsors — **US\$10.8m**. The rest, and the overrun, is concessional lenders, donors and the government.

The government is filling the gap with grants and concessional loans “to minimize additional sovereign borrowing and limit the associated impact on tariff”. Sensible. It also shows who carried the construction risk.

Count a PPP by who funds it and who stands behind it — not by who signs the contract. When the money is public and the guarantee is the State’s, the overrun was always the State’s. Book it that way from day one.

Austral papers → *The Recognition Rule · The Third-Party Guarantee Decision*

PAKISTAN · THE COMMITMENT NOBODY BOOKS

More than half the power bill is paying for capacity.

Pakistan’s single buyer filed its 2027 forecast on 12 October; the regulator hears it on 3 November. Of the **Rs 3.55 trillion** it expects to pay for power, **Rs 1.91 trillion** is capacity charges: fixed payments under long-term power purchase agreements, owed whether the plants run or not.

54% of the 2027 power purchase price is capacity — **Rs 14.7 of every Rs 27.3 per kWh**

And it moves with the rupee. In the filing’s own words, the capacity price is “primarily sensitive to US\$/PKR exchange rate, KIBOR/SOFR rate and Local and International inflation”. A firm, dollar-sensitive, decades-long commitment — carried in the tariff, not the debt.

Capacity payments are often the largest PPP commitment a power system carries — and rarely counted as one. Publish the stock: years left, present value, currency — next to the debt, not under it.

Austral papers → *The Useful Silence · The Silent FX Liability*

EGYPT · A GUARANTOR INSTEAD OF A GUARANTEE

Egypt wants PPPs that don't need a sovereign signature.

Many of its infrastructure projects “require sovereign guarantees to reach financial close”, the World Bank notes, amid “increasing pressure to contain sovereign guarantees and contingent liabilities”. The answer it is preparing with the Bank: a commercially managed guarantee company, **rated AAA on the local scale**, offering off-taker, termination and debt-service guarantees in local currency — for renewables, transmission, desalination and wastewater.

US\$520m first phase — US\$150m from the World Bank for the government's **20–25% stake**, US\$370m commercial and unguaranteed

The risk does not vanish: the State still owns part of the guarantor. But it is capitalised, capped and priced up front, instead of written one PPP at a time. The Board decides in December.

One guarantee platform beats a guarantee per project — if its exposure is public. Capital, leverage, calls paid and the State's share, reported every year in the fiscal-risk statement.

[Austral papers](#) → *The Third-Party Guarantee Decision · From Gatekeeper to Orchestrator*

GLOBAL · WHAT THE DEBT NUMBER LEAVES OUT

Senegal's debt didn't grow 26 points. It was found.

The IMF's October *Global Financial Stability Report*, released at the Annual Meetings: after a 2024 audit, Senegal's central government debt for 2023 was restated from about 74% to 100% of GDP. Later vintages added roughly **US\$2 billion of unreported bilateral disbursements on project commitments** that had already been disclosed.

74% → 100% of GDP, the same year, recounted. Spreads barely moved at first. The repricing came later.

The Fund's diagnosis is general: statistics “capture the cash raised but not the full exposure”. And in the IMF–World Bank framework for low-income countries, PPPs are covered by a stress test, not the baseline debt — and less than a third of debt analyses include non-guaranteed SOE debt.

Count the commitment when it is signed, not when an audit finds it. The market reprices either way — the only choice is whether the ministry told it first.

[Austral papers](#) → *The Useful Silence* · *The Anchor and the Perimeter*

THE THROUGH-LINE

A PPP is a payment promise. Count it the day you sign it.

Jalisco voted the payments and called them no debt. Tina River put a private name on public money. Pakistan pays for capacity whether it runs or not, indexed to a currency it does not print. Egypt is building a guarantor so it can stop signing guarantees. **Different instruments, one rule: the commitment exists from signature — whether or not the statistics see it.**

VfM value for money

Compare the PPP against the public option on the full payment stream, guarantees included.

FARO PPP fiscal risk

Register every firm payment and contingent guarantee at signature, under a published ceiling.

GFS accrual accounting

Report the PPP stock next to the debt: present value, years left, currency, who stands behind it.

How much of your PPP programme would an audit find?

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