

Next Level PPP

CAREC Business Forum

18–19 November 2025

Bishkek, Kyrgyz Republic



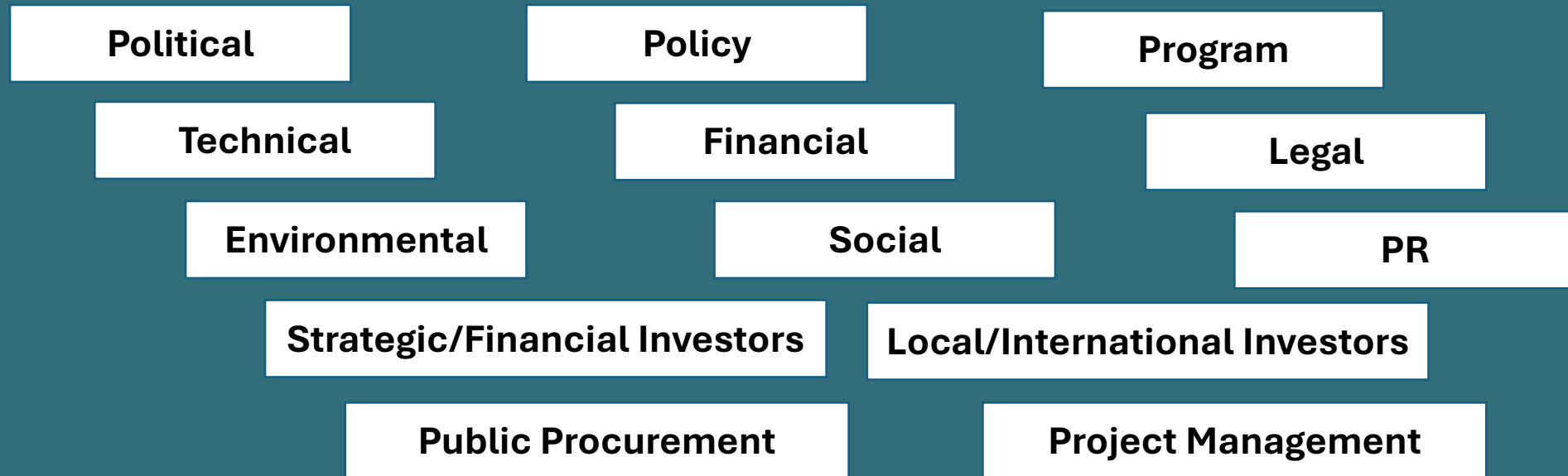
ASIAN DEVELOPMENT BANK



Central Asia Regional Economic Cooperation Program



PPPs: Complex Undertakings



PPP as a Tool for Peace and Development

Maintain Infrastructure



Build Infrastructure



Provide a Service



Provide a Quality Service



Do all the above



Do it well






Use PPP for Development



Use PPP for Peace

Shift Thinking

- Shift thinking from:
 - Value for Money  Value for the Economy
 - PPP Projects  PPP Programs
 - One Sector  Integration

Integration

- Healthcare / Education
 - Infrastructure Development
 - Clinical Service Integration
 - Medical Education Partnerships
- Energy / Water / Sanitation /
Agriculture / Environment

Regional Integration

- Regional Infrastructure Funds
- Regional Regulatory Authorities
 - Energy
 - Transport
 - Telecom
 - Digital

European Example

| Period | Institutional Model | Nature of Private Sector Role | Resulting PPP Forms |
|-------------|-------------------------------------|--|---|
| 1950s–60s | ECSC (Treaty of Paris) | Advisory, co-financing modernization | Industrial modernization loans |
| 1970s–80s | EIB-led development | Co-financing infrastructure | Proto-PPP infrastructure finance |
| 1990s–2000s | EU Single Market | Market liberalization, private utilities | Concession-based PPPs (transport, energy) |
| 2000s–today | EU Joint Undertakings, EIB/InvestEU | Co-governance and co-funding | Blended-finance and innovation PPPs |

European Example

- **Joint Undertakings: Clean Hydrogen JU, Shift2Rail, SESAR**
- **Projects:**
 - **Eurotunnel (France–UK, 1986–1994):** A landmark bi-national PPP financed and operated by private investors under a treaty framework.
 - **TEN-T Core Network Projects (1990s–present):** Pan-European transport corridors involving PPP consortia.
 - **Nord Pool Power Market (Nordic countries, 1996):** Public-private governance for regional energy trading.

De-Risking: Viability Gap Funding

- Applications
 - Universal coverage
 - Support during technology maturation
 - Support affordability
- Best Practice Principles
 - Competitive bidding for minimum public support required
 - Time-limited support with clear exit mechanisms
 - Transparent calculation methodologies
 - Performance-based disbursement

De-Risking: Blended Finance

- Catalytic Mechanisms:
 - First-Loss Capital
 - Guarantees and Insurance
 - Concessional Loans
 - Technical Assistance grants

De-Risking: Financial Market Development

- Local currency financing
- Institutional investor participation
- Refinancing opportunities
- Sukuk financing
- Contract flexibility and adaptation

De-Risking: Climate Infrastructure

- Emerging Structures
- Green bonds
- Carbon credit integration
- Climate-resilient designs

Shift Perspective on Public Procurement

- Use Technology and Game Theory
 - Auctions
 - Reverse auctions
 - No tender
 - Other

New Frontier: Digital Infrastructure

- Application Areas
 - Data-driven urban management
 - Telecom infrastructure
 - E-Government services
 - Smart Utility networks

New Imperative: Small-Scale PPPs

- Adapt legislative and regulatory frameworks to SSPPPs
- Focus on scalability and multi-project programs
- Streamline project preparation and procurement
- Leverage technology and artificial intelligence
- Build dedicated SSPPP capacity
- Create market incentives for local actors
- Design appropriate financing mechanisms
- Establish effective contract management systems
- Enhance local community participation

Our Collective Responsibility

- As leaders and decision-makers, we bear responsibility for every decision we make regarding the infrastructure that will serve our future generations.
- The path forward requires courage to embrace new approaches, discipline to maintain standards, and wisdom to balance innovation with prudent risk management.
- The question is not whether to pursue public-private partnerships, but how to pursue them with excellence.



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