

DOCUMENTATIEBLAD

**PUBLIC PRIVATE PARTNERSHIPS FOR THE PROVISION
OF INFRASTRUCTURE SERVICES: PROMISES,
CHALLENGES, AND EXPERIENCE****Philippe Maystadt, Armin Riess, Timo Välilä ****Abstract*

This paper examines the distribution of PPPs in Europe across countries and sectors and their quantitative importance, the economic pros and cons of PPPs and the applicability of the PPP model across sectors, PPP transaction costs, the role of the European Investment Bank in PPPs, and the PPP experience to-date. The paper finds a concentration of PPPs by country (UK and Portugal) and sector (transport and accommodation), little quantitative importance of PPPs, sound economic reasons for PPPs when they can generate significant cost savings and when the quality of public services is not too difficult to contract on, the PPP model promising for some services (e.g. roads) but not for others (e.g. clinical services), non negligible PPP transaction costs, and a regrettable bias in favour of PPPs because of decision processes that do not properly account for the long-term fiscal implications of PPPs.

Keywords: Infrastructures, Other Public Investment and Capital Stock**JEL Classification:** H54

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