

EUROPEAN PPP EXPERTISE CENTRE

# Market update

## Review of the European public-private partnership market in 2022

March 2023



European  
Investment Bank



# **Market update**

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## Data collection and methodology

The data used in this publication are EPEC's own aggregation of information collected from a variety of sources, in particular Inframation, Partnerships Bulletin, IJ Global and Inspiratia. Where appropriate, the data have been cross-checked against the EIB's own project files. The list of public-private partnership projects forming the dataset has been reviewed, where possible, by EPEC members. Project data contained in this publication may be subject to future revisions due to the late availability of information or corrections to previously reported values. Please note that the public-private partnership pipeline section of this publication is under development. The data and the findings of this publication should therefore be treated with appropriate caution.

This publication covers:

- transactions that have reached financial close in the EU-27 countries, the United Kingdom, Türkiye and countries of the Western Balkans (Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Montenegro and Serbia);
- transactions structured as design-build-finance-operate (DBFO) transactions, design-build-finance-maintain (DBFM) transactions or concession arrangements that feature a construction element, the provision of a public service and genuine risk sharing between the public and the private sector and can include regulated assets;
- transactions financed through project financing;
- transactions of a value (see definition below) of at least €10 million.

The project values quoted in this publication refer to the external financing requirements for projects at the time of financial close (the sum of debt and equity) and exclude public capital contributions. Readers should note that the external financing requirement of a project can be significantly different to its capital investment cost (the latter being difficult to obtain on a consistent basis).

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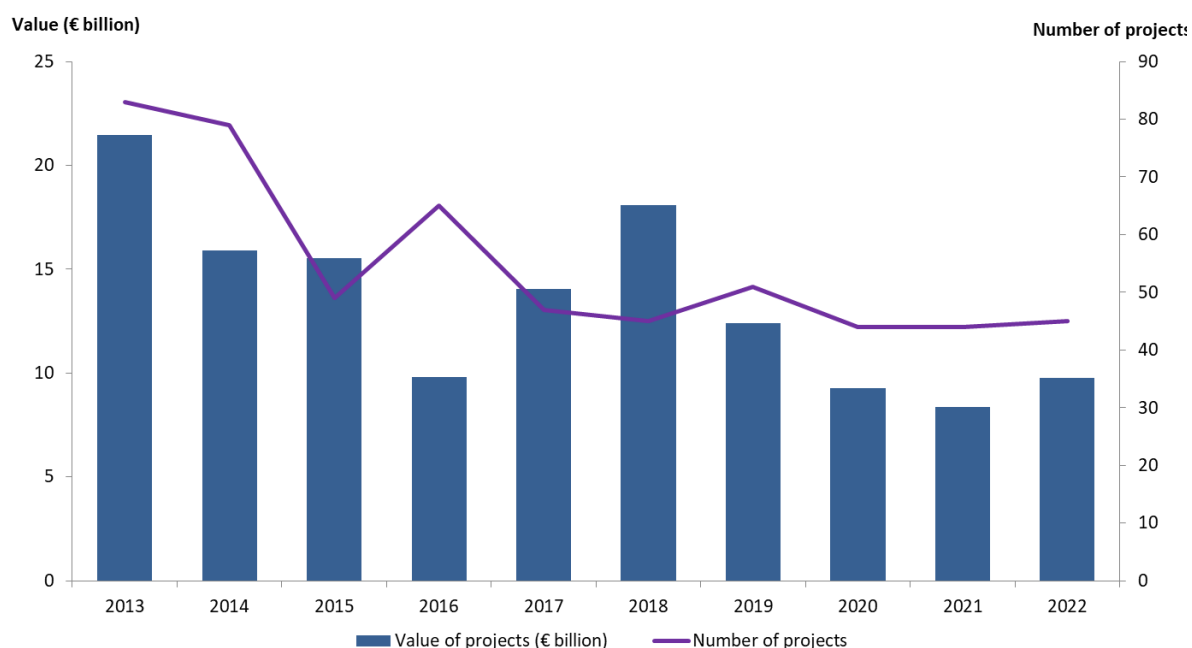
## Headlines

- 45 public-private partnership transactions reached financial close for an aggregate value of €9.8 billion.
- In value terms, the market increased by 17% compared to 2021.
- The number of projects increased by 2% compared to 2021.
- The most active market was France both in terms of value and number of projects.
- 15 countries closed at least one public-private partnership project compared to 14 in 2021.
- Transport was the largest sector both in terms of value and number of projects.
- The rise in demand/revenue-based projects continued with 70% of transactions taking this form.

## 1. OVERVIEW

In 2022, **the aggregate value** of public-private partnership transactions<sup>1</sup> that reached financial close in the **European market**<sup>2</sup> totalled **€9.8 billion**, a 17% increase from 2021 (€8.4 billion).

**Figure 1: Ten-year view of the European public-private partnership market by value and number of projects (2013-2022)**



- The number of public-private partnership transactions reaching financial close increased to 45, compared to 44 in 2021.
- The **average transaction size increased to €217 million** (€190 million in 2021).
- **Three large transactions<sup>3</sup> were closed** in 2022 (the same number as in 2021). Their aggregate value amounted to €4.25 billion, representing 44% of the total market value (compared to 45% in 2021). The large transactions reaching financial close in 2022 were<sup>4</sup>:
  - Antalya Airport Concession (Türkiye) — €1.8 billion
  - CEGELOG French Military Accommodation PPP (France) — €1.4 billion
  - Larnaca Port and Marina Area Redevelopment PPP (Cyprus) — €1.0 billion
- The number of **demand/revenue-based** transactions reaching financial close rose to **70%** of total deal numbers in 2022 (66% in 2021).
- An increase in the value and the number of public-private partnership deals in 2022 shows that, despite uncertainty and volatility in construction prices, the public-private partnership market is recovering after the shock of the coronavirus pandemic.

<sup>1</sup> See the previous page for details of the qualifying project characteristics.

<sup>2</sup> Defined as the EU-27 plus the United Kingdom, countries of the Western Balkans and Türkiye.

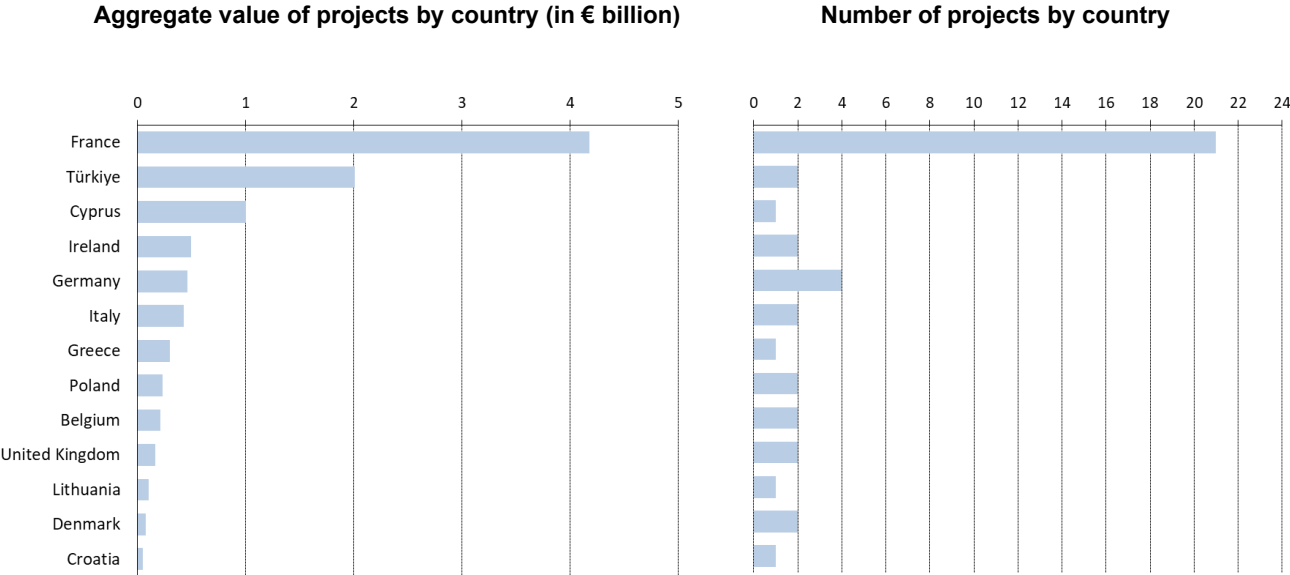
<sup>3</sup> Defined as deals of €500 million or greater.

<sup>4</sup> See Annex 1 for more details.

## 2. COUNTRY BREAKDOWN

- As Figure 2 shows, **France was the largest public-private partnership market in Europe** not only in terms of **value**, with a total of €4.2 billion (€1.6 billion in 2021), but also in terms of **the number of projects**, with 21 deals closed (18 deals were closed in 2021).

Figure 2: Country breakdown by value and number of public-private partnership projects in 2022

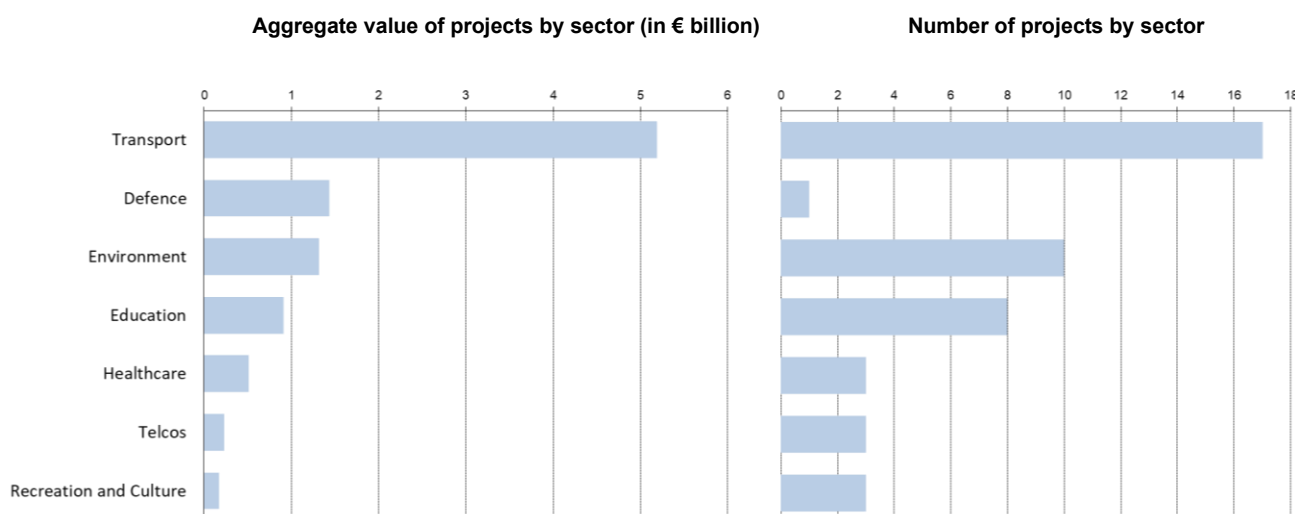


- Türkiye was the second largest public-private partnership market in terms of value**, with a total of €2.0 billion (€1.4 billion in 2021). **In terms of the number of projects, Germany was the second largest public-private partnership market** with four deals closed (seven deals were closed in 2021).
- Nine countries closed at least two deals** (six countries in 2021) and **15 countries closed at least one public-private partnership transaction** (compared to 14 in 2021).
- As shown in Annex 2, over the past five years, **France, Germany and the United Kingdom** have led the European public-private partnership market in terms of **the total number of deals closed**.

### 3. SECTOR BREAKDOWN

- As shown in Figure 3, in 2022 the **transport sector** remained the largest in value terms with €5.2 billion worth of transactions (€6.0 billion in 2021). The number of projects increased, with 17 transport projects reaching financial close in 2022 (compared to 16 in 2021<sup>5</sup>). This included four roads (two in France, one in Greece and one in Italy) and four ports (two in France, one in Croatia and one in Cyprus).
- Ten projects were closed in the **environment sector**<sup>6</sup> (ten also were closed in 2021) with an aggregate value of €1.3 billion (€1.1 billion in 2021). It was the second most active sector in terms of the number of projects and included five district heating projects — all of which were in France — with an aggregate value of €576 million.
- In the **education sector**, the number of projects that reached financial close increased from five to eight, and the aggregate value increased to €910 million (€391 million in 2021). Six were school projects (three in Germany, two in the United Kingdom and one in Belgium).
- Three projects closed in the **healthcare sector** (two in 2021) with an aggregate value of €509 million (€224 million in 2021). Two included hospitals (one in Denmark and one in Türkiye).
- In the **telecommunications sector**, three projects were closed (three also were closed in 2021) with an aggregate value of €231 million (€427 million in 2021). All three were broadband transactions in France.

**Figure 3: Sector breakdown by value and number of public-private partnership projects in 2022**



<sup>5</sup> See Annex 3 for more details on the evolution of the public-private partnership market in the transport, telecommunications and environment sectors over the last five years.

<sup>6</sup> Other sub-sectors included in the environment sector are waste, water management and energy-from-waste.



## 4. FINANCING<sup>7</sup>

- **17 of the 45** transactions that reached financial close in 2022 (compared to 14 out of 44 in 2021) involved the provision of debt by institutional investors (such as insurance companies and pension funds) through a variety of financing models.
- While seven countries closed transactions involving institutional investor debt in 2021, eight countries (Croatia, Cyprus, Denmark, France, Ireland, Italy, Lithuania and the United Kingdom) benefited from institutional investor involvement in 2022.
- The role of the **European Union, national governments** and **public financial institutions** (domestic or supranational) remains relatively limited in 2022. As far as the EIB is concerned:
  - **Four public-private partnership projects** that reached financial close during the year were financed by the EIB, for an aggregate lending volume of €1.0 billion<sup>8</sup>.
  - The four projects in question were CEGELOG Affordable Housing & Energy Efficiency in France, Community Nursing PPP in Ireland, Krakow Tramway PPP in Poland and NeuConnect Interconnector<sup>9</sup> in Germany and the Netherlands.
  - **NeuConnect Interconnector** has an innovative public-private partnership structure and is excluded from the analysis to avoid data distortion due to its particularly high value (€3.3 billion).

## 5. NOTEWORTHY TRANSACTIONS

The following noteworthy public-private partnership projects reached financial close in 2022:

- **Larnaca Port and Marina Area Redevelopment PPP** (€1.0 billion) reached financial close in Cyprus in 2022. This is the second public-private partnership transaction over €500 million in Cyprus since EPEC started collecting data for the European public-private partnership market.
- **Irish Community Nursing Units (CNU) PPP** (€245 million) reached financial close in 2022. This is the first public-private partnership for community nursing in Ireland and the second health public-private partnership transaction in Ireland since 2016.
- **Thessaloniki Ring Road PPP** (€300 million) reached financial close in Greece. This is the first availability-based road public-private partnership in Greece. The last road projects in Greece before this one reached financial close in 2007.
- **Krakow Tramway PPP** (€186 million) reached financial close in Poland. This is the first tram-based public-private partnership in urban transport in Poland.

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<sup>7</sup> As the availability and quality of data on financing terms is limited in places, the information provided in this section should be treated with caution.

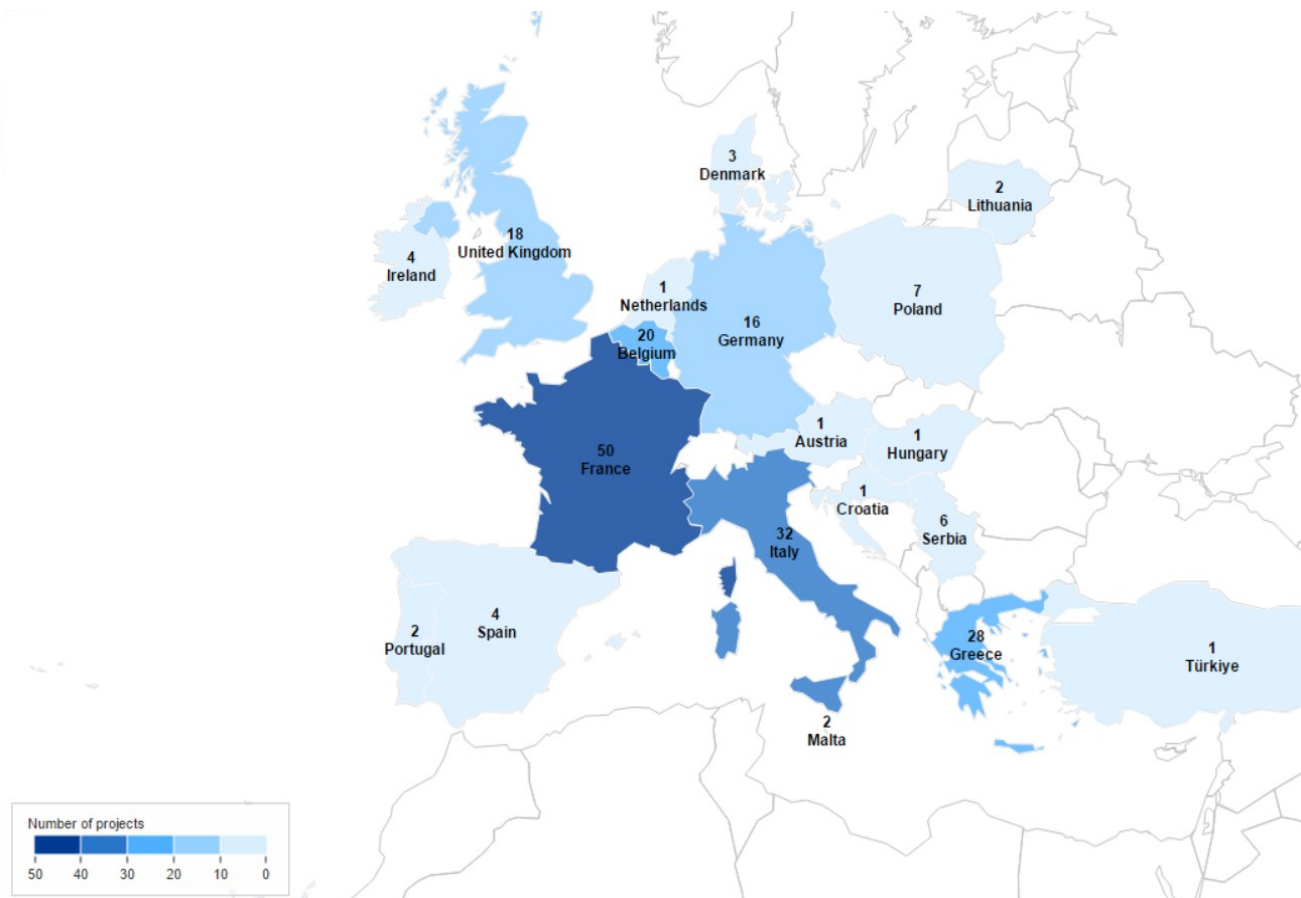
<sup>8</sup> Annual updates of the list of public-private partnerships financed by the European Investment Bank are available at: [Public-private partnerships financed by the European Investment Bank from 1990 to 2022](#)

<sup>9</sup> High voltage direct current (HVDC) link interconnecting England and Germany across the North Sea, involving the project financing of private sector owned special purpose vehicles (SPVs) whose regulated revenues are payable by TenneT (the Dutch government's wholly owned transmission service operator) and the National Grid electricity system operator.

## 6. PROJECT PIPELINE

- As Figure 4 shows, the three countries with the highest number of projects in the pipeline<sup>10</sup> are France (50 projects), Italy (32 projects) and Greece (28 projects).
- Over the last three years, Greece has developed a strong pipeline, demonstrating its continued success in procuring public-private partnership projects and the country's ability to blend public and EU funding.

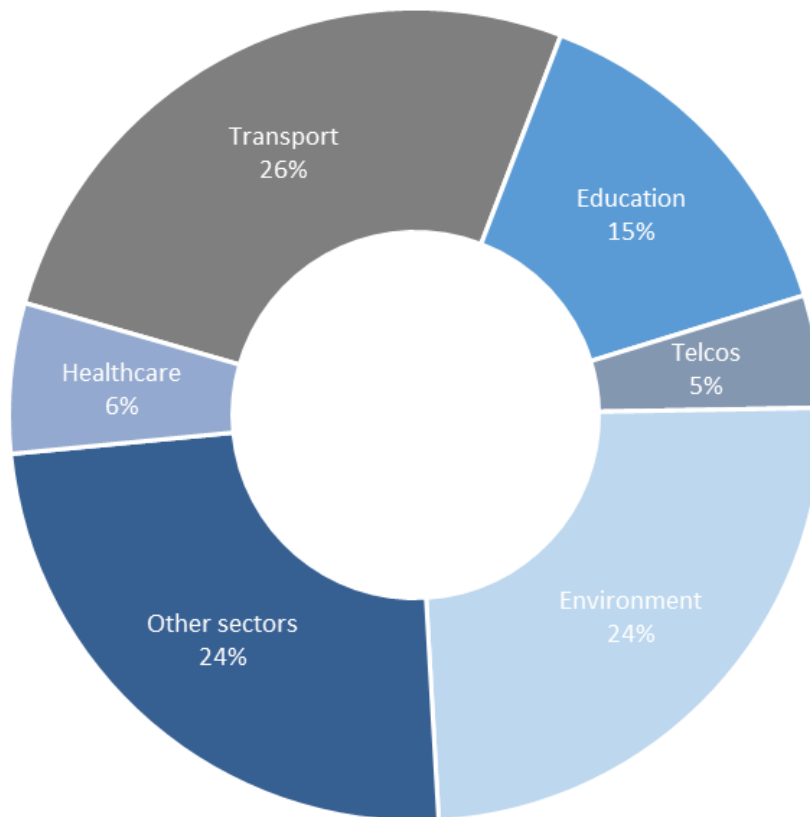
**Figure 4: Number of public-private partnership pipeline projects by country**



<sup>10</sup> Here the definition of a “pipeline project” is one that has published a contract notice in the Official Journal of the European Union but has not yet reached financial close. Projects that have not shown signs of progress in the past three years have been excluded.

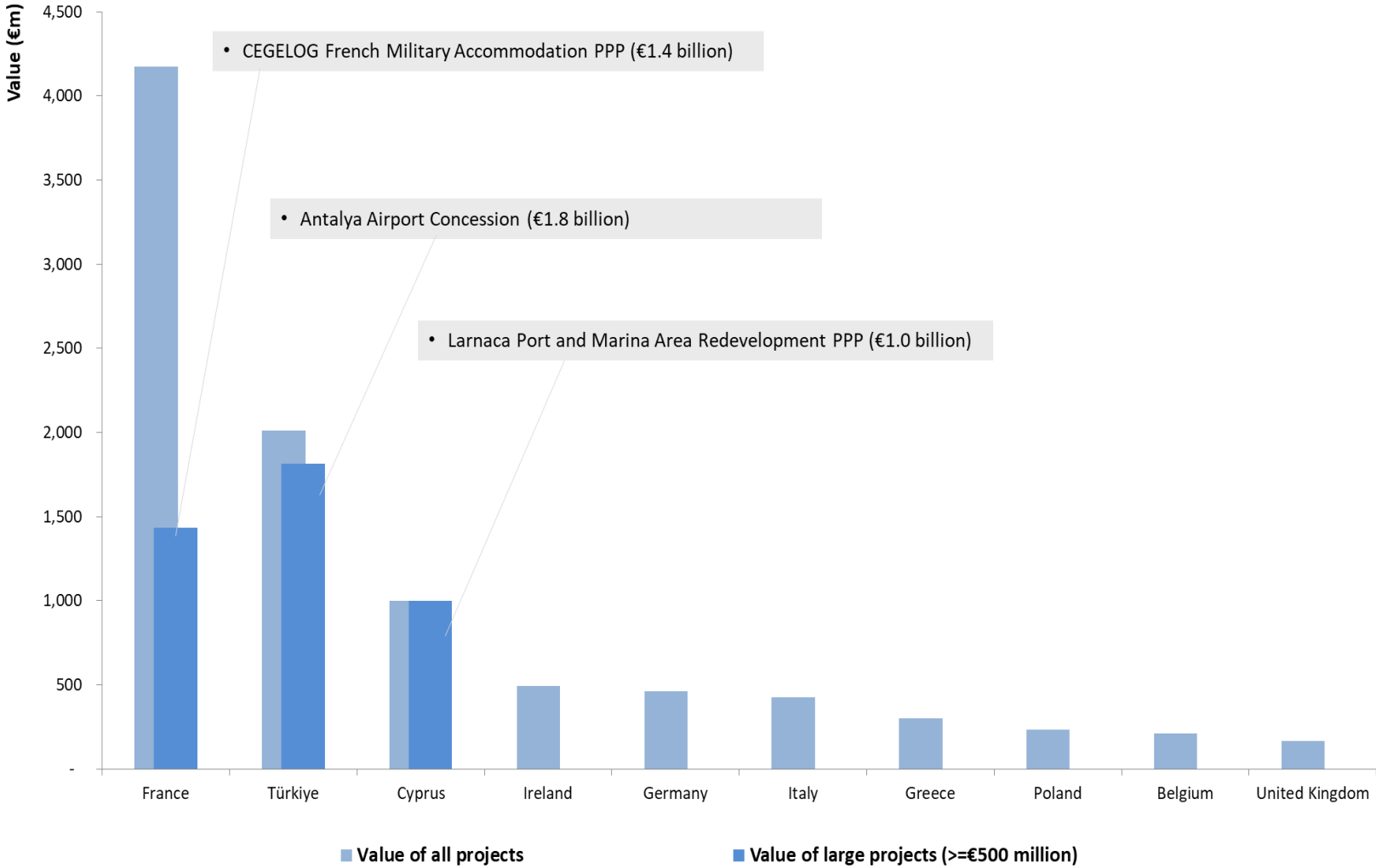
- In terms of the **number of projects**, the transport sector continues to dominate the pipeline, followed by the environment sector and the education sector (Figure 5).
- 80% of the French project pipeline is in the environment and transport sectors. Out of the 22 environment projects, 14 are district heating projects, and out of the 18 transport projects, five are railways and four are ports.
- Half of the pipeline projects in Greece are in the environment and education sectors. Out of the nine environment projects, five are in water management. Out of the five education projects, three are in student accommodation and one in schools.

**Figure 5: Number of projects by sector in the pipeline**



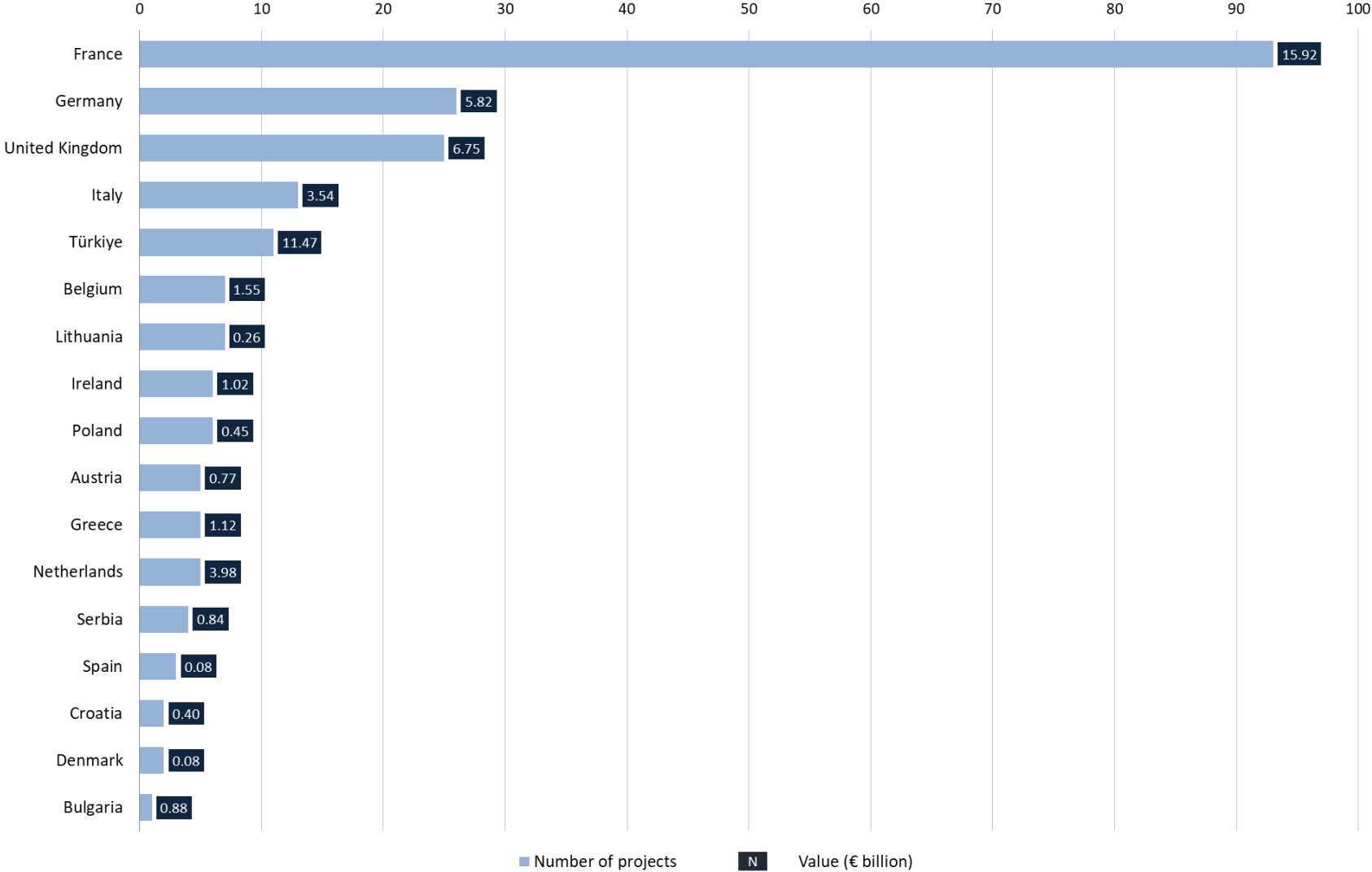
Annex 1

Large public-private partnership projects (€500 million or more) as a proportion of overall activity in 2022



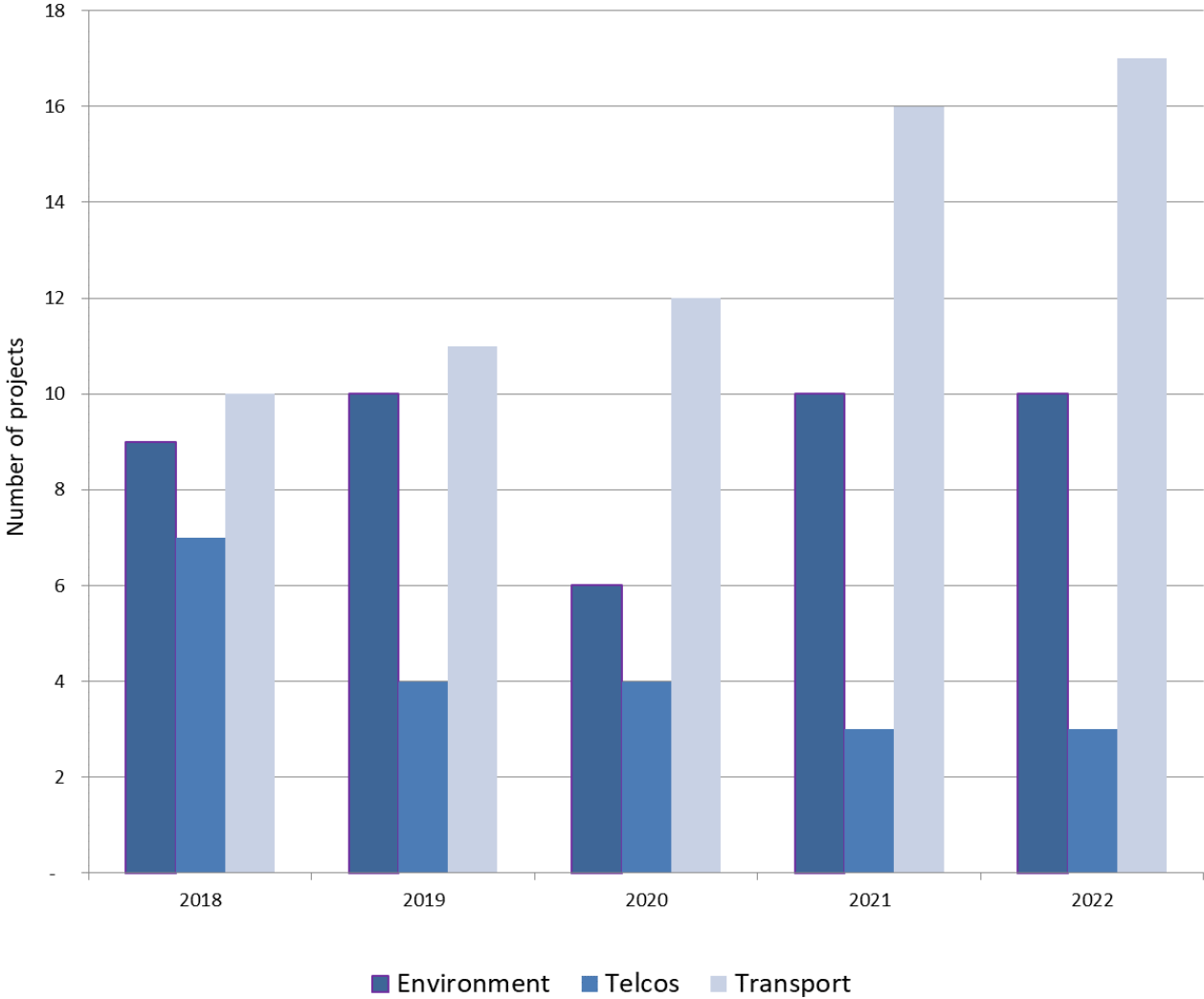
# Annex 2

Evolution of the European public-private partnership market by country (2018-2022)

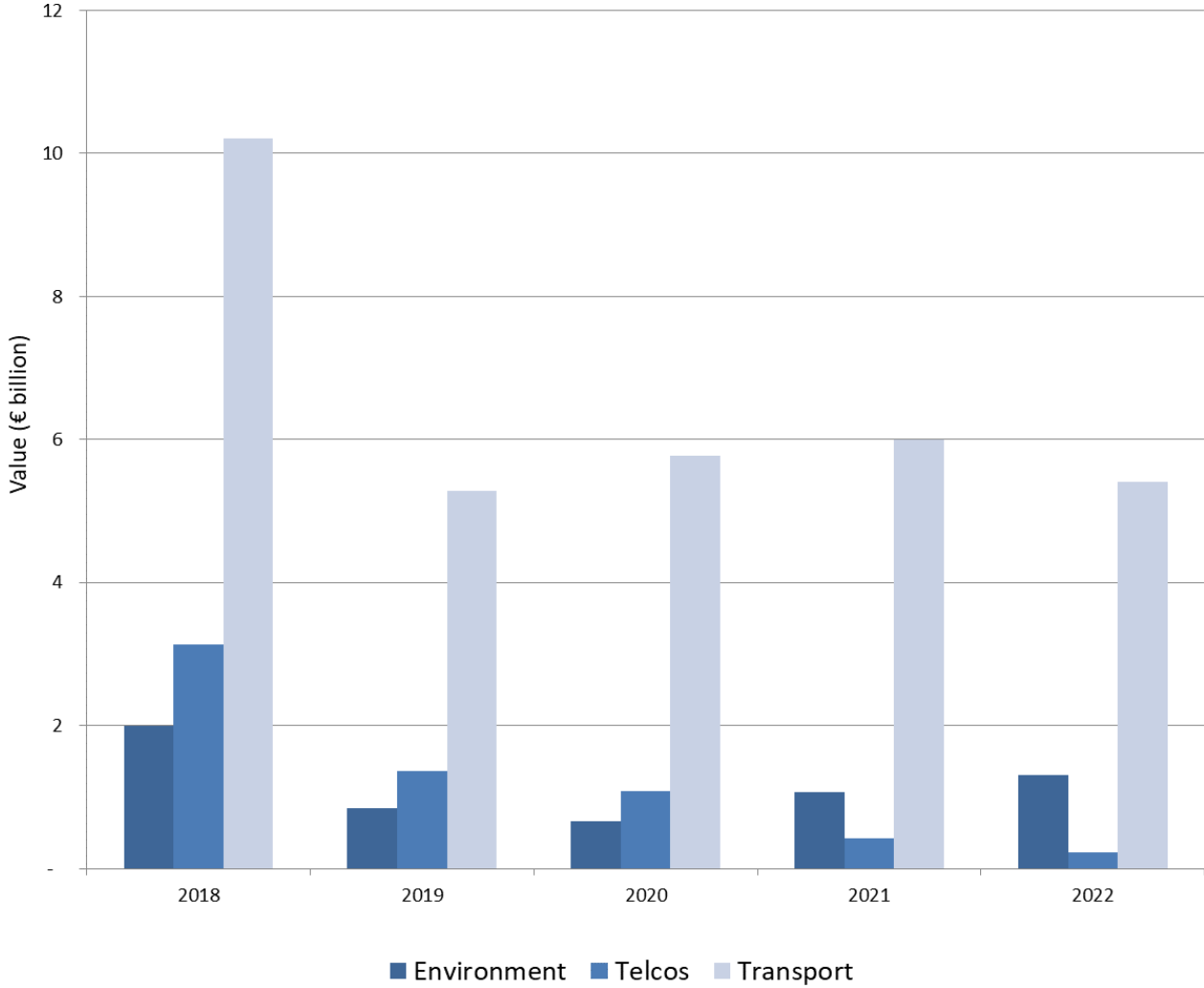


Annex 3

Evolution of the main public-private partnership sectors by project number (2018-2022)



Evolution of the main public-private partnership sectors by project value (2018-2022)













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