

Private sector contributions to PPP initiatives (from concept to completion)

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Abstract: Public-Private Partnerships (PPPs) projects are an alternative way used from governments to leverage the resources and expertise of the private sector in delivering public services and goods. Governments can undertake procurement processes aiming to offer different public infrastructure and services projects, through such risk-sharing arrangements and agreements. These projects can be of great importance and with great benefits for all socio-economic sectors. According to the World Bank (2023), this requires strong policy and regulatory frameworks, screening projects for sustainability, solid project preparation, and contract management capacity. The development of public-private contracts occurred with the construction of railways and telegraphs, water supply, and trams in 19th century, when governments started contracting the private sector (Goldsmith, 2015). Many authors have analysed different PPP projects with the aim of finding advantages and disadvantages of private sector involvement in projects such as transport, water, education, airport, energy, and health projects. The private participation has had different impacts due to some factors: period, political situation, regulatory frameworks and specification of the contracts (Fabre & Straub, 2021). The main objective of this paper is to analyse through different cases, the contribution of private sector into PPP projects success and failure, identifying the specific advantages and disadvantages of private sector participation in each sector. The method used is a descriptive analysis of some private sector involvements in PPP projects in infrastructure, education and health in some countries around the world. At the end, the paper shall give a reflection on the implications of the findings for both public and private sectors involved in PPP projects and some discussions on the importance of addressing key factors such as policy frameworks, contract design, and government support.

Keywords: PPP, advantages, disadvantages, failure, success, policy framework

JEL classification: H54, H57, R42

1. Introduction

As economic agents, based on the aim of giving benefits to the whole society governments have the responsibility to provide public goods and services. In doing so, they undertake different methods. The traditional one, where the governments can directly finance and operate public goods and services such as maintaining parks, building roads, and the other one is by regulating or subsidizing private companies. Actually, governments are collaborating more and more with the private sector in leveraging private investment and expertise, while maintaining public control. Through procurement processes, governments can share the risk with the private parties. These projects are called Public-Private Partnerships (PPPs), based on partnerships that leverage the strengths of both sectors to deliver public services or infrastructure more efficiently and effectively.

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The development of public–private contracts occurred with the construction of railways and telegraphs, water supply, and trams in the 19th century, when governments started contracting the private sector (Goldsmith, 2015). These types of projects continued developing also in other projects such as health, education, environment, and communication. In recent years, due to the numerous benefits, there has been a growing trend of governments collaborating with the private sector. PPPs offer the opportunity to involve both public and private sectors, making the governments capable of accessing private sector capital and innovation. These elements allow the development of infrastructure and services. By using the support of the government, the role of the private sector in this case is to ensure stable and long-term investments. It is important also to emphasize that these projects are of great benefits for the entire society, resulting in higher quality services and infrastructure, delivered more efficiently and with greater accountability.

These projects can be of great importance and with great benefits for all socio-economic sectors. Surely, if they are properly planned, designed, and implemented by both the public and private sectors. According to the World Bank (2023), this requires strong policy and regulatory frameworks, screening projects for sustainability, solid project preparation, and contract management capacity. Governments must ensure transparent PPP agreements and take into account the safeguarding of the public interest. This can be done by identifying and setting clear performance standards, establishing mechanisms for monitoring and evaluation, and allocating risks between the public and private sectors in that manner ensuring effectiveness, fairness, and successful completion of the project. Community and other stakeholders involvement in the planning and decision-making processes, governments can build trust, ensure that projects meet local needs, and enhance the overall effectiveness of PPP initiatives. Private parties' involvement brings several advantages and complexities. Many authors have analysed different PPP projects with the aim of finding advantages and disadvantages of private sector involvement in projects such as transport, water, education, airport, energy, and health projects. The private participation has had different impacts due to some factors: period, political situation, regulatory frameworks and specification of the contracts (Fabre & Straub, 2021).

The main objective of this paper is to analyse through different cases, the contribution of the private sector into PPP projects success and failure, identifying the specific advantages and disadvantages of private sector participation in each sector. The method used is a descriptive analysis of some private sector involvements in PPP projects in infrastructure, education and health in some countries around the world. At the end, the paper shall give a reflection on the implications of the findings for both public and private sectors involved in PPP projects and some discussions on the importance of addressing key factors such as policy frameworks, contract design, and government support.

2. Literature review

The successful implementation of PPP projects searches for active collaboration between the public and private sectors, along with strong support and engagement from the community. Both actors play important roles toward two main goals, which are risk sharing and cooperation. Grimsey and Lewis (2002) emphasize in their study that a significant portion of the risk in PPP projects arises from various factors, including the complexity of documents, financing conditions, taxation issues, technical specifications, maintenance cost, etc. The potential risk in the Stirling Water project involved maintenance costs exceeding initial projections. This could result from factors such as shorter-than-anticipated asset lifespans, higher inflation affecting specific items of plant and machinery, or the need to carry out unforeseen repairs and replacements. In PPP projects, the public sector can transfer or share aspects such as ownership, financing responsibilities, or the operation of a public facility or asset with a private company. This arrangement typically involves a combination of construction, financing, and operational duties being assumed by the private partner. These types of agreements offer mutual benefits for both parties. The public entity gains by avoiding upfront capital and/or operational costs and can benefit from increased efficiencies in construction and service delivery. Meanwhile, the private entity benefits through the ability to collect fees or generate other forms of revenue from the project.

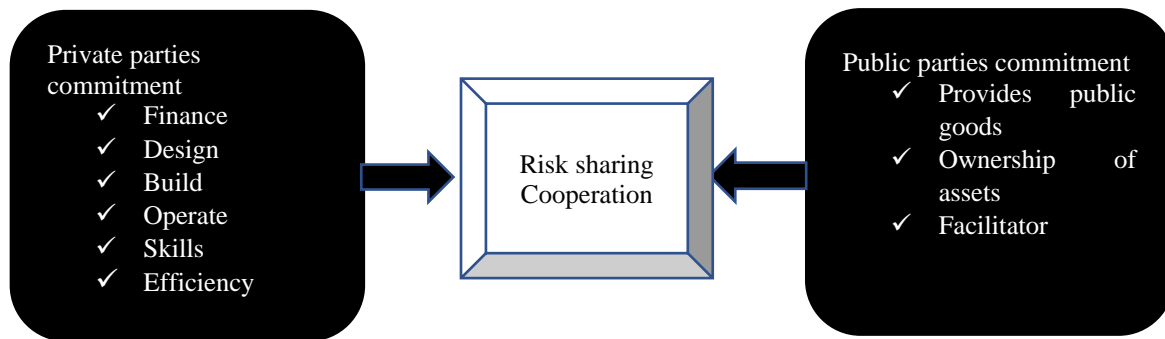
Using the Amsterdam South Axis as a case study, Klijn and Teisman (2003) analysed the challenges and roles of stakeholders in PPPs, particularly in relation to cooperation and risk management. They found that the project began with ambitious goals for strategic alliances and joint decision-making. However, over time, it evolved into a network structure where traditional roles re-emerged and cooperation became grounded in bilateral agreements.

Several essential conditions should be carefully considered in a PPP agreement, including:

- The existence of a public asset or service for public benefit. The preliminary condition is the existence of, or the need for, a public good or asset that serves the public interest, such as infrastructure projects, educational facilities, healthcare services, or other essential services that provide broad societal benefits.
- The existence of an interest from private parties. The private sector must demonstrate a clear interest and willingness to participate in the PPP project (Kopańska et al., 2024).
- Arrangement conditions with the private sector. The public good or service provided under the contractual arrangement is offered by the private sector to the users and not by the government.

The agreement between government and private sector shall consist of a risk sharing between them (Wang et al., 2018). A key focus is placed on delivering high-quality services that meet predetermined, measurable standards explicitly outlined in the agreement.

Figure 1. PPPs 3 elements



Source: World Bank, 2017

Involving a private sector at a PPP project requires a collaborative approach, a well-structured and designed, inclusive process and for sure, a well specified financial analysis. Governments "look" for private parties in Public-Private Partnership (PPP) projects for several key reasons mentioned below:

From the conception

Involving the private parties in the conception of PPP projects can ensure that the project benefits from:

- Private sector expertise: Implementing a PPP successfully requires a range of skills and expertise. Usually, the private sector has specialized knowledge and understanding of market conditions, creating the possibility to identify viable projects. During the conception phase, the private sector, led by Fentress Architects and various engineering firms played a crucial role in the design process and operational model of Denver International Airport (Fentress Architects, 1995).
- Innovation possibilities: Private parties can bring innovative approaches to project design and implementation, offering more cost-effective and efficient solutions. The private consortium led by Skanska, Vantage Airport Group, and Meridiam proposed an innovative design in the project "LaGuardia Airport Redevelopment (USA)" involving building over the existing structure,

reducing disruption to ongoing flights and passenger services during construction. They also introduced advanced technologies such as automated parking, biometric passenger identification, and smart building features (Skanska USA, 2018).

- **Feasibility Analysis:** Private parties can conduct comprehensive feasibility studies, including financial, technical, and environmental assessments, to ensure the project's viability and sustainability. The private consortium called Eurotunnel played an important role during the conception phase of the project “Channel Tunnel (UK-France)”. Its role was to conduct detailed feasibility studies and to offer technical expertise in tunnelling under complex geological conditions (Eurotunnel Group, 1994).
- **Risk mitigation strategies:** Private parties, based on the experience in similar projects, can propose effective risk mitigation. The consortium led by Fluor Enterprises and Macquarie Capital proposed a risk mitigation strategy in the Denver Eagle P3 Commuter Rail Project that included a fixed-price contract for construction, transferring the risk of cost overruns to the private sector (RTD Denver, 2016).
- **Design and Innovation:** Private parties bring technical know-how and innovative solutions to the project design. They can also customize project designs to better meet the needs of end-users and stakeholders, making the return on investment more significant than projects with only private or public funds. The private partner proposed an innovative design for the toll road in N4 Toll Road, South Africa that included variable pricing for different vehicle types and times of day. This flexible approach allowed the road to better accommodate heavy vehicles and seasonal traffic spikes (Bakwena Platinum Corridor Concessionaire, 2002).
- **Stakeholder Engagement:** Private parties can contribute to transparent processes and accountability mechanisms, therefore enhancing public trust in these types of projects. The involvement of private partners, including contractors like Balfour Beatty and Skanska, introduced structured consultation processes in Making: High-Speed 2 (HS2) (UK). They utilized digital platforms to keep stakeholders informed about project developments and solicit feedback at various stages of planning and construction (HS2 Ltd, 2020).

To the completion

Involving the private parties in the implementation process of PPP projects can ensure that the project benefits:

- **Faster project completion:** The involvement of the private sector leads to the delay reduction during the completion phase of the project. When projects use time-to-completion as a performance metric, the construction cycles tend to be accelerated (European Investment Bank, 2021). In a PPP project, the private partner is often a construction-related company that possesses the necessary resources and expertise to manage the design, construction, and maintenance phases effectively. A concrete case is the I-495 Capital Beltway Expansion Project, USA, where the agreement with the private consortium called Transurban - Fluor led to a completion in about four years, significantly faster than average timelines for similar public projects (European Investment Bank, 2021).
- **Risk of time and costs overruns:** Since private parties assume the risks of time and cost overruns, they have strong incentives to complete projects according to the timeframe and within budget. The Gautrain Rapid Rail Link in South Africa project was based on a contract that included provisions for sharing risks between public and private parties, encouraging efficient problem – solving (Gautrain Management Agency, 2012).
- **Increase of investment:** In some cases, such as the Water concession in Buenos Aires, the private party increased investment and expanded access. When services are sold to the public, the private party can leverage the projected income stream from the concession—such as toll revenues—as collateral to secure financing in the market.

- Increase in efficiency: Private sector operators engage in investment or contracting opportunities with the primary goal of maximizing profits. These can be achieved through enhanced efficiency in both investment and operational activities. The Thames Tideway Tunnel in London was a PPP project with a consortium of private companies, including BAM Nuttall, Ferrovial, and Morgan Sindall. They were responsible for designing, constructing, and operating the tunnel, entering the project with a clear mandate to maximize efficiency and minimize costs. Their approach was driven by the need to ensure profitability while delivering high-quality infrastructure, leveraging factors such as innovative construction techniques, real-time project management, risk sharing, and sustainability measures (Thames Water, 2021).
- Regulatory and administrative processes: The Private party ensures that regulatory and administrative processes are undertaken in a reasonable period. The private consortium in the North-South Corridor Project, Singapore, led by Shimizu Corporation and other contractors, played a crucial role in expediting regulatory approvals for the expressway construction. The private consortium also swiftly conducted environmental assessments and submitted detailed mitigation plans (Land Transport Authority, Singapore, 2020).
- Confidentiality: The private party can protect intellectual property and the competitive advantages derived from innovations (Hovy, 2015). Siemens and Bombardier, in the project Crossrail in the UK, as private sector partners, developed proprietary solutions, including advanced signalling systems and energy-efficient rolling stock. To protect these innovations, the companies filed patents and employed stringent IP protection measures to ensure that their technological developments were not copied by competitors (Hovy, 2015).
- Improvement of risk analysis, transfer and management: Private parties are often better equipped to identify and manage many of the key risks, particularly in large projects, ensuring the improvement of the efficiency of delivering infrastructure and related public services. The private sector of the Port of Miami Tunnel Project took the construction, potential cost overruns, and delays risks, as well as the responsibility of the completion of the project on time and within budget. To manage these risks, the private partner developed contingency plans and used advanced tunnelling technology (Miami Access Tunnel, 2014).
- A driver for project performance: The private party has a strong motivation to deliver the project on time and within budget, as their financial return is dependent on the project meeting the performance standards specified in the contract. The Sydney Harbour Tunnel was completed ahead of schedule and within budget, allowing for early toll collection and delivering immediate benefits for both parties (Easson, 1992). The Tirana International Airport project has been managed by private operators since 2005. It was a concession agreement that led to the modernization of the airport and improvements in services, turning it into a key regional transportation hub (Tirana International Airport, 2017).

While involving private parties in PPP projects brings many advantages, it also introduces certain risks and challenges:

- Success: The government failure in some cases does not always mean that a private sector engagement can be a successful one. The public sector aims to maximize social welfare, while private entities seek to maximize profits (Hodge et al., 2007). Klijn et al. (2003) argue that misaligned objectives can lead to conflicts and suboptimal outcomes if not properly managed through clear communication and contractual agreements. For instance, in Albania, in some of the unsuccessful PPP projects (such as the Milot-Balldren Highway and the Tirana Waste Management), the private sector's profit-driven approach led to inflated costs and public discontent due to poor service delivery (Hoxha & Muçaj, 2020).
- Return on Investment: While the private sector can facilitate access to financing, such funding will only be available if the project company's expected operating cash flows are sufficient to generate an adequate return on investment.

- **Costs escalations:** Flyvbjerg (2005) notes that large infrastructure projects, including PPPs, are particularly prone to cost escalations. The Milot-Balldren Highway PPP in Albania, for example, faced criticism for its high costs. Tirana Waste Management project in Albania has improved the city's waste management infrastructure, although it has faced criticism for increased costs (Hoxha & Muçaj, 2020).
- **Risks:** Private firms—and their lenders—tend to be cautious about accepting significant risks that are beyond their control, such as exchange rate fluctuations or risks associated with existing public assets.
- **Performance:** While private partners may seek to minimize costs, it is essential to enforce strict quality and performance metrics within the contract (Siemiatycki, 2010).
- **Respect of rules:** Private firms will also seek assurance that the government will uphold its commitments, such as agreed tariff adjustments and fair regulatory practices, to ensure a stable and predictable operating environment.
- **Contract regulations:** Smith (1999) emphasizes that a stable regulatory environment is crucial for the success of PPPs, as it provides predictability and confidence for private sector investment and long-term commitment. Usually, the private sector does only what it is paid to do. It is essential to clearly set out incentives and performance requirements in the contract.
- **Prior termination:** Some projects may fail or be terminated before reaching their projected term due to various factors, such as financial difficulties, regulatory changes, poor risk management, or failure to meet performance standards.
- **Financial difficulties:** Private parties might face financial difficulties, causing project delays or failures. While PPPs reduce the need for upfront government spending, they often come with long-term fiscal commitments. The government is required to make payments to private operators for the duration of the contract, which can strain public finances if not managed properly (European Investment Bank, 2021).
- **Lack of transparency:** One of the main criticisms of PPPs in Albania is the lack of transparency in the bidding and contract awarding processes. There have been concerns about the influence of political connections in selecting private partners and ensuring fair competition. The Milot-Balldren Highway PPP in Albania, for example, also faced criticism for lack of transparency (Hoxha & Muçaj, 2020).

3. Case studies from infrastructure, health and education sector

This section will be dedicated to the descriptive analysis of different case studies about the involvement of private companies in PPP projects in the infrastructure, health, and education sectors, in different countries around the world. The objective of this paper is to assess whether the involvement of the private sector in the analysed PPP projects can be considered successful or unsuccessful. Additionally, it aims to examine whether collaboration between the public and private sectors contributes to the development of efficient, innovative, and sustainable infrastructure and services.

Cases from infrastructure sector

I-595 Express Corridor Improvements Project, Florida, USA

We begin our analysis with the infrastructure sector, focusing on the case study of the I-595 Express Corridor Improvements Project in Florida, USA.

Figure 2. I-595 Express Corridor Improvements Project, Florida, USA



Source: United States Department of Transportation, n.d.

The I-595 Express Corridor project aimed to enhance mobility along a critical transportation route, as this highway serves as a key connector between the eastern Fort Lauderdale-Hollywood International Airport and Fort Lauderdale beaches, and major roadways such as I-95, Florida's east-west I-75, and the Sawgrass Expressway to the west (Buchanan, 2018). Construction began in 2009 and substantial completion was achieved in 2014, but the full corridor became operational in early 2015. The total cost of Florida's I-595 Express Corridor Improvements Project was approximately \$1.8 billion. This successful public-private partnership project involved collaboration among the Florida Department of Transportation (FDOT) and private sector partners, LLC (led by ACS Infrastructure Development) (U.S. Department of Transportation, Federal Highway Administration. Center for Innovative Finance Support, n.d.). Through the PPP approach, the realization of the project was made possible using private money and skills.

This project was financed by the private sector (funding from the private sector partners that are part of the PPP - U.S. Department of Transportation, Federal Highway Administration. Center for Innovative Finance Support, n.d.) by federal and state funds (these funds are allocated for the improvement of the transport infrastructure) as well as income from the fees generated by the express lanes (U.S. Department of Transportation, Federal Highway Administration. Center for Innovative Finance Support, n.d.) (this income is important to finance maintenance and ongoing operation).

Through competitive bidding, performance-based contracts (PBC), and long-term maintenance agreements with private sector partners, this project was designed to assure value for money. In this case, the use of Public Private Partnership was used as an instrument to realize infrastructure improvements with a high level of quality, optimizing project costs. The total project cost was approximately \$1.8 billion, and the PPP model allowed the Florida Department of Transportation (FDOT) to access private sector capital to fund construction without having to rely solely on state funds. The project was completed more than 10 years earlier than it would have been using traditional public financing.

A5 Motorway, Germany

The second case we will analyze for the infrastructure sector is the A5 Motorway, in Germany (Lovell, 2009). Although the A5 Motorway is a significant public infrastructure project in Germany, it is not an example of a traditional or typical model of PPP. This is because construction, maintenance, and operations are mainly financed and managed by public entities, such as the Federal Ministry of Transport and relevant state authorities. However, the principles with which it is managed are typical of public-private partnerships. By this, we mean that the highway is managed with a profit objective and its costs and fees are oriented towards the cost of maintenance and a predetermined profit margin.

Although the A5 Motorway in Germany offers benefits, it has also faced various challenges over the years. Usually, large-scale infrastructure projects such as the case under analysis (A5 Motorway) can encounter delays and cost overruns. These delays may come as a result of geological conditions, weather issues, or complexity in construction logistics. These elements can lead to delays in the completion of the project as well as increased costs. When a project's financing is primarily provided by the public sector,

securing adequate funding for ongoing maintenance, necessary improvements, or future expansion becomes increasingly difficult.

Cases from health sector

The Royal Children's Hospital (RCH), Melbourne, Australia

To illustrate the private sector's contribution to the success of PPP projects in the health sector, we examined the case of The Royal Children's Hospital (RCH) in Melbourne, Australia (The Royal Children's Hospital, Melbourne, n.d.), where the public sector deals with the management of the hospital. In this project, the private sector (Partnership for Children's Health) deals with the financing, construction design, and maintenance of the hospital building (The Royal Children's Hospital, Melbourne, n.d.). The State has contracted the Children's Health Partnership CHP (a single party) to implement all the Projects, with a net present cost of \$946 million. This cost covered the construction costs and facilities as well as maintenance costs. The concept "Value for money" consisted of evaluating each delivery option's actual worth (Partnerships Victoria Project Summary, 2008).

The Royal Children's Hospital (RCH) in Melbourne, Australia, is widely regarded as a successful example of public-private collaboration in the healthcare sector, because of some factors such as the transparent contractual framework that ensured that the community clearly understands the roles and responsibilities of each party involved. During the procurement process, all stakeholders were consulted, and this is a good communication strategy that helps transparency between all stakeholders. Another factor is the risk transfer, which is well known as a phenomenon affecting the efficiency of PPP projects.

NHS PFI Program

The UK government introduced the Private Finance Initiative (PFI) in the early 1990s as a method for funding public hospital projects through private sector investment. By 2017, the PFI had seen investments with a significant portion allocated to the health sector (Sawyer, 2005). Some of the challenges of this project were:

- **High Costs:** The NHS faced substantial repayments over the duration of the contracts. For instance, the NHS had to pay £2.4 billion in repayments for PFI hospitals in 2017 alone (NHS Support Federation, 2018).
- **Quality of Service:** Many PFI hospitals experienced issues with service delivery. For example, the Royal Liverpool University Hospital faced construction delays and significant quality concerns, leading to complaints from staff and patients (Harrison, 2016).
- **Public Opposition:** The PFI model faced criticism for its lack of transparency, with contracts often being complex and not fully disclosed to the public (NHS Support Federation, 2018).
- **Contractual Rigidity:** Private companies often faced limited accountability for the quality of service provided, leading to a lack of incentive for improvement (Pollock et al., 2011).
- **Economic Burden:** By 2021, it was estimated that the PFI model would cost the NHS £82 billion in total repayments, far exceeding the initial capital costs of the projects (NHS Support Federation, 2018).

The healthcare concessions for laboratory and sterilization services in Albania

In 2019, the Albanian government entered into a Public-Private Partnership (PPP) agreement with a private company to deliver laboratory services within public hospitals. The project aimed to modernize the country's laboratory services, improve diagnostic accuracy, and increase efficiency in public healthcare. The Healthcare Concessions for laboratory and sterilization services in Albania faced criticism precisely because the private operator's goals (profit maximization) led to higher costs for the public, while the public sector's goals (better healthcare outcomes) were not adequately met. Prior to the PPP, the average cost for laboratory services in public hospitals was approximately €10 per test. The implementation of the PPP, caused costs to rise by an estimated 30-50%, resulting in an average price of €13 to €15 per test (Albanian

Ministry of Health and Social Protection, 2021). These higher costs were reflected in an increase in total public expenditure on laboratory services, rising from €20 million in 2018 to €30 million in 2020 (World Bank, 2020). This misalignment created public dissatisfaction and raised questions about the value provided by the PPP.

Comparing these three case studies helps us highlight some lessons about the role of the private sector in PPPs in projects of the healthcare sector. The first project exemplifies successful collaboration characterized by transparency, stakeholder engagement, and effective risk transfer. In contrast, both the NHS PFI program and the Albanian Healthcare Concessions faced significant challenges related to cost management, public dissatisfaction, and misalignment of objectives between public and private stakeholders. These cases underscore the importance of clear communication, aligning objectives, and ensuring transparency to maximize the potential benefits of PPPs in the health sector. Future PPP initiatives should learn from these experiences to create structures that better serve public health goals while accommodating the interests of private partners.

Cases from education sector

An unsuccessful PPP in the education sector is considered the case of the Liberia Education Advancement Program (LEAP). The LEAP with Bridge International Academies (a private education provider known for its low-cost private school model) was a public-private partnership (PPP) initiative aimed at improving educational outcomes in Liberia. This PPP was established in 2016 (Eurodad, 2022). The partnership between the Government of Liberia and Bridge International Academies aimed to leverage Bridge's operational expertise and resources to enhance education delivery in Liberia, giving them full autonomy. Through a partnership between the public and private sectors 93 public elementary schools were granted full autonomy, but following a year of implementation and amid various criticisms, the Ministry of Education expanded the program, increasing the number of schools involved from 93 to 191 (Romero et al., 2022).

The aim of this agreement was to enhance the quality of education in Liberia by leveraging Bridge's operational resources and expertise. But this PPP had many criticisms and various concerns were raised by different actors. Some concerns were directed at the quality of education offered by Bridge International Academies. One of the questions raised by critics was whether or not this was a suitable model for the Liberian context. Another debate was related to the issues of the long-term sustainability of the partnership as well as its financial sustainability without continuous external support. The involvement of a private entity in the public education system sparked considerable debate regarding the role of the private sector in education and raised concerns about equity and accessibility (Eurodad, 2022).

As a result of many criticisms, the purpose of this PPP was changed to a three-year pilot project. According to the EURODAD (2022) report, the pilot project in the first year was examined in detail by several non-profit organizations and academics. From this control, it was found that the Bridge School was very expensive and that was a significant lack of transparency and accountability. During the first year, the company excluded a large number of students and fired about 74% of the teachers. According to external evaluation, this PPP project was implemented without transparency, democratic participation, or oversight (GI-ESCR, 2022). One of the key concerns surrounding this type of cooperation is that the cost of delivering the service through the private partner is reportedly twice as high as what the government would spend if it provided the service directly through public schools.

GEMS Education initiative in the United Arab Emirates

Founded in 1959, GEMS Education started as a single school in Dubai and has grown into a global education provider, operating a network of private schools in the UAE and several other countries. GEMS Education operates over 60 schools, providing a variety of curricula, including British, American, and International Baccalaureate. GEMS collaborates with government entities to manage and operate public schools under PPP agreements, ensuring that these schools meet the highest educational standards. The

GEMS Education initiative serves as an example of how a successful public-private partnership project in such sectors can help by improving essential elements such as the education quality and accessibility. By leveraging private sector expertise, resources, and innovative practices, GEMS Education has made significant contributions to the educational landscape in the UAE, serving as a model for similar initiatives worldwide.

The contrasting experiences of the LEAP initiative and the GEMS Education initiative illustrate the complexities of public-private partnerships in education. While LEAP faced significant challenges related to quality, sustainability, equity, and transparency, the GEMS Education initiative has effectively leveraged private sector expertise to enhance the educational landscape in the UAE. These cases underscore the importance of context, stakeholder engagement, and clear objectives in designing and implementing successful PPPs in the education sector. Future initiatives should prioritize transparency, accountability, and alignment of public and private goals to ensure the effective delivery of education and maximize the benefits for all stakeholders involved.

4. Research results and comments

Involving private parties in infrastructure, health, and education projects through Public-Private Partnerships (PPPs) can be profitable but also challenging. Successful PPP projects across Europe demonstrate how a cooperation process between two sectors (public and private) can create efficient, innovative, and sustainable infrastructure and services. To have a chance of success for the PPP projects, the PPP contracts must have clear goals. The tasks and objectives must be clearly expressed from a quantitative and qualitative point of view without forgetting well-defined deadlines. Some essential factors of being successful are detailed feasibility studies, comprehensive risk assessment, clear delineation of responsibilities, open and clear decision-making processes, public access to project information and progress reports.

The risks of adopting inefficient contracts increase in developing countries because they have a public administration with a low level of professionalism, sometimes combined with the risk of corruption. In essence, although involving private entities in public projects offers significant potential benefits, careful planning, transparent governance, and proactive risk management are crucial to address challenges and achieve successful outcomes.

Lessons from unsuccessful PPPs highlight the importance of accurate risk assessment, robust project management, realistic financial projections, stakeholder engagement, flexible contracts, and alignment of interests. These factors are critical to mitigate risks and enhance the chances of success in PPP initiatives.

Authors' contribution: E.I.: conceptual framework, collecting and analysing the data, and writing the manuscript. O.I.: conceptual framework, deciding the research, collecting and analysing the data, and writing and revising the manuscript.

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