Roundtable

Are Pakistan's PPPs Delivering Value for Money?

Public-Private Partnerships (PPPs) are increasingly used to deliver infrastructure and public services under tight fiscal constraints. Pakistan's federal and provincial PPP institutions have improved project development and approval processes, while Sindh in particular has accumulated substantial portfolio and implementation experience. Yet, commercial or financial close alone does not by itself demonstrate affordability, value for money or better services over the life of a contract. These concerns are especially relevant because Pakistan already has an evolving institutional and regulatory architecture intended to manage PPP-related fiscal and implementation risks.

At the federal level, existing instruments include the Inter-Governmental Commercial Transactions Act, 2022, the Guidelines for Fiscal Commitments and Contingent Liabilities (FCCL) for Federal Public Private Partnership Projects in Pakistan (2024), and the Fiscal Risk Monitoring Framework for Contingent Liabilities of PPP Projects (2025). These instruments cover the separate G2G statutory route and key aspects of affordability, fiscal-risk assessment, reporting and disclosure. The policy question is whether these requirements are being applied consistently, updated with credible project data and translated into transparent lifecycle evidence across federal and provincial portfolios.

Long-term performance depends on project selection, realistic demand and revenue assumptions, appropriate risk allocation, transparent procurement and capable contract management after signature. This roundtable will focus on mature PPPs: projects that have been operational for at least three years, entail material fiscal or service delivery exposure, have sufficiently reliable performance data, and form part of a portfolio that enables meaningful sectoral comparison.

Viability Gap Funding (VGF), minimum revenue guarantees, unsolicited proposals and other forms of government support can mobilise investment, but they can also create direct or contingent liabilities or weaken competition if safeguards are unclear. Government-to-Government (G2G) transactions operate through a separate statutory route. They should be examined as a distinct comparative segment only where they create PPP-like long-term fiscal, contractual or service delivery obligations.

Given the above, this roundtable will shift attention from announcing projects to independently evaluating mature contracts, testing whether fiscal risk systems work in practice, incorporating service user experience and strengthening the government's capacity to manage performance, renegotiation and disclosure throughout the project lifecycle. Specific objectives will include:

- Assessing whether existing PPP appraisal, approval, monitoring and disclosure systems are consistently protecting value for money, fiscal sustainability and service quality.
- Defining a credible approach for independent ex-post evaluation of mature PPP projects and comparison with conventional public procurement.
- Identifying priority reforms in contract management, FCCL monitoring, service user accountability and the treatment of unsolicited proposals, government support and G2G transactions.

Subject experts and practitioners will address the following questions:

- What evidence is currently available and publicly accessible on lifecycle cost, service quality, risk transfer, fiscal exposure and long-term outcomes of Pakistan's PPP projects?
- How should independent ex-post evaluations assess whether PPPs have delivered better outcomes than traditional public procurement, and which mature PPP projects should be prioritised for evaluation?
- Are the FCCL Guidelines and Fiscal Risk Monitoring Framework being applied consistently, updated with reliable project data and disclosed in a way that supports parliamentary, public and portfolio-level scrutiny?
- What safeguards should apply to VGF, minimum revenue guarantees and unsolicited proposals, and how should G2G transactions with PPP-like obligations be assessed separately without conflating their distinct statutory route with the federal PPP legal and policy regime?
- How can line departments build lasting capability in negotiation, risk allocation, performance monitoring, service user engagement and contract renegotiation after financial close?

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