

A starting guide to public-private partnerships

What is a PPP?

WHAT THIS GUIDE IS FOR

Public-private partnerships explained from zero: what a PPP is, how it works, where it came from, what goes wrong, where it is heading, and Jordan's PPP story and potential, with a source for every date and figure.

PREPARED FOR
Anyone new to PPPs

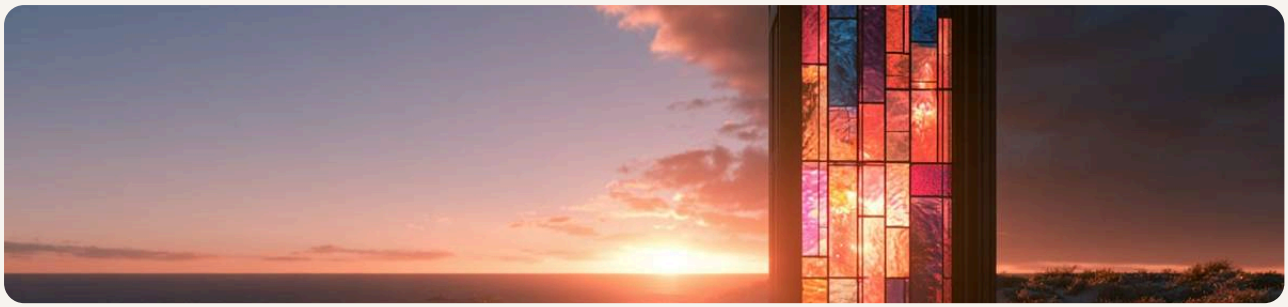
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CONTENTS

Inside this guide

01	What a PPP is	3
02	How a PPP works	4
03	A short history	6
04	PPPs today	7
05	What goes wrong	8
06	The future	9
07	Jordan’s PPP story	10
08	Jordan’s potential	12
09	The 96 organization guides	13
10	Key words	16
11	Sources	18



WHAT A PPP IS

A PPP is a long contract to build and run a public service

> “A long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance.”
>
> The World Bank’s definition

In plain words, the government decides what the country needs, such as a road, a water plant or a school. A private company designs it, builds it, often pays for it, and then runs it for many years, usually 20 to 30. The company is paid only when the service works as promised. At the end of the contract, the asset goes back to the government.

The three partners

The government	Decides what the country needs, sets the standards the service must meet and checks that it does. The public asset stays public.
The private partner	Designs, builds, finances, runs and maintains the asset, and takes the risks it can manage best, such as building on time and on budget.
The public	Uses the service. In some PPPs people pay a fee for it, such as a road toll, a ticket or a water bill.



HOW A PPP WORKS

From an idea to the day the asset is handed back

Every PPP follows the same path. The first four steps can take years. The last three last for decades.

01 · Identify	The government picks a need, such as a water plant, and checks that a PPP is the best way to meet it.
02 · Prepare	Advisors study the cost, the demand and the risks, and draft the contract.
03 · Tender	Companies compete. The best bid on price and quality wins.
04 · Sign and close	The contract is signed and the lenders commit the money. This moment is called financial close.
05 · Build	The partner builds the asset and pays for delays and cost overruns itself.
06 · Operate	For 20 to 30 years the partner runs and maintains the asset and is paid for performance.
07 · Hand back	At the end of the contract the asset returns to the government in good working order.

HOW A PPP WORKS (CONTINUED)

The main kinds of PPP, and how the partner is paid

BOT **Build, Operate, Transfer**	The partner builds the asset, runs it for a fixed term, then transfers it to the government. Example: Disi water conveyance, As-Samra
DBFO **Design, Build, Finance, Operate**	The partner also designs the asset and raises the money to build it. Common for roads, hospitals and schools. Example: The UK's PFI hospitals and schools
Concession **Run an existing service**	The partner takes over a public service, invests in it and collects fees from its users for an agreed term. Example: Queen Alia International Airport
IPP **Independent power project**	The partner builds a power plant and sells its electricity to a state buyer under a long power purchase agreement. Example: Amman East, Tafila Wind, Shams Ma'an

How the private partner gets paid

User fees	People pay to use the service, through tolls, tickets or tariffs. The partner carries the risk that fewer people come than expected.
Availability payments	The government pays a regular fee as long as the asset is open and meets the standards. Payments drop when it falls short.



A SHORT HISTORY

Governments have worked with private builders for centuries

In the 1800s, many canals and railways were built by private companies under rights granted by governments. The modern PPP took shape in the UK in the 1990s and spread around the world.

1854

Egypt grants Ferdinand de Lesseps the concession to build the Suez Canal. A second concession in 1856 sets a 99-year term.

Source: US Department of State, Foreign Relations of the United States

1869

The Suez Canal opens on November 17, 1869.

Source: History.com, Suez Canal opens

1989

The UK Treasury allows private finance for new roads.

Source: UK National Audit Office, PFI and PF2 (2018)

1992

The UK names its program the Private Finance Initiative (PFI). More than 700 PFI and PF2 deals follow, worth about £60 billion.

Source: UK National Audit Office press release

2004

A World Bank study of more than 1,000 concessions in Latin America finds that 30% were renegotiated.

Source: J. Luis Guasch, Granting and Renegotiating Infrastructure Concessions (World Bank, 2004)

2014

Australia's Asset Recycling Initiative pays states 15% of the value of public assets they lease or sell when they reinvest the money in new infrastructure.

Source: Parliament of Australia, Asset Recycling Initiative

2018

On October 29, 2018, the UK stops using PFI and PF2 for new projects. Existing contracts continue.

Source: UK Government, PFI and PF2 Budget 2018 brief

2024

Private investment in infrastructure in low- and middle-income countries reaches $100.7 billion, up 16% on 2023.

Source: World Bank Private Participation in Infrastructure database



PPPS TODAY

The world needs more infrastructure than governments can pay for

Budgets are tight and debts are high, so governments turn to private money and skills. Renewable power leads private investment in energy, and data centers are the fastest-growing new kind of project.

$94 trillion
of infrastructure the world needs to 2040

$18 trillion
more than current spending will pay for

$100.7 billion
of private investment in infrastructure in low- and middle-income countries in 2024

$9.2 billion
into 18 data center projects in 2024, about three times the level before

The figures come from the G20's Global Infrastructure Hub and the World Bank's Private Participation in Infrastructure database.

Source: Global Infrastructure Hub (G20)

Source: World Bank Private Participation in Infrastructure database

Source: World Bank PPI 2024 Annual Report

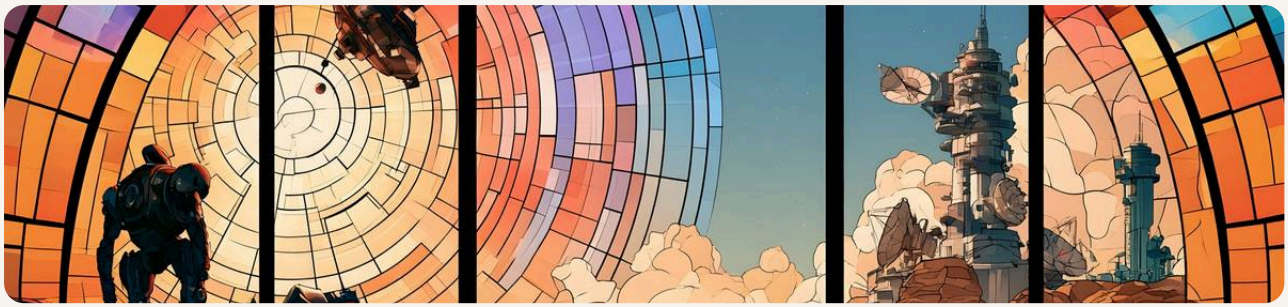


WHAT GOES WRONG

Where PPPs fail, and what the failures teach

A PPP works when each risk sits with the partner best able to manage it and the contract is priced fairly. Most failures start when one of those two breaks.

Contracts get renegotiated	Of more than 1,000 concessions in Latin America from 1985 to 2000, 30% were renegotiated, including 55% in transport and 74% in water, on average just 2.2 years after award. Source: J. Luis Guasch, Granting and Renegotiating Infrastructure Concessions (World Bank, 2004)
Private money costs more	The UK's National Audit Office found that private finance cost 2% to 4% a year more than government borrowing, and that one group of schools cost about 40% more than public financing. Source: UK National Audit Office, PFI and PF2 (2018)
Hidden bills for the state	Guarantees a government gives today can turn into payments years later. The IMF and the World Bank built a tool, PFRAM, to measure these costs before a contract is signed. Source: IMF, PPP Fiscal Risk Assessment Model (PFRAM)
Contracts are hard to change	A contract signed for 25 years has to survive new technology, new needs and new governments. The National Audit Office reported that PFI contracts were rigid to run. Source: UK National Audit Office, PFI and PF2 (2018)
Long bills into the future	In 2018 the UK still owed £199 billion in PFI and PF2 charges, stretching into the 2040s. Source: UK National Audit Office press release
Slow to prepare	Studies, approvals and tenders can take years before a large PPP breaks ground, so costs move and support can fade along the way. Source: The $500 trillion opportunity



THE FUTURE

PPPs are becoming faster, smaller and open to more people

Countries now recycle old assets to pay for new ones, and private money is flowing into new kinds of infrastructure such as data centers. AI, robotics and tokenization are changing how PPPs are prepared, built and owned, and together they point towards the $500 trillion infrastructure singularity.

AI	Prepares studies, contracts and bids in days instead of months. www.JordanPPP.com/ai
Robotics	Builds, inspects and maintains assets faster and more safely. www.JordanPPP.com/robotics
Tokenization	Lets many people own a small share of a project. www.JordanPPP.com/tokenization
Small PPPs	Many small projects signed in months, side by side. www.JordanPPP.com/small-ppps

Australia's Asset Recycling Initiative of 2014 shows the money side of the same shift: states that leased or sold old assets and reinvested the proceeds in new infrastructure received 15% of the asset's value on top.

Source: Parliament of Australia, Asset Recycling Initiative



JORDAN'S PPP STORY

Jordan has built with PPPs for more than 20 years

Water, power and the main airport were all built or run through PPPs, and Jordan has passed three PPP laws, each one to make the next projects easier.

2003

The As-Samra wastewater plant reaches financial close on December 10, 2003: a 25-year BOT by a group led by Suez, worth about $169.5 million.

Source: IJGlobal, As-Samra (2003)

2007

Airport International Group signs a 25-year concession for Queen Alia International Airport on November 15, 2007, with IFC as advisor.

Source: IFC press release, Queen Alia International Airport

2009

Amman East, Jordan's first independent power plant, opens on October 26, 2009: 370 MW, built by AES and Mitsui.

Source: King Abdullah II, first independent power plant

2013

The Disi water conveyance opens in July 2013, a 25-year BOT by GAMA that carries 100 million m^3 of water a year to Amman.

Source: European Investment Bank, Disi water conveyance

2013

The $205.3 million As-Samra expansion, backed by MIGA guarantees, starts lifting the plant from 267,000 to 365,000 m^3 a day.

Source: MIGA, As-Samra expansion

JORDAN'S PPP STORY (CONTINUED)

2014	PPP Law No. 31 of 2014 sets up a PPP Unit at the Ministry of Finance and a PPP Council chaired by the Prime Minister. Source: Oxford Business Group, PPP law in Jordan
2014	The 240 MW Al Manakher power plant, built by AES and Mitsui, starts up in July 2014. Source: MEES, Al Manakher start-up
2015	The 117 MW Tafila Wind Farm, 38 turbines worth about $287 million, starts generating. Source: Masdar, Tafila Wind Farm
2016	Shams Ma'an, 52.5 MW of solar, starts selling power to NEPCO under a 20-year agreement. Source: First Solar, Shams Ma'an
2019	A Cabinet decision moves the PPP Unit to the Prime Ministry. Source: World Bank blog, Jordan invests in its PPP capacity
2020	PPP Law No. 17 of 2020 replaces the 2014 law. Source: UNEP LEAP, PPP Law No. 17 of 2020
2022	The Economic Modernisation Vision sets Jordan's course to 2033 in three phases and calls for more public-private partnerships. Source: Jordan Vision
2023	PPP Law No. 19 of 2023 takes effect on November 13, 2023 and strengthens the PPP Unit at the Ministry of Investment. PPP Regulation No. 9 of 2024 follows in March 2024. Source: Ministry of Investment, PPP Guidelines 2024
2025	A group led by Meridiam and Suez signs the BOT contract for the Aqaba-Amman Water Desalination and Conveyance project on January 12, 2025. Source: MEED, Aqaba-Amman water contract
2026	The final agreement for the National Water Carrier is signed on April 21, 2026: about $4.3 billion to build, 300 million m^3 of water a year through a 450 km pipeline, with water planned for 2030. Source: Petra, National Water Carrier agreement



JORDAN'S POTENTIAL

Jordan's next chapter could be its biggest

Jordan has a modern PPP law, a PPP Unit at the Ministry of Investment and two decades of projects behind it. The Economic Modernisation Vision asks the private sector to carry most of the investment to 2033. The next step is many more PPPs, of every size, led by every kind of organization.

$86 billion
of PPP and infrastructure projects in development in Jordan

$46 billion
of them anchored in Aqaba, Jordan's only port

JD 41 billion
of investment the Economic Modernisation Vision needs by 2033, 72% of it private

2.6 million
jobs the Vision aims for by 2033, up from 1.6 million

Source: Economic Modernisation Vision



THE 96 ORGANIZATION GUIDES

96 organization guides to launch a PPP program of your own

This page explains PPPs. The 96 organization guides show each kind of organization in Jordan how to take part: a mandate, a named team, a map of the projects it can join, its own offer, partners and a first pilot.

What every guide holds

Why it matters	Why this kind of organization belongs in Jordan's PPPs, and what it brings.
The program	A mandate, a named team, a map of the projects to join, its own offer, partners and a first pilot.
Jordan and Aqaba	Where the $86 billion of projects sit, and the share anchored in Aqaba.
Technology	What AI, robotics and tokenization change for the organization and its projects.
Ways to start	Small PPPs, PPP labs and unsolicited proposals.
Six steps	The first moves, in order, from the mandate to the pilot.

Every guide can be read online and downloaded at www.JordanPPP.com/guides.

THE 96 ORGANIZATION GUIDES (CONTINUED)

One guide for every kind of organization

National leadership

The Royal Hashemite Court, the Prime Ministry and Parliament, which set Jordan's national direction.

Royal Hashemite Court · Prime Ministry of Jordan · Members of Parliament

Public sector

The authorities that plan, contract, own and regulate public-private partnerships, the courts and correctional services, Jordan's twelve governorates and municipalities, and the foreign missions that back them.

Ministries and Public Authorities · State-Owned Utilities and Companies · Financial Regulators and Markets · Defense and Security Institutions · Justice and Correctional Institutions · Regional Development Authorities · Municipalities · Amman · Zarqa · Irbid · Balqa · Madaba · Mafraq · Jerash · Ajloun · Karak · Tafileh · Ma'an · Aqaba · Embassies and Bilateral Agencies

Capital

The banks, brokers, funds, insurers and investors, at home and in the diaspora, that finance PPP projects.

Banks · Brokerage Firms and Investment Banks · Development Finance Institutions · Infrastructure Funds · Private Equity Firms · Sovereign Wealth and Pension Funds · Insurance Companies · Family Offices · Jordanian Diaspora Investors · Venture Capital Firms · Startup Accelerators · Microfinance Institutions · Credit Guarantee Institutions

Developers and builders

The companies that develop, design and build PPP projects.

PPP Developers · Economic Zone and Industrial City Developers · Contractors · Real Estate Developers · Affordable Housing Developers · Engineering and Consulting Firms

Advisors and professional bodies

The lawyers, financial advisors and chambers that structure and support each deal.

Law Firms · Financial Advisory Firms · Professional Bodies and Chambers

Operators and services

The companies that run PPP assets and public services for decades once they are built, from utilities to clinics and care.

Utilities and Operators · Facility Management Companies · Telecom Operators · Logistics and Port Companies · Maritime and Shipping Companies · Rail Companies · Bus and Public Transport Operators · Aviation Companies · Delivery and Courier Companies · Hospital Groups · Primary Care and Diagnostics Providers · Elderly and Disability Care Providers

THE 96 ORGANIZATION GUIDES (CONTINUED)

One guide for every kind of organization

Technology and knowledge

The technology and fintech companies, research centers, universities, schools and training providers behind AI, robotics and tokenization, on Earth and beyond.

Technology Companies · AI Companies · Robotics Companies · Blockchain Companies · Fintech Companies · Data Center Companies · Research Centers and Laboratories · Universities · Schools · Vocational Training Providers · Childcare and Early Education Providers · Moon · Mars

Economic sectors

Companies and organizations in twenty-one sectors of Jordan's economy, from energy and water to tourism, conservation and sport.

Energy Developers · Green Hydrogen and Ammonia Companies · Oil and Gas Companies · Nuclear Energy Organizations · Water Companies · Transport Companies · Electric Mobility Companies · Agriculture and Food Companies · Cooperatives · Mining Companies · Manufacturing Companies · Defense Manufacturers · Pharmaceutical and Life Sciences Companies · Tourism and Hospitality Companies · Heritage and Antiquities Institutions · Nature Reserves and Conservation Bodies · Education Companies · Circular Economy Companies · Green Economy Companies · Creative Industries Companies · Sports and Entertainment Companies

Humanitarian and relief

The UN agencies, donors, charities, host communities and social enterprises that serve people in need.

UN Agencies and International NGOs · Humanitarian Donors and Foundations · Jordanian NGOs and Charities · Host Municipalities and Emergency Services · Social Enterprises and Impact Companies



KEY WORDS

The words you will hear most

PPP	A long contract in which a private partner builds or runs a public asset or service and is paid for its performance.
Project company	A company set up only to carry out one PPP. It signs the contract, borrows the money and owns the project's rights. Also called an SPV.
Concession	The right to run a public service for a fixed term and charge its users.
BOT	Build, Operate, Transfer: build the asset, run it for a fixed term, then hand it to the government.
DBFO	Design, Build, Finance, Operate: the partner also designs the asset and raises the money.
IPP	Independent power project: a private power plant that sells its electricity to a state buyer.
PPA	Power purchase agreement: the long contract under which an IPP sells its power.

KEY WORDS (CONTINUED)

Availability payment	A regular fee the government pays while the asset is open and meets the standards.
Financial close	The day the contract is signed and the lenders commit the money, so building can start.
Value for money	The test of whether a PPP gives the public a better deal than the government doing the project itself.
Contingent liability	A cost the government may have to pay later if something goes wrong, such as a guarantee being called.
Unsolicited proposal	A PPP idea that a company brings to the government before the government asks for it.
Small PPP	A PPP small enough to prepare and sign in months, so many can run side by side.

Questions people ask

How is a PPP different from privatization? In a privatization the government sells an asset for good. In a PPP the government keeps the asset public, the private partner builds or runs it for a fixed term, usually 20 to 30 years, and the asset returns to the government at the end.

How does the private partner get paid in a PPP? Either through fees from the people who use the service, such as tolls and tariffs, or through availability payments from the government, which are paid while the asset is open and meets its standards.

Does Jordan have a PPP law? Yes. PPP Law No. 19 of 2023 took effect on November 13, 2023, and PPP Regulation No. 9 of 2024 followed in March 2024. The PPP Unit sits at the Ministry of Investment. Earlier laws were Law No. 31 of 2014 and Law No. 17 of 2020.

SOURCES

Where every date and figure comes from

Each fact in this guide was checked against the source below on November 9, 2026. The online version at www.JordanPPP.com/ppp links each fact to its source.

World Bank PPP Legal Resource Center

US Department of State, Foreign Relations of the United States

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Parliament of Australia, Asset Recycling Initiative

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European Investment Bank, Disi water conveyance

King Abdullah II, first independent power plant

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Masdar, Tafila Wind Farm

First Solar, Shams Ma'an

MEED, Aqaba-Amman water contract

Petra, National Water Carrier agreement

Jordan News, National Water Carrier

Economic Modernisation Vision

Jordan Vision



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