Title: The Determinants of PPP Project Ownership Structure: The Role of Development Partners and Public Sector Debt

Abstract: After the global financial crisis, it has become increasingly difficult to attract private investment for Public Private Partnerships (PPP) projects. Some of the pioneers of PPP mechanisms like the U.K. government are responding to this investment outlook by sharing PPP project ownership and project risk. Marjit (1990) shows that project investment by country’s political authority leads to greater private equity participation. However, government ownership in PPP projects can also affect project performance and control issues. Along with government, development partners play an important role in PPP projects through providing loans, guarantee, risk management, equity and other supports.

Understanding the ownership structure of PPP projects is necessary because it affects risk management and the incentives for investors to participate in the project. This study contributes to the literature through analyzing the determinants the of PPP project ownership. The research examines the role of development partners and government in PPP project ownership. Using data from Private Participation in Infrastructure (PPI) database, the sample consists of 4,172 PPP projects for 37 developing countries over the period 1990 to 2012. The research finds that, among the development partner’s support, only guarantees, quasi equity, and risk management support lead to greater private sector ownership.