

PPPs for development: Schools, small PPP projects & EU funds

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Introduction



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REBEL



A specialized infrastructure PPP and project finance advisory practice and developer with global experience

- Founded in 2002, >300 staff
- HQ in the Netherlands, with 10 offices worldwide
- Act as financial advisors to public and private sides and as developer/investor
- Leading PPP financial advisor in home markets of the Netherlands and Belgium, with international reach across Europe, North America, Latin America, Asia and Africa
- Recent flagship projects include the EUR > 1 Bln R4 West East Road PPP in Belgium and delivering >50 schools in the Flemish Schools PPP program (for both, as co-developer and private-side FA)
- In Latvia, advised a bidding consortium on the Kevava Bypass PPP and currently exploring several projects in the region

Agenda for today

- **Smaller PPP projects**
- **Utilizing EU funds for PPPs**
- **Case Studies: Schools PPPs**



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Smaller PPP Projects



Context for smaller-scale PPP projects

What is “small”? Threshold is relative to specific market, typically below €10-25M

- National PPP programs typically focus on large projects
- Smaller projects often involve social infrastructure or municipal services implemented at a sub-sovereign level
- Smaller projects can also benefit from the value drivers of PPP, including:
 - Harnessing private sector innovation and efficiency
 - Increasing cost certainty and maintenance standards
 - Accelerating project delivery
 - Optimizing risk allocation
 - Incentivizing whole lifecycle optimization
 - Utilizing performance-based contracting
 - Leveraging private financing

Challenges for smaller-scale PPP projects

- Typically dispersed, sub-sovereign contracting authorities with low volume of potential PPP projects
 - Limited capacity of public officials to prepare and implement PPP projects
 - Limited opportunity to leverage experience gained for future projects
- Disproportionately high transaction costs and human resource requirements
- Lengthy and more complicated approval and procurement processes compared to traditional procurement
- PPP legal documentation and private financing aspects perceived as unfamiliar and overly burdensome
- Harder to attract market interest

Strategies for smaller PPPs from international practice

- Bundle multiple smaller assets of similar nature – for both preparation and procurement
- Clearly signal when a pilot project is meant to be replicated as part of a more extensive program, and publish PPP pipelines
- Delegate approvals at a lower level / reduce gateway decisions
- Simplify the project preparation process (e.g. feasibility study requirements, financial calculations)
- Maintain standardized PPP tools and templates that local authorities can utilize

Strategies for smaller PPPs from international practice

- Facilitate capacity building training and project-related assistance to local authorities
- Allow flexibility for private sector to use corporate financing rather than project financing
- Provide project development funding to facilitate strong PPP project preparation and procurement
- Consider starting with performance-based contracting of municipal services with low capex investment / financing requirements (e.g. waste collection, road maintenance)



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Utilizing EU funds for PPPs



Utilizing EU Funds for PPP projects

Main EU Funding Channels used in PPPs

Funding Channel	Purpose / Use in PPPs	Typical Instruments
European Structural and Investment Funds (ESIF) – ERDF & Cohesion Fund	Co-finance education, health, social and municipal infrastructure	Grants or repayable FIs (loans/guarantees/equity) managed by national authorities
Financial Instruments (FIs) under ESIF	Revolving funds that on-lend or guarantee PPPs; reduce FX and refinancing risk	National/regional vehicles capitalised with ERDF/CF (e.g. on-lending funds, guarantee schemes)
EU-Level Facilities	Provide long-term senior debt or EU guarantees to crowd in private finance	EIB loans; InvestEU/earlier EFSI guarantees
Grant + PPP “Blending”	Combine EU grants for the public component with private capital for construction/operation	Used for small-scale DBFM projects in education, health, water, community assets

Utilizing EU Funds for PPP Projects

How Countries Put This into Practice

- **Shared-management model:** Managing Authorities integrate PPP eligibility into ERDF/CF programs
- **National financial intermediaries (FIs):** State-backed funds (e.g., municipal investment agencies) channel EU money as local-currency loans or guarantees
- **EIB/InvestEU support:** Provides long-tenor loans, advisory services, and co-lending with commercial banks
- **Blended financing structures:** Mix of grants + FIs + private capital ensures affordability while keeping PPPs off-balance sheet

Example PPP projects that have successfully incorporated EU funds

Project	Country	EU Funding Source	Sector/Scope	Project Value (€ m) / EU Funding Share	Funding Model	Delivery Structure
Kaunas District Schools & Community Facilities PPP	Lithuania	ERDF via national financial instrument (VIPA – Municipal Building Fund)	Education + community facilities (2 schools, 1 pool, 1 new school)	€13.6 m total / €8.4 m ERDF loan (~62%)	ERDF on-lending loan blended with SEB Bank debt	Municipal DBFM PPP
Attica “14 Schools” PPP	Greece	ERDF via JESSICA Urban Development Fund + EIB	Education bundle of 14 schools	€58 m total / ERDF share ~40%	UDF blending with EIB + Alpha Bank loans	National PPP Secretariat
Primary Care Centers PPP (Bundle 1)	Ireland	EU Guarantee (EFSI → EIB loan)	Health – 14 primary-care centers	€142 m total / €70 m EIB (EFSI-backed, ~49%)	Long-tenor EIB debt (EFSI-backed) + private finance	NDA/HSE DBFM
Vienna School Campus Berresgasse PPP	Austria	EIB Urban Infrastructure Facility	Education (two interconnected campuses)	€46 m total / EIB share ~50%	Direct EIB loan with local banks	City of Vienna DBFO (PORR/STRABAG SPV)
Regional Health Centers PPP	Malta	ERDF grant (2014–2020 OP I)	Health – community clinics network	€40 m total / €18 m ERDF grant (~45%)	ERDF grant (~45 % CAPEX) + private finance	Ministry of Health PPP
Porto Social Housing Renovation PPP	Portugal	ERDF (Portugal 2020 Urban Regeneration)	Housing & community regeneration	€37 m total / ERDF FI share ~40%	ERDF-backed financial instrument + PPP finance	City-led PPP

Case Studies – Schools PPPs



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Case Study of Kaunas District Schools & Community Facilities PPP (Lithuania)



Project Overview:

€13.6m DBFM | 15-year contract | €8.4m ERDF via VIPA

- Renovation and extension of 2 schools and a swimming pool, plus 1 new school
- 3 small municipalities: *Mastaičiai, Kačerginė, Zapyškis*
- Delivered through a single **DBFM contract** with availability-based payments
- UNECE-Recognized Best Practice for Integrated and Replicable Small-scale PPP Delivery

Case Study of Kaunas District Schools & Community Facilities PPP (Lithuania)

Adjustments for Small-Scale PPPs

Standardized approach: CPVA provided templates, mentoring, and procurement oversight.

Bundled delivery: 3 assets combined in one DBFM contract to reach viable scale.

Performance-driven design: Availability payments tied to quality and facility uptime KPIs.

Scalable model: Framework replicated for further municipal and education PPPs.

Integration of EU Funds

- **Revolving finance model:** ERDF converted into a loan instrument co-financed with SEB Bank.
- **National financing vehicle:** VIPA enabled municipalities to access affordable, long-term capital.
- **Sustainable funding mechanism:** EU resources embedded in a permanent on-lending facility.
- **Blended finance framework:** Combined EU structural funds with private investment effectively.

Case Study of Vienna School Campus Berresgasse PPP (Austria)



Project Overview:

€46m DBFO | 25-year contract | Municipal partnership with private SPV (PORR + STRABAG)

- Construction of two interconnected school campuses in Vienna's Donaustadt district
- Delivered through a single DBFO contract with availability-based payments
- Delivered on time and within budget under Austria's federal PPP framework

Adjustments for Small-Scale PPPs

Standardized national model: Pre-approved PPP templates for contracts, risk allocation, and procurement

Simplified evaluation: Quality, lifecycle cost, and performance prioritized over complex financial modeling

Integrated campus design: Multiple schools and shared facilities combined for scale and efficiency

Performance-based KPIs: Focused monitoring and transparent reporting

Case Study of Attica “14 Schools” PPP (Greece)



Project Overview:

€58m DBFM | 25-year contract | ERDF funding via JESSICA Urban Development Fund, blended with EIB and Alpha Bank loans

- Delivery of 14 new schools across the Attica region
- Availability-based payment mechanism tied to measurable service performance
- Among the first PPPs in Europe to blend EU structural funds with private finance

Integration of EU Funds

Innovative financial blending: ERDF used as subordinated debt alongside EIB and commercial loans.

Institutional coordination: Strong collaboration between PPP Secretariat and EU funding authorities.

Bundling for scale: Multiple small projects aggregated into one contract for bankable size.

Replicable model: Financing structure reused for later regional PPPs.



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Schools PPPs – Our Experience in Belgium



A decade of innovation in educational PPPs – 250+ schools, €3B investment



To address insufficient school buildings, the Flemish Government launched a long-term PPP program for education infrastructure

Model: DBFM contracts ensuring lifecycle integration and performance-based payments

Rebel's Role: Tender & bid management, investor, financial advisor

Impact: 250 + modern, sustainable schools – a European benchmark

The Project was structured into 3 “Waves” of PPP Schools

2007 - 2023

Wave 1 –

Scholen van Morgen
("Schools of Tomorrow")

- ±182 schools
- ~€1B investment
- 30-year umbrella DBFM
- *Status:* Operational

2018 - ...

Wave 2 –

Project-Specific DBFM
Programmes

- 12 stand-alone tenders
- 1–8 schools each
- 25–30-year contracts
- *Status:* Construction

2024 - ...

Wave 3 –

Scholen van
Vlaanderen
("Schools of Flanders")

- 3 regional batches
(~30 schools each)
- €350–500M each
- *Status:* 1st wave awarded; 2nd & 3rd waves in planning

The Project was structured into 3 “Waves” of PPP Schools

Wave 1 – Scholen van Morgen (2007-2023)

Goal:

Launch of first large-scale educational PPP to clear infrastructure backlog

Focus:

- Unified 30-year DBFM for ±182 schools under one framework
- Introduced private financing & guaranteed maintenance

Rebel Value Added

- Financial advisor & tender manager to private consortium
- Developed competitive bid & lifecycle cost model
- Built early Flemish PPP know-how that informed future tenders

Wave 2 – Project-Specific DBFMs (2018-present)

Goal:

Decentralise and tailor PPPs to unique school clusters

Focus:

- 12 stand-alone DBFM tenders (1–8 schools)
- More flexibility for school boards & design

Rebel Value Added

- Investor and financial advisor in active consortia
- Managed bids and financing structure for >15 schools
- Applied PPP experience to complex, tailor-made projects

Wave 3 – Scholen van Vlaanderen (2024–2030 est.)

Goal:

Regionalise, digitalise, and raise sustainability standards

Focus:

- 3 regional DBFM batches (~30 schools each)
- Integration of digital design tools, modular methods, NZE targets

Rebel Value Added

- Manager of pppconnect platform
- Strategic advisor on PPP structuring & innovation
- Supporting procurement & sustainability-driven financing

Results and Strategic Impact of the Flemish schools PPP program

The combined PPP programs have produced significant results:

- Over **250 schools** delivered or under development across Flanders and Brussels
- More than **1,5 billion EUR** already invested in sustainable, modern learning environments and **more than 1,5 billion EUR** more in tender or planning processes
- Establishment of a **long-term asset management culture** in the education sector
- **Strong partnerships** between public authorities, financiers, and construction companies

The Flemish PPP school model is widely regarded as a **European benchmark** for social infrastructure procurement, balancing public accountability with private-sector expertise and lifecycle efficiency

Thanks!

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