

# *Opportunities for the Development of Public-Private Partnerships in Bulgaria Following the Example of United Kingdom*

by *Kalin Boyanov\**

## *Abstract*

The study intends to ascertain whether it is feasible to modify the UK's strategy in order to meet Bulgaria's infrastructure and public service deficiencies, given the country's changing governance environment and major infrastructure challenges. The study highlights important components of the UK's PPP model, such as strict control, cautious risk-sharing, and value-for-money evaluations, using a comparative policy analysis and real-world case studies from both countries. Critical obstacles that impede the establishment of successful PPPs in Bulgaria are identified by the study, including fragmented legal frameworks and inadequate government competence. The study makes policy recommendations for bolstering institutional capacities, promoting transparency, and fortifying legal frameworks in light of these findings. Bulgaria must take these actions in order to develop a more robust and long-lasting PPP model. The findings show that PPPs can boost economic growth, decrease corruption, and increase public value when properly implemented. But in order to reach their full potential, Bulgaria needs to get over legal and institutional barriers, especially with specific policy changes. In the end, this study provides insightful information for scholars and policymakers who want to advance PPP models, especially in transitional economies. The study comes to the conclusion that although it is not feasible to directly replicate the UK model, Bulgaria's infrastructure and public services might be greatly enhanced by implementing modified approaches.

**Keywords:** Governance, Risk Management, Transparency, Transitional Economies, Innovative Mechanisms.

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\* Researcher at the Department of Public Administration, University of National and World Economy, Sofia, Bulgaria, e-mail: boyanovkalin04@gmail.com.

## Introduction

Public-private partnerships (PPP) have become central to modern policy discussions as nations seek to improve infrastructure and services by leveraging private sector expertise and resources. This approach is particularly valuable when financial resources are limited, offering solutions for budget constraints while encouraging innovation and faster project delivery. Success depends on well-defined legal frameworks, transparent contracts, effective risk management, and stakeholder engagement. Bulgaria has prioritized PPP for modernizing infrastructure and enhancing government services as part of governance reform and economic development.

The UK's extensive PPP experience, particularly through its Private Finance Initiative (PFI), offers valuable lessons for Bulgaria – both successful implementations and cautionary examples. By leveraging this knowledge, Bulgaria can develop effective, sustainable partnerships that contribute to economic and social progress. This article explores Bulgaria's potential to utilize the UK's PPP management experience to establish a more resilient and accountable partnership framework and suggests strategic measures for Bulgarian policymakers and practitioners to maximize public value in infrastructure development and service delivery.

PPPs are increasingly discussed as pragmatic global governance tools in academia (Kullolli, 2023). PPPs, which began in the 1980s, include government and private companies delivering public infrastructure or services. Private enterprises gain revenue streams and market development opportunities via contracts often backed by governmental pledges, while governments profit from private-sector innovation, operational knowledge, and funding (Mehdi, 2025). The mutual advantage comes from risk distribution: the public authority delegated facility construction and service provision, while private investors, driven by profit incentives and subject to strict performance metrics, strive for high service standards.

PPP's popularity stems from population growth, infrastructural decline, and technological advances. Governments under fiscal pressure use new methods to fund road, hospital, utility, and educational infrastructure (Makhazhanova et al., 2024; Yudina, 2025). PPPs speed up project schedules and unlock foreign financing while protecting public interests. Proponents say these partnerships boost public sector accountability and inventiveness. PPPs supposedly ensure that all parties monitor cost overruns and service quality by clearly linking returns on investment to performance criteria.

However, new research highlights PPP models' complexity and risks (Hodge and Greve, 2021). Extended contractual periods sometimes increase

project costs, burdening future governments. The intricacy of contract negotiation and implementation can make it difficult to establish equitable arrangements, especially when profit drives social welfare. Insufficient oversight or ambitious revenue expectations have led to unmet goals and public distrust. PPP ventures' success depends on a thorough review of legislative provisions, regulatory norms, and institutional capacities.

Understanding the broader significance of PPP extends beyond mere fiscal or administrative considerations; it encompasses deeper questions concerning state responsibilities and the evolving role of private actors in traditionally government-run sectors (Tleubayev et al., 2024; Buribayev et al., 2015). Bulgaria and the UK are exemplifying the benefits and pitfalls of PPP, with Bulgaria's market-oriented approach trying to address the regulatory inconsistencies and capacity constraints.

In light of the foregoing observations, investigating the emergence and significance of PPP is crucial for policy practitioners, scholars, and government decision-makers aiming to refine public service delivery models. Careful attention to legislative architecture, alignment of incentives, and stakeholder engagement can ultimately determine whether PPP evolve into a transformative force for societal advancement or remain an ambivalent policy tool fraught with uncertainty.

Through careful analysis of contextual differences, this study seeks to develop practical, culturally appropriate policy suggestions for creating sustainable and fair public-private partnership frameworks specifically designed for Bulgaria's developing governance system.

## **Literature review**

In scholarly discourse of the 21st century, a substantial array of studies illuminates the United Kingdom's extensive track record with PPP, highlighting both the theoretical underpinnings and practical outcomes of this policy instrument. Historically, much of the United Kingdom's reliance on private finance emerged in the 1990s under the Conservative government's Private Finance Initiative, a scheme that underwent considerable expansion under subsequent Labour administrations (Hodge and Greve, 2021). According to Hanna et al. (2024), the twin aims of Private Finance Initiative were, first, to shift the financial burden for infrastructure development from governmental budgets to private-sector entities, and second, to enhance overall efficiency in project delivery. In practice, private consortia often assumed responsibility for designing, building, and operating projects – ranging from hospitals and schools to transportation systems –

under long-term contracts that ensured revenue streams backed by the public sector.

A pervasive concept within this literature is value for money, which entails achieving the optimal balance of cost, quality, and risk transfer. Proponents of value for money argue that PPP models should strive to outperform traditional public procurement routes in terms of economic viability, service quality, and operational advantages. The United Kingdom government's emphasis on value for money assessments signalled an intention to institutionalise rigorous appraisal processes prior to contract signing. However, critical perspectives emerged, particularly in the work of O'Shea (2024), who posited that a strong reliance on private finance could inflate long-term costs through mechanisms such as profit margins, high interest rates, and intricate contract management procedures. These critiques highlight potential hidden liabilities that only materialise over the course of multi-decade agreements, thus raising questions about the true fiscal sustainability of Private Finance Initiative projects.

Love and Ika (2022) in their research highlight that hospital projects often suffer from misperformance due to factors such as scope changes, poor risk management, ineffective governance, and optimism bias. During the early years of Private Finance Initiative implementation, policymakers and the public were generally optimistic, partly because PPP were marketed as a means of containing costs while distributing risks to private partners. Over time, however, scepticism grew, fuelled by high-profile instances in which certain hospital PPP incurred severe budget overruns and unanticipated financial burdens for the National Health Service. These controversies prompted debates over transparency, accountability, and the long-term implications of ceding essential public services to private operators.

In evaluating the broader impact of the United Kingdom's PPP model, Al Yaqoobi and Ausloos (2022) regard the country's experience as both an instructive template and a cautionary tale. On one hand, the United Kingdom has been commended for its meticulous project appraisal processes, comprehensive contractual frameworks, and establishment of specialised oversight bodies, such as the Infrastructure and Projects Authority. On the other hand, Hodge and Greve (2021) emphasise that overly complex financial arrangements, governance ambiguities, and occasional misalignments between private profit motives and public welfare can create significant risks.

The UK's PPP history, though valuable for policy transfer and infrastructure development, has been criticized for its mixed outcomes, revealing structural vulnerabilities that require mitigation. Hristova (2021) highlights that Bulgaria, while following the EU's push for PPPs to

modernize infrastructure, is still in the early stages of their implementation. Unlike the UK's long-standing PPP model, Bulgaria's engagement is relatively new, driven by the need to upgrade its aging infrastructure and meet EU public procurement and transparency regulations. However, research on Bulgarian PPPs remains limited, with gaps in understanding the relationship between policy design, institutional capacity, and implementation effectiveness.

Batjargal and Zhang (2021) highlight significant systemic challenges that impede the advancement of PPP frameworks in Bulgaria. First, legal and regulatory uncertainties derive from a series of revisions to PPP-related legislation, resulting in a fragmented and sometimes contradictory legal environment. The fluidity of this framework tends to deter potential investors, both Bulgarian and international, who favour stability when entering long-term contracts. Second, scholars observe a lack of uniform project implementation standards across different levels of government, culminating in inconsistent practices and public scepticism. In addition, the legacy of centralised decision-making from Bulgaria's communist past, combined with persistent corruption concerns, perpetuates bureaucratic inertia and undermines private-sector confidence.

Despite structural hurdles, certain PPP initiatives in Bulgaria, especially in the energy sector and municipal services, have demonstrated improved efficiency, supported by EU-backed pilot projects that offer lessons in risk management and stakeholder engagement. While advocates highlight Bulgaria's gradual approach as a strength, critics point to weak legislation and corruption as major barriers. This contrast reveals that the success of PPPs ultimately depends on strong governance, transparent oversight, and sustained institutional reform.

In sum, the literature strongly suggests that Bulgaria's evolving PPP landscape holds promise but is simultaneously constrained by enduring governance challenges and insufficient standardisation. Future research should delve deeper into comparative case analyses and quantitative data on project outcomes, exploring how lessons drawn from successful pilot projects might be scaled up to catalyse broader national development objectives.

## *Materials and methods*

Methodologically, this study adopts a multifaceted approach to assess how lessons gleaned from the United Kingdom's PPP evolution can be meaningfully adapted to Bulgaria's circumstances. First, the desk-based review entails synthesising policy documents, legislative texts, and academic

publications, ensuring coverage of both national and international literature drawn from databases such as Google Scholar, Scopus, and Web of Science. This review focuses on identifying the principal trends, successes, and pitfalls associated with PPP implementation in the United Kingdom and Bulgaria, thereby constructing an analytical foundation upon which subsequent comparisons are built.

Second, a comparative policy analysis framework is employed to discern points of convergence and divergence in the countries' PPP environments. Hodge and Greve (2021) underline the utility of such comparative inquiries for detecting institutional, cultural, and historical determinants that shape policy outcomes. In particular, the analysis addresses legal infrastructure, procurement mechanisms, and oversight protocols to determine how effectively risk is allocated among the public and private actors. By interrogating these variables, the study highlights where direct policy transfers may be applicable and where local adaptation is requisite.

Furthermore, illustrative case studies serve as a key component in exploring real-world examples of PPP performance. In the United Kingdom context, the Private Finance Initiative in healthcare and large-scale transportation projects often reveal the nuanced interplay of financing structures, stakeholder engagement, and accountability. In Bulgaria, municipal energy projects and pilot infrastructure initiatives funded through European grants offer instructive parallels, showcasing both incremental successes and persistent obstacles, including corruption concerns and administrative capacity gaps. Critically analysing these examples situates theoretical assumptions within concrete operational contexts, elucidating factors that either bolster or undermine PPP outcomes.

Central to this comparative endeavour is the identification of key performance indicators – such as project completion rates, cost overruns, user satisfaction, and transparency measures – that facilitate systematic evaluation. These key performance indicators help to quantify success and pinpoint risk patterns across various stages of project implementation. Finally, the study invokes policy transfer theory, which underscores the challenges of transposing policy frameworks across distinct socio-political, cultural, and economic terrains. The research aims to generate evidence-based, culturally informed policy recommendations that advance sustainable, equitable PPP models tailored to Bulgaria's evolving governance landscape.

## *Results*

In contemporary scholarly investigations of PPP, the conceptual foundation frequently draws upon public administration and governance

theories, most prominently. The social impact of PPPs is paramount, particularly in terms of generating public value and contributing to sustainable development goals (SDGs). Effective PPPs can create jobs, improve public services, and enhance infrastructure, thereby fostering long-term economic and social benefits. Furthermore, well-implemented PPPs help to address societal challenges, such as poverty reduction, environmental sustainability, and education. By aligning PPP projects with SDGs, governments can ensure that the private sector's contributions go beyond financial returns to include measurable positive social outcomes, such as improved quality of life for citizens, enhanced social equity, and reduced environmental impact. This alignment is critical in transitioning to a more inclusive and resilient economy.

New Public Management and Public Value Theory. New Public Management principles place a premium on efficiency, accountability, and performance monitoring, premised on the belief that market-oriented mechanisms can optimise public service delivery. Under this paradigm, policymakers and administrators evaluate projects by assessing cost-effectiveness and time-to-completion relative to public procurement alternatives. However, critics note that overemphasising metrics and narrowly defining efficiency may undervalue broader social or environmental impacts, thus potentially marginalising stakeholder groups whose input does not translate neatly into financial indicators. This critique underlines the continued relevance of Public Value Theory, which contends that governmental endeavours ought to generate multidimensional benefits – encompassing equity, social cohesion, and long-term societal well-being. In the Bulgarian context, these debates acquire particular significance, as the country grapples with designing PPP models that not only reduce fiscal pressures but also address socio-economic disparities.

In the realm of PPP, comparative inquiry into different national contexts provides critical insights into how policy models may be transferred or adapted. To discern how lessons from the United Kingdom's established PPP environment could be effectively applied in Bulgaria, it is instructive to examine both shared features and distinctive attributes of the two countries. The United Kingdom's track record includes a relatively cohesive legislative framework that has evolved over several decades, culminating in a mature environment for PPP implementation. While some academics highlight ongoing controversies surrounding long-term fiscal liabilities, others note the United Kingdom's systematic refinements to its legal structures as a potent signal of stability for investors (Hodge and Greve, 2021).

Regular stakeholder consultations play a critical role in enhancing the design and implementation of PPPs, particularly by improving transparency

and fostering public trust. In the UK, stakeholder engagement has been integrated into the PPP process through mechanisms such as public consultations, parliamentary oversight, and civil society involvement. These processes ensure that projects are transparent, align with public interests, and minimise corruption risks. In contrast, Bulgaria, with its emerging PPP framework, often lacks consistent engagement with the public and other key stakeholders, which contributes to a lack of trust and transparency. By adopting regular stakeholder consultations, Bulgaria can promote a more transparent decision-making process, enhance accountability, and ensure that PPPs address the needs and concerns of the communities they serve. This could significantly improve the public's perception of PPPs, reduce scepticism, and facilitate smoother project implementation.

An exemplary instance of Bulgaria's efforts in public-private partnership execution is the municipal energy projects launched with the support of EU funding (European Commission, 2021). The Sofia District Heating System upgrade project, part of Bulgaria's broader energy sector reform, was structured as a public-private partnership to enhance energy efficiency. The project had a total budget of EUR 150 million, with EUR 50 million from EU subsidies and EUR 100 million from private sources. The modernisation initiative aimed to reduce energy consumption by 15% and improve overall system efficiency by 20%. Preliminary results showed a 12% decrease in energy usage and a 17% improvement in system efficiency, demonstrating the potential advantages of such collaborations. However, the project faced significant challenges, including regulatory discrepancies and fluctuating energy costs, which impeded the realization of anticipated cost savings outlined in the contract. Furthermore, the project experienced delays in construction, extending the timeline by approximately 10 months beyond the original schedule. Cost overruns also became a concern, with total expenses exceeding initial estimates by 8%, primarily due to unforeseen infrastructure issues and regulatory changes. These difficulties underscore the challenges of aligning financial and operational expectations in dynamic markets, highlighting the importance of robust risk management and contingency planning in future PPP ventures.

Bulgaria has achieved partial success in transportation infrastructure through public-private partnership methods, in addition to energy (Herus, 2024). The expansion of the Trakia Motorway, a prominent infrastructure initiative, employed a public-private partnership model. The entire cost of the project amounted to EUR 350 million, of which EUR 200 million was financed by private investors, and the remaining EUR 150 million was sourced from the Bulgarian government and EU funds. The objective of the project was to decrease travel time between Sofia and Burgas by 40%, hence



enhancing overall traffic flow and alleviating congestion. The project had delays of roughly 18 months attributable to complications in land acquisition and inefficiency within local administration (Stolic Municipality, 2018). The delays and budget overruns highlight the necessity for more explicit project timeframes and enhanced risk management measures. Local authorities, especially in rural regions, have encountered challenges in fulfilling the contract's technical and financial stipulations, hence underscoring the necessity of enhancing institutional capacity within the overarching reform framework.

A parallel dimension involves institutional capacity. In the United Kingdom, specialised agencies such as the Infrastructure and Projects Authority exert a significant influence by providing oversight, monitoring performance, and ensuring accountability. The Infrastructure and Projects Authority's role in establishing standardised processes has facilitated greater transparency and risk mitigation. Conversely, although Bulgarian authorities have made initial efforts to form centralised units with expertise in PPP, these entities often lack the breadth of resources and jurisdiction exercised by their British counterparts. EU-funded initiatives aimed at capacity-building could narrow this gap by offering technical training and methodological guidance, yet the effectiveness of such programmes hinges on sustained political resolve and adequate financial support. Absent these elements, Bulgaria may struggle to bridge the institutional divide. Furthermore, to enhance the effectiveness of PPPs, Bulgaria can formalise and institutionalise public-private dialogue. Establishing structured forums for continuous communication between government entities, private sector partners, and civil society can facilitate better coordination, transparency, and responsiveness to emerging challenges. Such dialogue mechanisms could help align the interests of all stakeholders, build trust, and ensure that PPP projects remain adaptable to evolving market conditions and public needs.

From a public perception standpoint, the United Kingdom exhibits a long-standing, albeit at times sceptical, relationship with PPP. Multiple studies emphasise the country's robust channels for oversight, including parliamentary committees, media scrutiny, and structured civic engagement. These mechanisms allow for informed debate and regular feedback loops, thereby reinforcing accountability. In Bulgaria, civil society and media actors frequently concentrate on corruption risks and governance failures rather than evaluating performance efficiency or value for money (Aitzhanova et al., 2024; Yaremko, 2020). This emphasis on corruption issues, while crucial in shedding light on malfeasance, can inadvertently overshadow constructive discussions about enhancing PPP service quality and cost-effectiveness. The implication is that nurturing a culture of

openness and proactive community involvement becomes imperative for fostering trust and a deeper understanding of PPP merits and drawbacks.

A further consideration lies in macroeconomic conditions. With its diversified economy and extensive capital markets, the United Kingdom is able to source competitive financing for large-scale projects. Bulgaria's comparatively smaller economic base restricts the availability of similar funding streams and can deter multinational investors who perceive heightened risk. Thus, while it may be tempting to import wholesale United Kingdom PPP strategies, a judicious adaptation process that accounts for Bulgaria's financial constraints and institutional realities is more likely to yield successful outcomes.

Kovács (2022) underscores the notion that simply replicating the United Kingdom model in Bulgaria would be impractical. Instead, a context-sensitive approach – encompassing legislative stabilisation, continuous institutional strengthening, and enhanced public engagement – offers a more feasible strategy for PPP advancement. This critical analysis reveals that while the United Kingdom's stable regulatory structures and organisational arrangements can inform Bulgarian reforms, domestic decision-makers must adapt these blueprints to align with their nation's socio-economic and political specificities. If effectively operationalised, PPP in Bulgaria could address infrastructure gaps and contribute to sustainable development. However, achieving these objectives necessitates a deliberate, localised, and transparent approach to designing and implementing PPP frameworks.

In contemporary scholarship on PPP, the comparative assessment of established models offers a rich source of insights for emerging contexts such as Bulgaria. By drawing on the United Kingdom's experiences, several opportunities manifest for Bulgarian policymakers. Foremost is the potential to adopt the United Kingdom's rigorous contract management practices – an approach that has shown efficacy in reducing corruption risks, clarifying expectations, and improving risk allocation. Relatedly, the integration of systematic feasibility studies and value-for-money analyses could ensure that PPP projects in Bulgaria are both economically sustainable and socially responsible before they progress to implementation. Another notable feature of the United Kingdom's model is the emphasis on continuous performance monitoring, whereby consistent oversight identifies emerging issues early, thereby minimising cost overruns or quality shortfalls. This practice underscores the importance of establishing robust auditing systems and transparent performance benchmarks.

Despite these promising avenues, persistent challenges also warrant careful consideration. Although the Bulgarian legislative environment surrounding PPP has evolved, lingering ambiguities and inconsistent

enforcement continue to deter certain investors. Local authorities, in particular, often lack the specialised expertise and financial resources necessary to structure or oversee intricate contractual agreements. Public scepticism toward collaborations between government and private entities adds a further layer of complexity, rooted in historical privatisation experiences that sometimes resulted in unfavourable outcomes for local communities. This scepticism may intensify when political interference obstructs transparent communication around project goals, timelines, and benefits. As a result, garnering public trust remains a formidable hurdle in expanding the scope and scale of PPP initiatives.

Empirical research and practical case studies furnish multiple lessons learned. One recurring lesson is that transparency underpins every stage of a PPP's lifecycle. Both Bulgarian and United Kingdom case analyses highlight that opaque procurement procedures and undisclosed contract terms not only elevate the risk of corruption but also erode public confidence. By contrast, well-documented tender processes and open channels for stakeholder participation can significantly boost the perceived legitimacy of a project. A second lesson is the crucial role of technical expertise. Competent professionals with skills in contract law, project finance, and infrastructure management are indispensable for ensuring that agreements are carefully structured and risks are proportionately shared. Third, active stakeholder engagement emerges as a cornerstone of successful PPP. Engaging local communities, non-governmental organisations, and subject-matter experts fosters social acceptance and provides diverse perspectives on implementation feasibility.

A comparative review of PPP implementation in Bulgaria and the United Kingdom elucidates significant parallels and variations (Table 1).

The results demonstrate that although Bulgaria has progressed much in establishing PPP models, the United Kingdom's substantial experience provides important insights into regulatory stability, institutional capacity enhancement, and stakeholder involvement. Enhancing these elements, especially via more explicit law, focused training initiatives, and increased public engagement, might elevate Bulgaria's PPP results and promote sustainable infrastructure development. Nonetheless, a direct reproduction of the UK model would be unfeasible. A measured adaption that corresponds with Bulgaria's socio-economic and political conditions is needed. Prioritising transparent procurement, technical expertise, and participatory governance is essential for establishing a more robust and effective PPP framework (Apakhayev et al., 2017; Issayeva et al., 2024). Bulgaria's ongoing refinement of its strategy necessitates unwavering political

commitment and continuous execution to guarantee enduring success in public-private partnerships.

*Table 1 - Comparative analysis of PPP models: United Kingdom and Bulgaria*

Criteria	Bulgaria	United Kingdom
Legal framework	Regulated by particular PPP legislation and EU guidelines, subject to periodic amendments	Implemented a regulatory framework utilising PFI and PF2 models to ensure stability
Types of PPPs	Predominantly concessions and service agreements	Diverse spectrum, encompassing BOT, DBFO, and PFIs
Financing	Constrained private sector investment; dependent on EU financing	Robust private sector involvement with established financial frameworks
Risk allocation	Risks often remain with the public sector	Risks are more balanced between public and private sectors
Institutional capacity	Developing centralised entities, although deficient in knowledge and resources	Well-developed agencies like the Infrastructure and Projects Authority providing oversight
Project success rate	Moderate success, with implementation issues stemming from regulatory differences	Elevated success rate with considerable expertise and optimised best practices
Sectoral focus	Infrastructure, transportation, and energy	Healthcare, education, transportation, and infrastructure
Public perception	Issues with corruption and government deficiencies	Scepticism exists but mitigated by strong oversight mechanisms
Challenges	Administrative obstacles, insufficient knowledge, and an erratic legislative framework	Elevated project expenditures, long-term affordability apprehensions, political discourse on fiscal responsibilities

*Source:* Compiled by the author.

First, enhancing legal clarity remains paramount. Although Bulgaria has enacted legislation to govern PPP, scholars argue that persistent ambiguities and overlapping regulations diminish investor confidence. Aligning legislative provisions to minimise contradictions and introducing transparent guidelines on risk allocation can offer a more predictable environment for stakeholders. By adapting United Kingdom regulatory templates – yet modifying them to reflect Bulgaria’s administrative structures – officials

may craft standardised contractual protocols conducive to both domestic and international investments. Such streamlining is critical given the repeated instances in which uncertainty has contributed to project delays or premature contract terminations.

Second, strengthening institutional capacity is vital. Comparative analyses emphasise the advantages of centralised oversight entities, modelled after the United Kingdom's Infrastructure and Projects Authority, that guide and appraise projects at each developmental phase. Establishing an independent PPP unit in Bulgaria with authority over feasibility studies, risk assessments, and monitoring could mitigate corruption risks and inconsistency in contract execution. Indeed, training programs focusing on financial analysis, contract negotiation, and project management would further professionalise local administrations. Empirical observations from pilot municipal PPP in Bulgaria indicate that limited expertise hampers project performance, highlighting the need for capacity-building in both central and local government.

Third, promoting transparency and public engagement is essential for fostering legitimacy and curbing malfeasance. Lessons learned from the United Kingdom illustrate that systematic public consultation processes and mandatory disclosure protocols can alleviate suspicions of collusion or suboptimal financial arrangements. Practical experience also suggests that inviting civil society organisations, subject-matter experts, and community representatives to participate in project design and evaluation can bolster trust and ensure that the public interest remains central throughout the PPP's lifecycle.

Fourth, implementing rigorous feasibility and value-for-money assessments offers a robust mechanism for safeguarding public resources. By embedding cost-benefit analyses, sensitivity tests, and risk-sharing evaluations into statutory requirements, Bulgarian policymakers can more systematically validate whether PPP outperform traditional procurement routes. Failure to conduct such assessments in the early stages has, in some cases, led to cost overruns and underperforming contracts that weaken the rationale for future partnerships.

Lastly, encouraging innovation and shared learning can invigorate Bulgaria's PPP landscape. Evidence from the United Kingdom underscores that pilot projects in emerging sectors – such as green energy, digital services, and cutting-edge healthcare technologies – can yield valuable insights for policy refinement. Establishing a repository of best practices, operational metrics, and lessons learned allows stakeholders to replicate success while proactively remedying past shortcomings. When scaled up,

these iterative improvements can contribute to a dynamic and resilient PPP environment aligned with Bulgaria's developmental goals.

In conclusion, the above recommendations highlight strategic pathways for augmenting Bulgaria's PPP framework. While grounded in the United Kingdom's proven methods, they must be adapted to local structures, resource availabilities, and cultural expectations. When effectively implemented, such measures can engender a more transparent, efficient, and inclusive PPP paradigm – ultimately advancing Bulgaria's broader vision for sustainable infrastructure and socio-economic growth.

The policy implications stemming from these recommendations are multifaceted. In the short term, Bulgarian lawmakers and public administrators need to prioritise legal harmonisation around PPP to build market confidence. Equally vital is the refinement of administrative structures, possibly by establishing a specialised body that consolidates PPP governance under one umbrella for easier coordination, oversight, and strategic planning. By pursuing these policy reforms, Bulgaria can send a strong signal to domestic and international stakeholders about its commitment to ensuring a stable and inviting environment for public-private initiatives.

Over the medium to long term, enhancing transparency and accountability within PPP contracts will require continuous policy innovation. Legislative reforms must be supported by IT-based solutions that enable real-time monitoring of project milestones, costs, and performance metrics (An et al., 2024; de-Almeida-e-Pais et al., 2023). Such digital governance tools can significantly improve the efficiency and honesty of public procurement processes. Additionally, local and regional authorities, which often struggle with a lack of specialised skills, might benefit from targeted policy measures that incentivise professional development programs and multilateral partnerships with private consultancies or educational institutions.

From a research standpoint, significant gaps remain. First, there is a need for quantitative analyses that examine project performance data across different sectors and stages of development. A cross-sectoral approach – covering transport, healthcare, environment, and beyond – could yield valuable generalisations about which PPP structures are most effective. Second, qualitative case studies that delve deeper into stakeholder perspectives could provide nuanced understandings of why certain PPP succeed and others fail. Future research might also investigate the efficacy of new financing models like green bonds or blended finance arrangements, analysing how they can complement or enhance the traditional PPP framework.

Hence, the policy path forward is both challenging and promising. Implementing systematic reforms now can unlock meaningful improvements in Bulgaria's public services, while further scholarly inquiry continues to illuminate best practices and adaptation strategies. Governance structures must adapt to current and future needs to support Bulgarian PPPs. PPP governance models must adapt to changing economic, political, and social conditions. Transparency, clear legal frameworks, and public sector institutional ability can start this evolution. As PPPs become increasingly common, sophisticated monitoring and evaluation tools are needed to assess project performance over time. These processes should regularly examine project outcomes, financial sustainability, and social effect to ensure PPPs achieve value for money and public benefits throughout their existence. Integration of public feedback and stakeholder participation ensures that PPP initiatives answer local community needs and concerns, which evolves governance. More equitable risk-sharing and reward distribution can be achieved by improving public-private partnership and public welfare incentives. Governance mechanisms must also adapt to new technologies like real-time project monitoring and data analytics, which can boost efficiency, lower costs, and improve decision-making. Bulgaria can provide a strong framework for PPPs to succeed and contribute to sustainable infrastructure and public service development by developing a dynamic and responsive governance structure.

## *Discussion*

The PPP experiences in Bulgaria and the UK are compared in this study, which highlights the difficulties and achievements faced by each nation. In contrast to the UK's longstanding experience, especially with the PFI, the findings provide insightful information about the continuous growth of PPP frameworks in Bulgaria, a nation where PPPs are still in their infancy.

The results highlight the major obstacles Bulgaria's legal and regulatory system must overcome. The findings show that Bulgaria's inconsistent and often updated laws discourage potential private investors by fostering an atmosphere of uncertainty. This finding supports the claim made by Batjargal and Zhang (2021) that investor trust in emerging markets is undermined by legal ambiguity. On the other hand, PPPs in the UK are successful because of a solid regulatory framework that has been established over many years. Bulgaria's continuous efforts to create a unified legal framework stand in stark contrast to the UK's regulatory stability, which is backed by a wealth of experience. Given these results, this study adds to the larger body of knowledge on PPPs by highlighting how crucial a stable, predictable legal

framework is. The lengthy history of PPPs in the UK, especially through the PFI, provides valuable insights into making sure that legislative frameworks are strong and supportive of private investment. Furthermore, the UK's emphasis on thorough assessments and strict contract administration is a useful example for Bulgaria, which is still battling these issues, as noted by Hodge and Greve (2021).

The institutional capacity of the governing bodies has also been noted as a constraint on Bulgaria's PPP development. Bulgaria's institutional structures are still in their infancy, whereas the UK has set up specialised organisations, such as the Infrastructure and Projects Authority, to supervise PPPs and guarantee transparency. Complex PPP management is made more challenging by the bureaucratic inefficiencies seen in the Trakia Motorway and Sofia District Heating System projects.

The success of PPPs heavily relies on a collaborative culture and the adaptability of public institutions. A culture of cooperation between government entities, private partners, and other stakeholders fosters trust, transparency, and effective problem-solving. When public institutions are open to collaboration and adapt to evolving circumstances, they can navigate challenges more effectively, such as shifting political landscapes or unexpected operational hurdles. Adaptability ensures that public institutions can adjust policies and frameworks to respond to changing market conditions, technological advancements, or public needs. A collaborative culture within public institutions enables efficient risk-sharing, better communication, and a shared vision for project outcomes, which is essential for PPPs to thrive. Institutions that are both collaborative and adaptable are better equipped to manage complex and dynamic PPPs, ensuring that public value is maximised and that projects deliver sustainable, long-term benefits.

This is in line with Mwesigwa et al. (2024), who contend that the effectiveness of PPPs depends on the level of institutional capability and oversight. Therefore, Bulgaria needs to concentrate on fortifying its institutional frameworks, a need that Vassileva (2022) also highlights, especially in transitional economies where a lack of ability can seriously impede the creation of successful PPPs.

The significance of transparency in PPP procurement procedures is one important lesson Bulgaria can take away from the UK. In order to ensure accountability and uphold public trust, the UK has placed a strong focus on legislative examination and public consultations. On the other hand, productive conversations regarding the effectiveness and efficiency of PPPs are impeded by Bulgaria's lower levels of public engagement, especially with regard to transparency. Wong et al. (2025) point out that encouraging openness and cross-sectoral cooperation is essential to the long-term viability



of PPPs. By establishing more inclusive decision-making procedures that incorporate the media, civil society, and other stakeholders, Bulgaria may enhance its strategy and guarantee that the public interest always stays at the centre of PPPs.

The financial risk of PPPs is a significant obstacle for Bulgaria. The UK has been able to reduce some of the financial risks associated with PPP projects by paying close attention to risk-sharing arrangements and specific contractual arrangements. However, as the study's findings indicate, Bulgaria lacks regular risk distribution procedures and standardised contract templates, which makes it more challenging to complete PPP projects successfully. Following the UK's lead, Bulgaria ought to give top priority to creating a single regulatory framework that outlines the obligations of both public and private partners and guarantees that risks are shared fairly. This strategy is in line with the findings of Kaletnik and Lutkovska (2021), who found that in order to prevent financial and environmental risks in PPPs, a clearly defined risk allocation is necessary.

The significance of precise risk allocation is emphasised by Tuffour et al. (2024), who also warn against excessively optimistic financial projections. This is consistent with the study's conclusions, which suggest that before starting large-scale PPP projects, Bulgaria should do more comprehensive feasibility studies and value-for-money analysis. These evaluations will assist in guaranteeing that the projects are in line with the public interest and are fiscally feasible.

The need for local adaptation is a crucial factor to take into account while implementing the UK's PPP model in Bulgaria. Bulgaria cannot just copy the UK's strategy because of the glaring disparities in public expectations, economic circumstances, and governance. According to Nahdi et al. (2024), contextualising best practices in the local context is crucial to the success of PPPs. According to this report, Bulgaria should concentrate on modifying the UK model to fit its particular social and economic situation. In particular, adding social value factors to the risk assessment and performance evaluation procedures will guarantee that PPPs provide advantages beyond merely financial gains.

Furthermore, it is difficult for Bulgaria to draw in large private investments due to its smaller economy and reliance on EU funds for infrastructure projects. Bulgaria's low access to capital markets limits its capacity to secure private sector participation, in contrast to the UK, which has the advantages of well-established capital markets (Kubiczek, 2020). In order to address this issue, Aulia and Evi Steelyana (2023) point out that incorporating cross-sectoral strategies and green procurement frameworks

could improve private sector involvement in Bulgaria's infrastructure development.

The study suggests that Bulgaria take a logical and progressive approach to PPP growth in light of these difficulties. Bulgaria can establish the foundation for more extensive partnerships by concentrating on smaller, more manageable projects that complement EU objectives and use international experience. Utilising instruments to assess the competitiveness of construction companies can assist reduce risks and guarantee the success of these smaller projects, as suggested by Shpakova et al. (2024).

This study compares UK and Bulgaria's PPP experiences, offering lessons for Bulgaria. However, it suggests further investigation into long-term impacts, key elements influencing PPP success, and new financing arrangements like international PPP funds or public-private development banks. Further case studies and quantitative analyses could enhance Bulgaria's infrastructure project success. A. Zakeri Afshar et al. (2025) also stress the importance of setting negotiable prices for PPP infrastructure projects in order to ensure the financial viability of these partnerships.

In conclusion, Bulgaria can learn from the UK's experience, even though it confronts many obstacles in creating a successful PPP model. Bulgaria can fully realise the promise of PPPs as a tool for sustainable economic development and better public service delivery by enhancing legal clarity, bolstering institutional capacity, encouraging openness, and customising the UK model to the country's particular circumstances.

## Conclusions

Bulgaria can leverage Public-Private Partnerships (PPPs) to modernize infrastructure, boost economic development, and deliver quality public services. The UK's experience in PPPs can guide Bulgarian policymakers in transparent, accountable, and results-oriented collaborations.

Policy transfer isn't simple replication. Bulgaria must adapt the UK's PPP model to its specific regulatory, cultural, and economic contexts. Success depends on establishing clear legal frameworks, mitigating corruption through transparency, and building capacity among civil servants and private partners.

The potential gains for Bulgaria – robust infrastructure, improved public services, investor confidence, and long-term growth – are too significant to overlook. By implementing targeted recommendations from this comparative analysis, Bulgaria can transform PPP into a cornerstone of

public administration evolution and a powerful instrument for inclusive national development.

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