Presenter 3

Infrastructure PPPs Responding to Socio-Economic Demand Türkiye Experience

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- What Türkiye Has Achieved: Scale, Speed, and Value
  - Motorway Projects
  - PPP Model Hospital Projects
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OVERVIEW OF PPP MODEL IN TÜRKİYE

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History of PPP Model in Türkiye

- Experience dates back to Ottoman Empire era in late **1800s**
- Funicular line (Tünel, İstanbul) that began operating in **1875** and is still in service.
- First law related to PPPs goes back as far as **1910**.
- Modern Turkey's PPP journey began in the **1980s**
- During the **1980s** and **1990s**, many projects in energy, airports, ports, marinas, and highway facilities were carried out using the BOT and TOR models.
- In the **2000s**, Turkey began using PPP models for mega projects—particularly the Build-Operate-Transfer (BOT) model for transportation projects and the Build-Lease-Transfer (BLT) model for healthcare campuses.

PPP Models

Build-Operate-Transfer Model (BOT)

It is a model in which an infrastructure facility is designed and financed by the private sector, constructed, operated for a period sufficient to recover the investment cost (including profit), and ultimately transferred to the public free of charge at the end of that period.

Build-Operate Model (BO)

It is a model in which an infrastructure facility is designed and financed by the private sector under its own ownership, constructed, and operated to provide the service for a specified period of time.

Transfer of Operating Rights Model (TOR)

Under this model, the operation of an existing facility owned by the public sector is transferred to the private sector for a specified period of time.

Build-Lease-Transfer Model (BLT)

In this model, the private sector is responsible for designing, financing, and constructing a healthcare, education, or dormitory facility, as well as providing services such as maintenance, repair, and security. In return, the relevant public authority makes a fixed lease payment. At the end of the contract period, the facility is transferred to the public free of charge.

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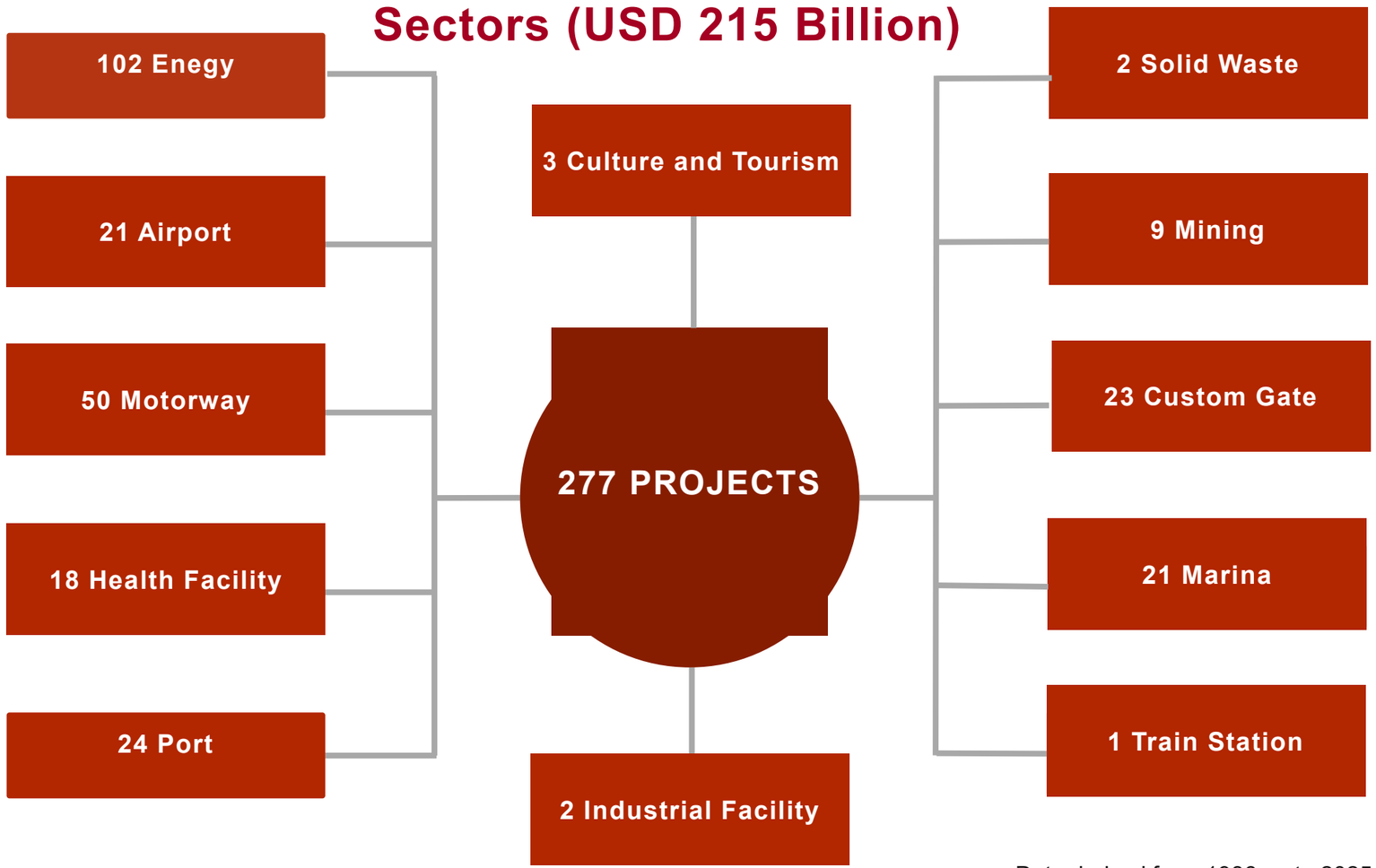
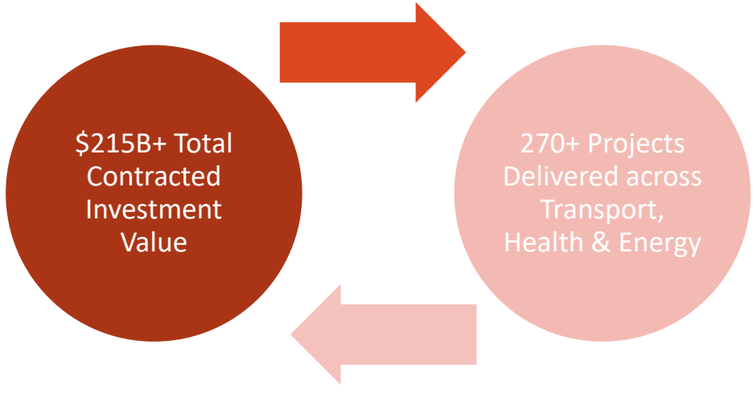
Breakdown of the PPP Contracts by Sectors (USD 215 Billion)

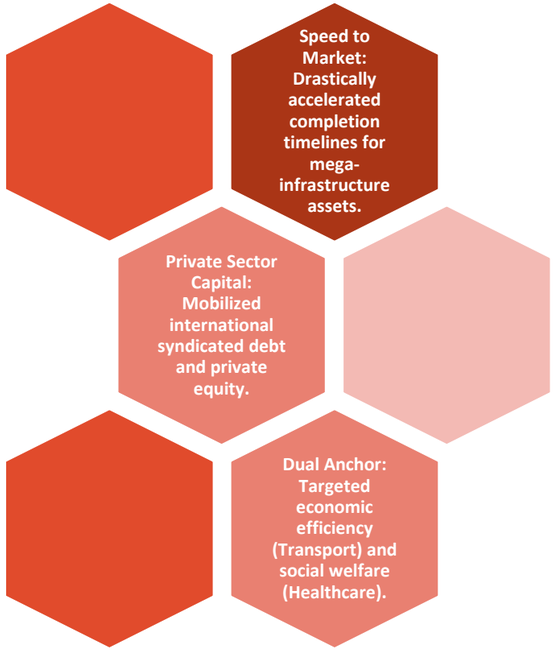


Data derived from 1986 up to 2025 September

Scale of Türkiye's PPP Commitment

Addressing Rapid Urbanization
Türkiye's economic growth and population shifts required immediate, large-scale capital investments that traditional public budgeting could not finance swiftly.





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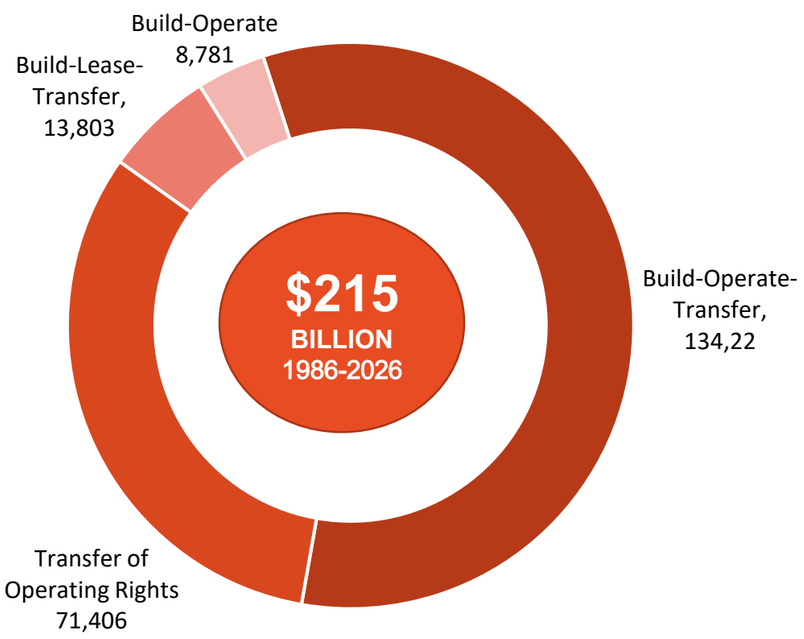
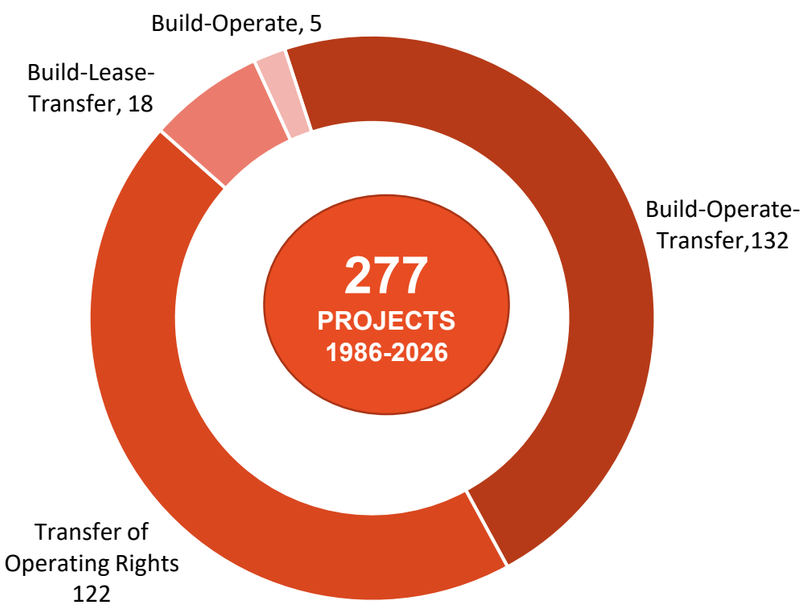
PPP Contracts in Türkiye

PPP Contract Models
($ Million**)



PPP Contract Models
(Number)



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What Türkiye Has Achieved: Scale, Speed and Socio- Economic Impacts

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Motorway Projects / Scale

	Total Project Cost
Eurasia Tunnel (2012)	$ 1.239.863.000
Gebze - Orhangazi - İzmir Motorway (including the İzmit Gulf Crossing) (2015)	$ 6.312.392.047
Ankara - Nigde Motorway (2018)	€ 1.462.628.902
Northern Marmara Motorway - Kurtköy - Akyazı Section (2019)	$ 3.661.656.404
Northern Marmara Motorway - Kınalı - Odayeri Section (2019)	$ 2.072.257.009
Northern Marmara Motorway - Odayeri - Paşaköy Section (including Third Bosphorus Bridge) (2021)	$ 3.456.244.239
Aydın - Denizli Motorway(2021)	€ 1.762.479.085
Northern Marmara Motorway - Odayeri - Paşaköy Section Sarıyer - Kilyos Tunnel Project (2024)	$ 509.409.953
Çeşmeli–Erdemli–Silifke–Taşucu Motorway Project, Çeşmeli–Kızkalesi Section (2025)	€ 1.262.952.300
Çanakkale - Malkara Motorway (including 1915 Çanakkale Bridge) (2018) Refinanced in 2026	€ 3.159.721.036
Çanakkale - Malkara Motorway (including 1915 Çanakkale Bridge) (2026) Kınalı Malkara Section	€ 1.761.889.428

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Motorway Projects / Speed

	Length (MW+CR) (km)	Construction Period acc. to the Contract (years)	Construction completed (years)
Gebze - Orhangazi - İzmir Motorway (including the İzmit Gulf Crossing) (2015)	426	7	6,4
NMM Odayeri-Paşaköy Section (incl. YSS Bridge)	148	2,5	2,3
NMM Kurtköy-Akyazı Section	170	3	3
NMM Kınalı-Odayeri Section	80	3	3,4
Menemen-Aliağa-Çandarlı Motorway	96	3	1,5
Ankara-Niğde Motorway	330	3	2,5
Malkara-Çanakkale Motorway (incl. 1915 Çanakkale Bridge)	101	5,5	4

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Socio-Economic Drivers

Demographic & Economic Pressure:

Rapid urbanization, industrial expansion, and regional development goals driving high demand for modern infrastructure.

Fiscal Imperative:

Utilizing PPP models (BOT, BLT) to rapidly bridge infrastructure gaps while managing public capital expenditure.

Strategic Dual Focus:

Addressing critical social needs (Healthcare) alongside core economic drivers (Transport & Logistics).

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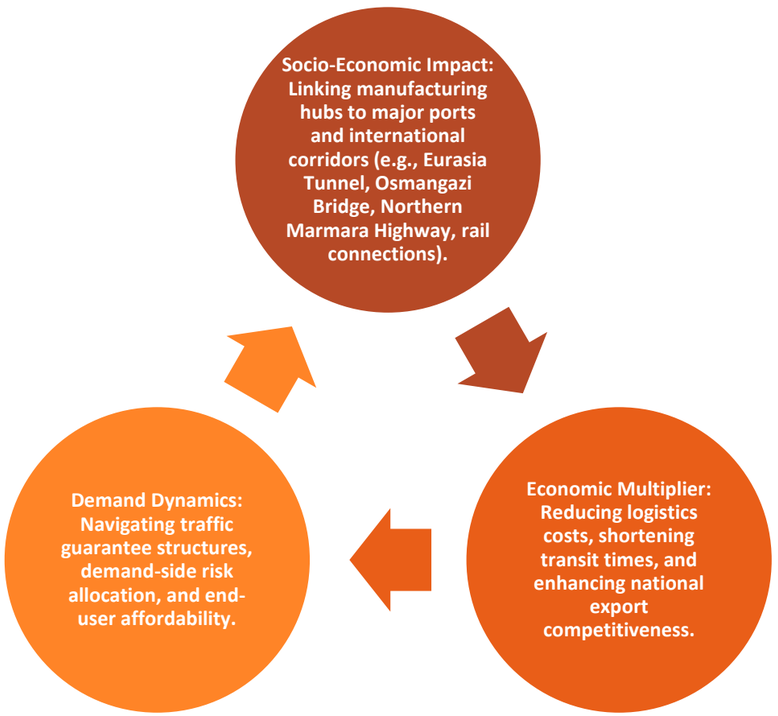
Transport Mega-Projects Connecting Trade Corridors

Türkiye utilized Build-Operate-Transfer (BOT) models to engineer complex transport infrastructure connecting Europe, Asia, and regional industrial zones.



Osmangazi Bridge: Bypassed Marmara Sea traffic, saving hours.

Eurasia Tunnel: Sub-sea link connecting Istanbul continents.

Istanbul Airport: Global aviation transit engine.

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Transport Economic Multipliers

Logistics Efficiency

- **Dramatically reduced transit times** for freight and export cargo moving between Anatolian industrial parks and Marmara ports.
- Lowered fuel consumption, vehicle maintenance costs, and carbon emissions per ton-kilometer traveled.

Global Trade Positioning

- **Positioned Türkiye as a Middle Corridor hub** connecting China to Europe, attracting foreign direct investment (FDI) in logistics and manufacturing.
- Expanded capacity for international air passengers and cargo through Istanbul mega-hub airport.

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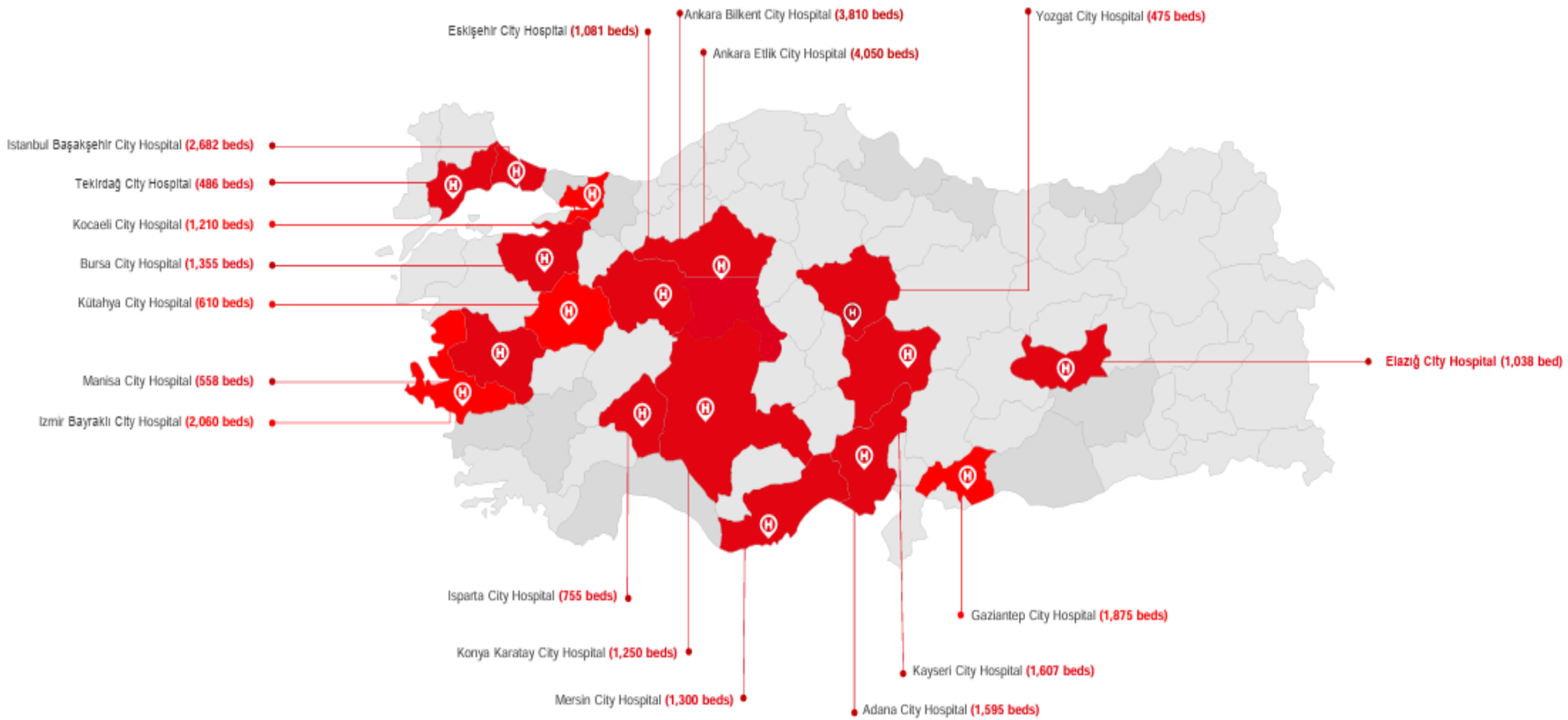
City Hospitals / Scale



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City Hospitals / Speed

In the health sector alone, the Build-Lease-Transfer (BLT) model delivered a total of more than 27,000 beds across 18 hospitals between 2017 and 2023.

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The City Hospitals Transformation

Under the Health Transformation Program, Türkiye transitioned from fragmented, aging public hospitals to ultra-modern Integrated Health Campuses (City Hospitals) using Build-Lease-Transfer (BLT) contracts.

27,000+ Bed Capacity:
Over 18 mega-campuses operational nationwide.

Centralized Care:
Combining general, oncology, cardiovascular, and pediatric care in single locations.

Equal Access:
High-end medical services made free at point-of-use for state-insured citizens.

Socio-Economic Impact:
Delivering high-capacity, state-of-the-art regional health hubs to increase intensive care availability and modernize public healthcare access.

Operational Value:
Demonstrated high resilience and swift scalability during public health emergencies and natural disasters.

Fiscal & Structural Considerations: Managing long-term availability payments, indexation mechanisms, and service-level performance benchmarks.

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Socio-Economic Drivers in Healthcare

Capacity & Resilience

- Doubled Intensive Care Unit capacity and specialized surgery units. Proved essential during public health emergencies like COVID-19 and natural disaster responses.

Tech Modernization

- Private operators supply top-tier diagnostic equipment (MRI, CT, PET-CT) under service agreements, removing technology risk from the public sector.

Regional Equity

- Strategically placed across Anatolian hubs (Ankara, Adana, Bursa, Kayseri, Konya) to bridge healthcare access disparities between east and west.

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Healthcare vs. Transport Models

	Healthcare PPPs (Social Infrastructure)	Transport PPPs (Economic Infrastructure)
Model	Build-Lease-Transfer (BLT)	Build-Operate-Transfer (BOT)
Revenue Source	Availability payments & clinical service fees by Ministry of Health	Tolls & user fees + Minimum Traffic Guarantees
Risk Distribution	Demand risk borne by State; Operational risk borne by Private Partner	Demand/Traffic risk shared (Government guarantee thresholds)
Socio-Economic Goal	Public health equity, modern care, disaster resilience	Trade speed, reduced travel time, export growth

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Socio-Economic Impact of Risk Allocation in Healthcare and Transport PPPs

	Healthcare PPPs	Transport PPPs
Primary Risk Driver	Facility availability & service quality	Demand volatility & traffic volume
Primary Social Outcome	Universal health coverage & stable access	Trade facilitation & regional connectivity
Fiscal Impact Channel	Fixed, long-term direct budget obligations	Off-balance-sheet contingent liabilities
Downturn Resiliency	High (services continue uninterrupted)	Low (triggers state guarantees or toll rate spikes)
Equity Implication	Protects health access across income tiers	Risks economic exclusion via user fees or diverted budgets

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Showcase Projects

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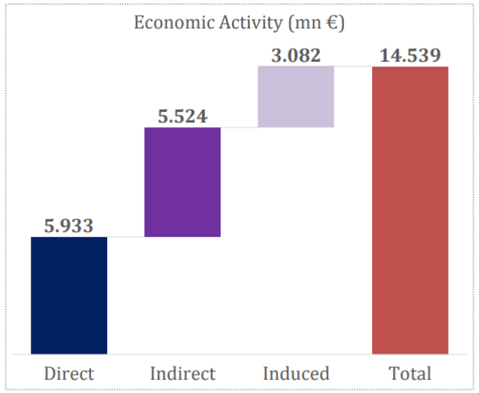
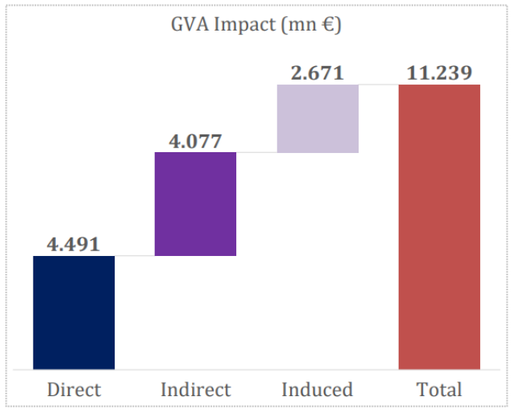
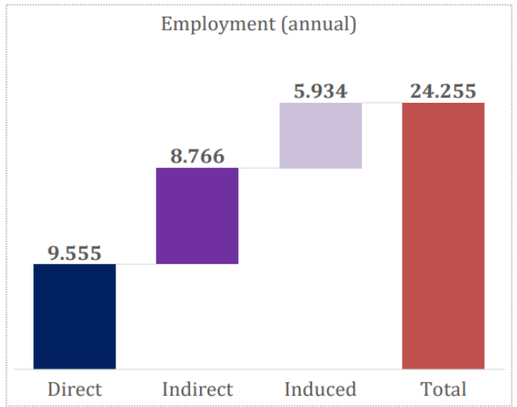
Economic Impact Analysis Malkara – Çanakkale Section Project (inc. 1915 Canakkale Bridge)

- Deloitte's socio-economic impact analysis in 2017, study demonstrates how the Project will improve both regional and national economy as well as the living standard of people through increasing GVA (Gross Value Added) of the Region, creating new revenue streams, providing savings from travel time and cost, boosting employment and generating tax revenue.
- Malkara – Canakkale Motorway Project contributes directly to the Region's and Turkey's economy by generating economic activity of €14,5 billion, contributing to GVA by €11,2 billion, creating employment of 24,2 thousand and increasing tax revenues.
- In addition to this, the Project generates further demand for industries throughout the region and Turkey.







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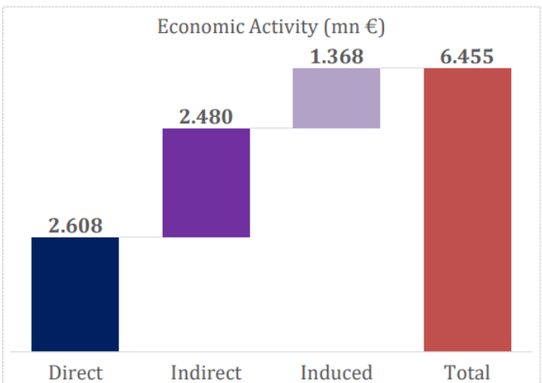
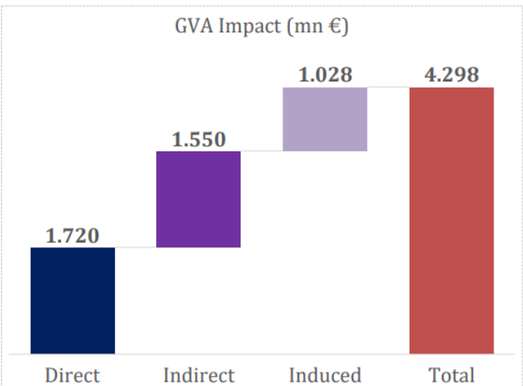
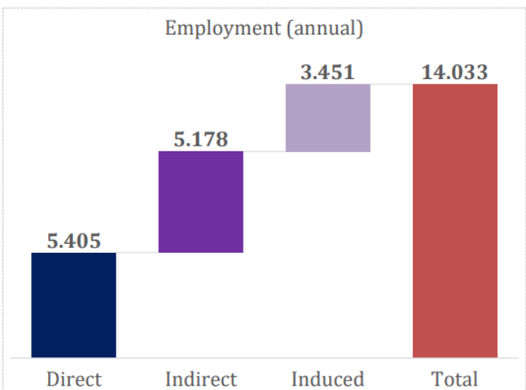
Economic Impact Analysis Kınalı –Malkara Section Project

- According to Deloitte's study, the circular route to be completed by the Project will trigger wider socio-economic impacts within the Marmara region through increasing connectivity, accessibility, tourism potential and generating time/distance advantages.
- The Project will contribute directly to the Turkey's economy by;
  - Generating economic activity,
  - Contributing to gross value added ("GVA") and
  - Creating employment.
- In addition to this, the Project will generate further demand for industries throughout the region and Turkey through the supply chain and the wages paid to employees. This in turn creates additional economic activity and GVA, supports jobs.
- The Project is expected to generate €6,4 billion of economic activity and create 14 thousand annual employment







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Economic Impact Analysis Antalya-Alanya Motorway Project

- The Antalya–Alanya Motorway is a 122-km greenfield motorway project, with traffic expected to increase significantly over the first years of operation.
- AAM forecasts annual average daily traffic ("AADT") of approximately 25 thousand vehicles in 2028, increasing to approximately 46.5 thousand vehicles by 2035.
- In addition to strengthening transport capacity along the corridor, the Project incorporates a comprehensive sustainability framework covering renewable energy use, electric vehicle charging infrastructure, sustainable infrastructure certification and gender diversity.
- The Project targets 100% renewable electricity consumption from 2030 onwards, EV charging capacity of 3,400 kW per eligible service area by 2035, Envision Gold Certification by 2031 and a gradual increase in women's participation in total employment to 40% by 2035.

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Economic Impact Analysis – PPP model Hospital – Ankara Bilkent City Hospital

Intensive Care Units
391

Intensive Care Unit for Newborn
115

Policlinic
904

Single Room
Double Room
1.583
725

Operating Room
131

Closed Parking Lot
5.573

Space for Single Bed including Parking Lot m²
354

Beds
3.711

Total Indoors (m2)
1.312.502

Field Space(m2)
505.997

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