PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS

By Adel Mohammad Al Roumi - PTB Director General
Partnerships Technical Bureau (PTB)

- Encouraging the Private Sector to participate in development projects in the State of Kuwait;
- Improving Gross Domestic Product (GDP) and diversifying its sources;
- Developing and enhancing Public Sector services;
- Promoting development projects;
- Promoting human development and creating new job opportunities for Kuwaiti nationals;
- Establishing new horizons and activities for scientific research, technological development, and advancement of research sector.
SALIENT FEATURES OF PPP LAW

➢ No public body may enter into a PPP Contract without first obtaining the approval of the Higher Committee.

➢ The law limits the term of the PPP projects to 25 to 40 years.

➢ Projects exceeding KD 60 million threshold require establishing a Joints Stock Company in which:
   1. up to 40 percent shares would be offered to the private sector
   2. up to 20 percent shares would be owned by the government
   3. 50 percent shares would be offered as IPO to Kuwaiti citizens

➢ The Law allows for Unsolicited Proposals. The Proposal will be a comprehensive Feasibility Study based on an unprecedented, innovative idea. the Unsolicited Proposer will be given up to 5 percent advantage in the evaluation scores.
Public Sector (Line Ministries) Projects

Higher Committee

PTB

JC

TA

Establish JSC

PE

PS
General Project lifecycle

Feasibility Study
- Needs Analysis
- Options Analysis
- Financial Assessment

Inception
Recruitment of Transaction Advisor

Procurement
- EOI
- RFQ
- RFP
- Bidding/Evaluation
- Contract Signing
- Financial Closure

Implementation & Monitoring
- Delivery of Service
- Performance Monitoring

Handover to Public Entity
Phase 1: Development of the Feasibility Study

- Project main structuring parameters
- Applicable mode of private sector participation
- Applicable tendering process and selection parameters
- Risk allocation
- Market interest for the Project

Phase 2: Procurement & Contract Signing

- Prequalification process
- Project main contractual agreements issued to potential investors
- Managing the various stages of the bidding process
- Bids evaluation and selection of the most competitive and compliant offer
- Negotiating and signing the Project agreements
- Achieving financial close
PTB & Transaction Advisors Relationship

An efficient coordination is critical for a successful implementation.

- Process supervision and monitoring of the process
- Ensure efficient communication with public entities
- Coordinate responses to bidders clarification requests
- Ensure issues raised by bidders are addressed promptly
- Ensure the day-to-day coordination and efficient communication between the members of the Transaction Advisory team
- Ensure uniform, transparent and impartial evaluation by the Transaction Advisor members
INSTITUTIONAL STRUCTURE FOR PPP’s

The institutional structure for the implementation of the PPP Projects, as presented in the PPP Law and its Regulation, consists of the following four levels:

- **Council of Ministers**
  Regulations & Government Participation

- **The Higher Committee**
  Policy decisions & Final approvals

- **Partnerships Technical Bureau**
  Implementation and Technical Support

- **The Public Entities**
  Contracting & Monitoring
THE HIGHER COMMITTEE MEMBERS:

- Minister of Finance *(Chairman)*
- Minister of Municipality.
- Minister of Public Works.
- Minister of Commerce and Industry.
- Undersecretary of Electricity and Water.
- Director of the Public Authority of the Environment.
- President of the PTB.
- Two experienced specialists to be named by the Council of Ministers from among civil servants.
- A representative of the Public Entity responsible for the Project shall be invited to the meetings.
## PTB – Project Map

<table>
<thead>
<tr>
<th>Energy</th>
<th>Lesuire &amp; Comm.</th>
<th>Environmental</th>
<th>Logistics</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>IWPP N.Zour (1500 MW)</td>
<td>Failka Development</td>
<td>Um-Haiman WWTP</td>
<td>International Truck Rest</td>
<td>Labor City -Jahra (40,000 People)</td>
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<tr>
<td>IPP Solar ISCC (230 MW)</td>
<td>Abdullah Ahmad Street</td>
<td>Solid Waste Recycling - Kabd</td>
<td>Fuel Stations</td>
<td>Labor C. S.Jahra (20,000 People)</td>
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<tr>
<td>Transportation</td>
<td>Fintas Commercial C.</td>
<td>Solid W. R. Mina Abdullah</td>
<td>Cargo City</td>
<td>Labor C. Mital'a (40,000 People)</td>
</tr>
<tr>
<td>Kuwait Metro System</td>
<td>Shuwaikh Water Front</td>
<td>Solid Waste Recycling - Jahra</td>
<td>Aircraft Heavy Maintenance</td>
<td>Labor C. Subiyah (40,000 People)</td>
</tr>
<tr>
<td>Kuwait Rail Network</td>
<td>17 Rest Areas</td>
<td>Hazardous Material Site</td>
<td>Aircraft Catering Facility</td>
<td>Labor C. Arifjan (40,000 People)</td>
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<tr>
<td>Communication</td>
<td>2 Shaleh Rest Areas</td>
<td>Parks</td>
<td>Automobils Auction</td>
<td>Labor C. Khiran (40,000 People)</td>
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<tr>
<td>Fixed Lines</td>
<td>Hospitality</td>
<td>Jahra &amp; S. Zayed Parks</td>
<td>Customs Mall</td>
<td>Health</td>
</tr>
<tr>
<td>International Gateways</td>
<td>Airport Hotel</td>
<td>Kuwait Grand Zoo</td>
<td>R.O.T</td>
<td>Rehabilitation &amp; Physical Therapy Hospital</td>
</tr>
<tr>
<td>Postal Services and Facilities</td>
<td>University Hotel</td>
<td>90 Capital Parks</td>
<td>9 Real Estate Buildings</td>
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Thank you for your attention