

The Hashemite Kingdom of Jordan

Public-Private-Partnership Program

PPP Unit/Ministry of Finance



Population around
(7)million + (2) M
from Syria and Iraq.

Privatization Program

- Jordan financial crises In the early 1990,s

(Started in early 1990-economic crises-structural adjustment -Privatization top of agenda-Law 2000-covered all sectors-two major mining companies)

- Structural adjustment.

(RJ –gov.own-huge debt &-dismantled-non core privatized, Maint..catering..duty free-strategic invest-911)

- Privatization.

(Program ended in 2014)

- privatization Law of year 2000

Completed PPP Transactions

(Same period-succ.major-PPP transaction)

- **Performance based management contract** for water and sanitation in Greater Amman Area for seven years (French lead consortium).
- A 325 kilometer **water conveyance system** from the **Disi Aquifer** in the southern part of the country to Amman on BOT bases (2009-2013 -100 mcm/Y-Turk..Gama).
- The **rehabilitation and expansion of Queen Alia International Airport** .A contract on BOT basis for 25 years.(cost..2007-now operational-800M\$)

Completed PPP Transactions

- **Four major IPPs in the electricity sector** adding a total capacity to the system of around 1500 MW.
- Several PPAs to build **PV stations** with a total capacity of 200MW and another 200 MW are on the way.
- **A PPA to build a 120 MW wind farm.**

Completed PPP Transactions

- A management contract for the Container Terminal In Aqaba, followed by a 25 years ROT contract.
- The rehabilitation and expansion of a Major Waste Water Treatment Plant (Alsamra) through a 25 years contract (2003-2006).

Regional Political Situation

- Arab spring uprising.
(Tunisia 2010-spr.order cont-can say –gov shift focus –Invest .Driv-Public demand –security)
- Investment driven programs halted.
- Conflicts and terrorism.
 - (Now A.Spring –Ver.-Over-ongoing)
- Infrastructure suffered on a massive scale.
 - The Infra.Suff-massive-Recost-Huge efft.-Resources)
- Reconstruction.

The New PPP Program

- Still at an early stage of development .
(Despite all-w.ledership-decided –restart-PPP –assist –WB-USAID)
- PPP Law (Nov-2014).
- PPP Unit (focal point-PPP activity).
PPP regulation(recent-Pass-Cabinet-procurement).
- PPP Guidebook and standard documents.
- PPP Unit website (Const).

PPP Law

- **Government Body:** any ministry, official and public department, public institution, or any commission, council, authority, municipality or company fully owned by the government or the government holds not less than (50%) of its shares.

Article 4:

- Unless otherwise decided by the Cabinet upon recommendation of the Council, all economic sectors shall have the right to participate in the public-private partnership projects.

PPP Council

(Institutional structure)

Article 5:

A Public-Private Partnership Council shall be established with the Prime Minister as its President, and the following members:

- ✓ The Minister of Finance.
- ✓ The Minister of Industry and Trade.
- ✓ The Minister of Planning.
- ✓ Minister of Energy and Mineral Recourses.
- ✓ The Governor of the Central Bank of Jordan.
- ✓ The Director of the PPP Unit.

Dealing With Direct Proposals-Law

Article 11-

Any private sector body may directly offer a partnership project idea to any governmental body in keeping with the following conditions:

- ✓ **The project idea should be creative as to the design, development, or management of a given project.**
- ✓ **The offer should represent an innovative economic project that provides a general service.**
- ✓ **The offer should reflect the priorities of the contracting party.**
- ✓ **The offer should not include requirements and conditions that would burden the state.**
- ✓ **Partnership projects that are based on direct offers should not benefit from any guarantees or aid or any other forms of state support.**

Direct Proposals-PPP Regulation

- **Defined as:** A Partnership Project proposal initiated by the Private Party without prior request from the Contracting Authority and having the conditions prescribed in Article 11 (A) of the Law.
- **Article-11-Regulation:** After registering the project with the PPP Unit, the Contracting Body may request the owner of the direct proposal to prepare a full feasibility study.

Direct Proposals-PPP Regulation

Article 44:

- Subject to the approval of the Council of the Feasibility Study, the Contracting Authority shall proceed to the procurement phase and follow the Tender Process pursuant to this Regulation.
- The Contracting Authority may grant the Private Party initiator of the Direct Proposal a bonus, which shall be determined by the Council, on the recommendation of the Contracting Authority and the Unit. The bonus system may include the following;
 - ✓ Reimbursement of preparation cost of the Feasibility Study and the Viability Report based on the calculation method agreed by the Contracting Authority and the Private Party initiator of the Direct Proposal and stipulated in the Request for Proposals, or;
 - ✓ Automatic qualification as a bidder.
 - ✓ Any other mechanism approved by the Council.

Dealing with Small Project-Reg

(The ceiling was recently set by PPP Council @15MJD)

Article46:

Small Scale Partnership Projects are exempted from the following procedures:

- ✓ **The obligation to appoint a Transaction Advisor.**
- ✓ **Expression of interest process.**
- ✓ **Prequalification process.**

Jordan PPP Prioritization Project- List of Potential PPP projects

Ministry of Transport

Project Name	Brief Description	Cost (US\$)	Current Status
National Railway Project	<ul style="list-style-type: none"> ▪ Freight railway network connecting Amman and industrial cities such as Mafraq and Zarqa, the Port of Aqaba and phosphate mines (Shidiya Mine) ▪ To be constructed by GoJ and leased to private operators ▪ Project to be developed in phases 	3bn	<ul style="list-style-type: none"> ▪ Preliminary Design Complete ▪ Currently considering an alternative alignment that could save 200mn in construction costs ▪ MoU signed with Chinese Railways
Dry Ports	<ul style="list-style-type: none"> ▪ Four proposed dry ports including in Amman and Mafraq 	100 to 140m	<ul style="list-style-type: none"> ▪ EIB is financing a feasibility study as part of a wider study on a logistics network
Bus Rapid Transport (BRT) Projects	<ul style="list-style-type: none"> ▪ Phase 1 between Amman and Zarqa ▪ Phase 2 between Sweleh-Salt-Baqa ▪ Project infrastructure will be built by GoJ. PPP with private sector for operations. ▪ Private operator will also buy buses 	150mn	<ul style="list-style-type: none"> ▪ Detailed design completed for 2 out of 4 packages for Phase 1 ▪ Phase 1 Financing arranged—80 percent to be financed through the GCC grant. Balance by GoJ. ▪ Feasibility Study currently underway
Amman Metro	<ul style="list-style-type: none"> ▪ Metro network for Amman metropolitan area ▪ Project to be linked with the BRT projects 	4.5bn	<ul style="list-style-type: none"> ▪ Master plan developed, several other studies undertaken
Regional Airports	<ul style="list-style-type: none"> ▪ Agricultural products cargo airport in Jordan Valley. ▪ Cargo airport in Mafraq. 	TBD	<ul style="list-style-type: none"> ▪ No work done yet

Ministry of Environment

Project Name	Brief Description	Cost (US\$)	Current Status
Industrial Wastewater Treatment Plan	<ul style="list-style-type: none">Wastewater treatment plant in <u>Zarqa</u> to collect and treat industrial and domestic waste discharges	100mn	<ul style="list-style-type: none">Technical Feasibility Complete assuming a Design-Build facilityMinistry has submitted a proposal to the PPP Unit for the project
<u>Ekdar</u> Solid Waste Landfill rehabilitation	<ul style="list-style-type: none">Project to design, construct and operate a new landfill facility	TBD	<ul style="list-style-type: none">Comprehensive master plan for Ekdar approved by the Prime Minister
Waste-to-Energy plant	<ul style="list-style-type: none">Project to generate energy from waste (<u>Zibar</u>) generated during olive oil processingMinistry of Energy to construct lagoons to collect waste, private partner to construct and operate WTE plant	5mn per project, potential to develop projects of 300mn	<ul style="list-style-type: none">USAID has funded feasibility study for lagoons as part of a master plan

Investment Commission-Ministry of Energy

Project Name	Brief Description	Cost (US\$)	Current Status
LED Street lighting	<ul style="list-style-type: none">▪ Performance based contract to convert street lights to LED.▪ Private contractor to construct a factory to manufacture lights and install, operate and maintain the lights	TBD	<ul style="list-style-type: none">▪ A Saudi group (with technical support from a Taiwanese firm) has submitted an unsolicited proposal

Ministry of Water-Jordan Valley Authority

Project Name	Brief Description	Cost (US\$)	Current Status
Red Sea-Dead Sea Water Conveyance Project	<ul style="list-style-type: none">▪ Construction of an intake facility and desalination plant in Aqaba on (BoT basis)▪ Construction of 140 km pipeline to Dead Sea to convey the brine▪ Several other shorter pipelines	950m	Currently in the process of hiring Transaction Advisors)

Why Jordan needs Red Sea - Dead Sea (RSDS) Project

1. The scarcity of water In Jordan.
2. Depleted water resources
3. Deficit of around 500 mcm/yr.
4. Saving the Dead Sea.

The shrinking of the Dead Sea

1960



- 390 m

~1020 km²

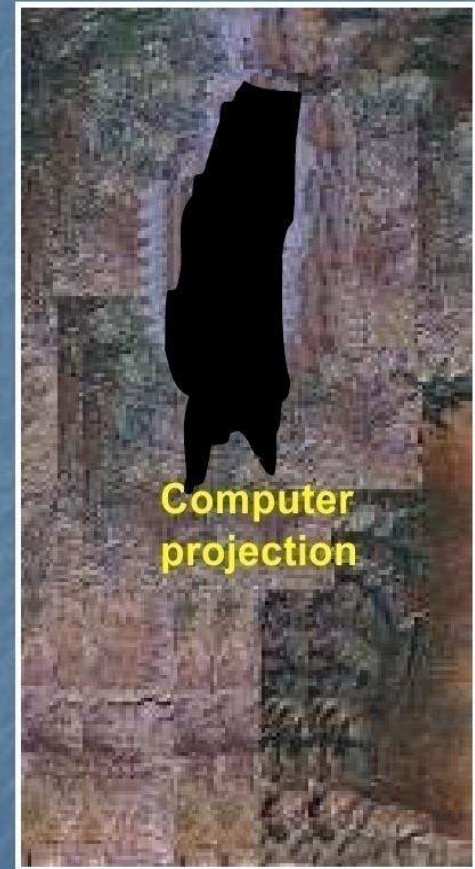
2006



- 420 m

~ 635 km²

2050



- 550 m

~ 520 km²

The Project

- A desalination plant in Aqaba on the Red Sea with an annual capacity of 80 -100 million cubic meters.
- The brine which is a byproduct of the process will be sent north in a (180-km) pipeline to the Dead Sea.
- The project will be implemented on BOT basis and will cost around \$900 million.



Thank you