

## GENERAL INFORMATION

<b>Capital:</b> Cairo	<b>Population:</b> 91 millions	<b>GDP:</b> 330 billion USD
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## LEGAL AND INSTITUTIONAL FRAMEWORK

### PPP Law and other applicable texts

- Egypt Public Private Partnership Law No.67, 2010

### Other applicable sectoral laws

- Egyptian Electricity Law, Law No. 87 for year 2015 last July

### PPP Unit

- Supreme Committee for Public Private Partnership Affairs (SCPPPA)
- Public Private Partnership Central Unit (PPPCU) within the Ministry of Finance
- PPP satellite units within the Administrative Authorities, whenever necessary

### Definition

(Law No.67, 2010, art 1)

- Public Private Partnership Contract: a contract concluded between the Administrative Authority and a Project Company under which the Project Company is entrusted to undertake all or some of the activities stipulated under Article 2 of this Law

### General Principles

(Law No.67, 2010, art.19§1)

Principles of publicity, transparency, free competition, equal opportunity and fairness, in accordance with the rules and procedures stipulated in this Law and its Executive Regulations.

### Tendering and contracting process / Choice of the private partner

(Law No.67, 2010)

The Egyptian Law allows only the tendering process.

PPP projects cannot be tendered without the approval of the SCPPPA, based on the request of the Competent Authority in the light of the studies prepared under the supervision of the PPPCU (art.4). The PPPCU is competent for the selection of

advisers and shall prepare with the administrative authority the tender documents related to the project (art.16 and 24).

All published advertisements for bids and preparation for PPP competitions shall be undertaken in coordination with the PPP Central Unit in the manner prescribed by the Executive Regulations (art.19§2).

- Competitive selection (art.21, 22 and 26 to 30,32)

The Administrative Authority in accordance with the PPPCU may invite qualified investors for private preliminary meetings and sessions. The submission of technical and financial bids can be made in two phases with the prior approval of the PPPCU.

- Competitive dialogue (art.23)

The dialogue will occur after prior approval and under the supervision of the SCPPPA. Principles of equality among investors, confidentiality and non-disclosure of information must be respected.

The SCPPPA endorses the recommendation of the Competent Authority of the Administrative Authority related to the selection of the contracting party entering into the PPP contract (art.15e))

## **Project Evaluation (Law No.67, 2010)**

A committee shall be formed to set the basic costs for the project, and the estimated value. The PPPCU adds its financing costs borne by the private sector to obtain the public sector comparator. The report is submitted to the SCPPPA for approval (art.25).

## **Negotiation and Signature of the PPP contract (Law No.67, 2010)**

Negotiations take place with the successful bidder and shall not impact any contractual conditions stipulated in the invitation to bid (art.31). The SCPPPA approves the conclusion of the contract (art.15e).

## **Rights and Obligations of the public partner (Law No.67, 2010)**

- Obligation to follow up on the Project Company during the construction and equipping of the project, provision of the products and services and ensure the fulfillment of quality levels determined by the law.
- Right to amend the conditions of construction, equipment, rehabilitation and other works, as well as the services availability payment agreed upon under the PPP contract. The approval of the SCPPPA is necessary (art.7)
- Right to manage the operation or utilization of the project if the Project Company breaches its obligations in operating

the projects or in meeting the quality level set by law or in the PPP contract (art.9)

- Right to object to the conclusion of such Project Company's contracts with third parties within a period not exceeding sixty days from the date of their submission (art.12§2).
- Right to unilaterally terminate the PPP contract (art.34k))
- Right to enter in direct agreements with the project's financing institutions and the project company to regulate the method of payment of the financial obligations of the Administrative Authority (art.38)

## **Rights and Obligations of the private partner (Law No.67, 2010)**

- Obligation to provide the committee (committee formed by the Project Company and the Administrative Authority in compliance with art.5§1) with all required documents, information, or data necessary for the committee to undertake its role and to allow the committee to visit and inspect the site at any time (art.5§2)
- Obligation to guarantee that all beneficiaries of products or services provided by the project are treated equally (art.6§1)
- Obligation to commit to preserve the asset related to the operation of the project and to maintain and care for, and use such assets for their intended purposes (art.10)
- Obligation to provide the Administrative Authority with its shareholders' agreements and draft contracts intended to be entered into by it with third parties (art.12§1)
- Obligation to submit to the contracting Administrative Authority periodic reports on the construction, equipping, rehabilitation, maintenance, operation, and utilization of works (art.13)
- Obligation to include in the article of incorporation of the Project Company a prohibition on the transfer of its shares prior to the date of the completion of the construction, equipping, or rehabilitation works and the transfer of shares owned by the majority of the equity holders of the Project Company after such date, unless a prior written approval is granted by the Competent Authority of the Administrative Authority (art.36§2)
- Prohibition to dissolve the Project company or change its legal structure, or reduce its capital unless there is an approval from the Competent Authority of the contracting Administrative Authority (art.36§1)
- Right to provide special treatment for specific categories of beneficiaries, in accordance with general rules and after the approval of the Competent Authority (art.6§2)

- Right to sell or arrange any right over the project's monies, assets, and facilities that are being constructed or rehabilitated only for the purpose of implementing the replacement and renewal program stipulated in the PPP contract and only after obtaining the approval of the Competent Authority (art.11)
- Right to pledge the Project Company shares only for the purposes of financing and refinancing the PPP project (art.36§3)
- Right to waive the PPP contract, or its rights and obligations only for the purpose of financing and after a prior written approval from the Competent Authority of the contracting Administrative Authority (art.37§2).

## Obligations and Rights of Both Public and Private Partners

(Law No.67, 2010)

- Obligation to form a committee to ensure that the products or services rendered meet the required standard and submit periodic reports, if the PPP contract includes the entitlement of the Project Company to operate and utilize the project (art.5§2)
- Right to amend the PPP contract in the case of the occurrence of unforeseen circumstances, in accordance with the conditions and rules stipulated in the PPP contract (art.8)

## Applicable Law

### Dispute resolution

(Law No.67, 2010)

- The PPP contract is subject to the Egyptian Law (art.35§1)
- Disputes resulting from the PPP contract can be resolved through arbitration or any other non-judicial means of dispute resolution after the approval of the SCPPPA and according to what was stipulated in the PPP contract (art.35§2).

## EXAMPLES OF PROJECTS STRUCTURED AS PPP

### Energy Sector

Integrated Solar-Thermal Power Plant of 150MW at Kuraymat

### Infrastructure Sector – Ports

Terminal Damietta port (BOT)  
Suez Canal Container Terminal (SCCT) in Port Said (BOT)

### Water and sewage Sectors

New Cairo Wastewater Treatment Plant