
Agriculture, Fisheries and Food Investment Forum

Public Private Partnership (PPP):

What? Why? Where? Who?

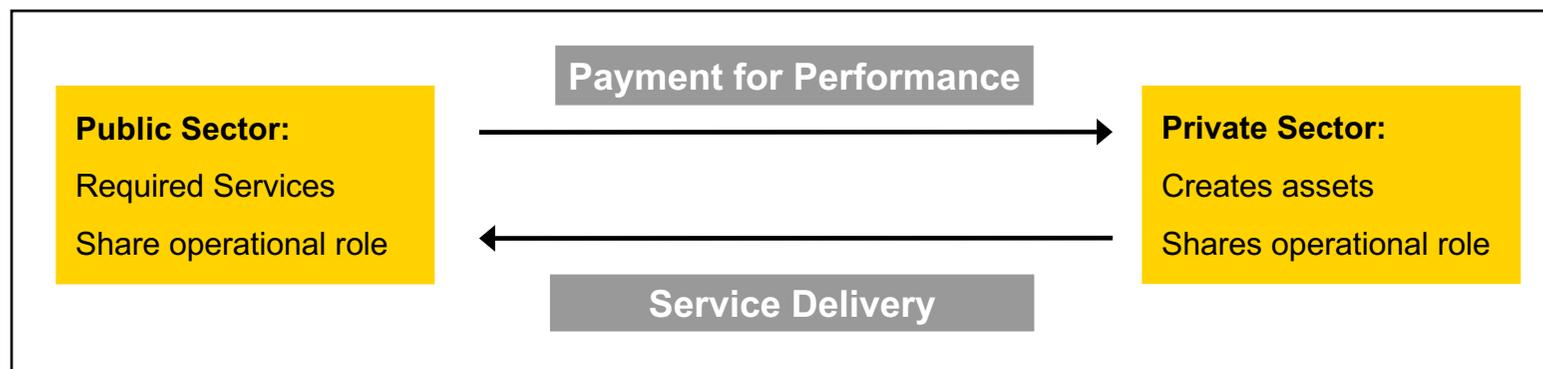
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Public Private Partnerships

- PPPs have been used in many contexts, there are three main types:
 1. Contractual PPPs for Public Services
 2. PPPs for economic development
 3. PPPs for commercial activities
- The focus of the PPP Authority and PPP Law is on the first type of PPPs
- Governments can provide incentives via partnerships with the private sector to develop sectors or commercial activities that is lacking, these PPPs can be implemented several ways:
 1. Providing access to land or resources to allow the private sector to develop a commercial venture and in return the government gets rent or royalty with no reversion of the assets at the end of the term
 2. Investing in an initiatives for social or commercial reasons, such as training or promotion of an economic development idea, typically it is under the form of a grant, interest free loan or contribution.

What Is a PPP?

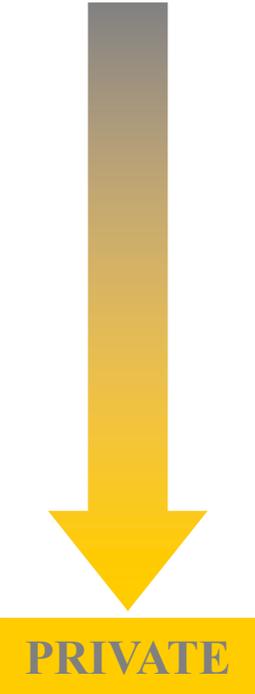
- PPPs are “legal agreements” between government and private sector entities for the purpose of providing public infrastructure, community facilities, and related services.
- Typically the partners share **risk, reward** and **responsibility** – for a shared investment.
- Not all Infrastructure Projects are suitable to be delivered as PPPs
- Public Sector defines and buys a service not an asset.
- Private sector creates the assets and then delivers the service to the public sector client, in return for payment commensurate with the service levels.



Why PPP?

- Increase efficiency –improved performance incentives and increased competitive pressure – Cost Savings.
- Ability to bundle (Design, Build, Operate).
- Improve speed and timing of service delivery.
- Improve quality of service delivery.
- Secure specialized skills that may not be available in sector.
- Overcome public service operating restrictions –salary scales, civil service work rules.
- Permit quicker response to changing demands and facilitate adoption of service delivery innovations.
- Allow government agency to focus on functions where it has a comparative advantage.
- Revenue risk sharing
- Increase transparency of government spending by making the cost of services more visible.

Forms of PPP



PUBLIC	PPP Types	Avg. Terms (yrs)
	Operating & Maintenance Contract (Outsourcing)	5-20
	Design-Build-Operate	5-20
	Design-Build-Finance-Operate-Transfer (DBFOT)	20-25
	Own & Operate	20-25
	Franchise	25+
	Privatization	-----
PRIVATE		

Critical Success Factors

- What you need to start with.
 - * commitment, need, understanding.
- Responding to the need.
 - * appropriate goals & objectives, project definition, effective involvement.
- Recognition that the project is different.
 - * momentum, remove barriers, 'marketing'.
- Strong leadership & sponsorship.
 - * accountability, support, tools.
- Planning & analysis is key.

Opportunities & Challenges of PPP

- Win-Win
 - Strive for a win-win scenario at all times. This can be accomplished by clearly communicating the objectives of both parties and working through them.
- Stay Focused on the Outcome
 - The “road” to a successful PPP can be troublesome and “rocky”. Remain focused. PPP Champions play a very important role in this regard.
- Remain Flexible Throughout the Process
 - Problems may occur and unexpected situations may arise. Remain flexible and have contingency plans.
- Improve Value for Money.
 - If you have not accomplished this objective, then PPP success is limited.

Opportunities & Challenges of PPP

- Communicate
 - Continuously communicate to all stakeholders involved (direct and indirect).
- Due Diligence is a Two-Way Street
 - All parties must perform appropriate due diligence on each other, the project and any potential risks that could be factors later in the process.
- Clear and Transparent Process
 - It is important that a clear and transparent PPP process is developed for the reason of fairness to all parties involved.

Example of PPPs in Agriculture and Fisheries Sectors

- Environment and Infrastructure
 - Energy
 - Water and irrigation
- Core Services :
 - Vet services and vaccinations
 - Disease Control at borders
 - Labs and diagnostics
 - Information Dissemination
- Commercial Activities
 - Access to Land
 - Access to markets (marketing boards)

Directions in Oman

Following a major study by the Diwan in 2016-2017, a PPP framework was approved leading to:

- PPP Law and Privatization Law
 - Drafted, consistent with leading practices regionally and globally
 - Covering all sector except energy
 - Final Approvals underway
- General Authority for Privatization and PPP
 - Decree under final reviews
 - Combining few functions
- Several PPP Initiatives are underway
 - Education
 - Health
 - Transport