

WHAT ZAMBIA'S PPP ACT SAYS.....

"An Act to promote and facilitate the implementation of privately financed infrastructure projects and effective delivery of social services by enhancing transparency, fairness and long term sustainability and removing undesirable restrictions on private sector participation in the provision of social sector services and the development and operation of public infrastructure; establish a Public-Private Partnership Department and provide for its functions; establish the Public-Private Partnership Council and provide for its functions; provide for public-private partnerships for the construction and operation of new infrastructure facilities and systems and the maintenance, rehabilitation, modernization, expansion and operation of existing infrastructure facilities and systems and the provision of social sector services; develop general principles of transparency, economy and fairness in the award of contracts by public authorities through the establishment of specific procedures for the award of infrastructure projects and facilities and provision of social sector services and rules governing public-private inception, procurement, contracting and management of public-private partnerships; provide for the implementation of public-private partnership agreements between contracting authorities and concessionaires; and provide for matters connected with, or incidental to, the foregoing"

CONTACT DETAILS

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MINISTRY OF FINANCE

**PUBLIC – PRIVATE PARTNERSHIP
DEPARTMENT**

BRIEF INSIGHT ON PPPs IN ZAMBIA



"Creating A Shared Vision For Economic Development"

What are PPPs?

A PPP is a long-term contractual agreement between a Government entity and a private partner with the ultimate purpose of providing a public asset and/or service.

PPP Project Proposals

There are two types of PPP project proposals:

- **Solicited proposals:** Project proposals initiated by the contracting authority which include a Government ministry, parastatal or state owned enterprise, local authorities and agencies.
- **Unsolicited proposals:** Initiated by the private sector who as a private party may usually be a company, co-operative, consortium or an individual. The private sector should have no financial assistance by way of partnership with the Government at the time of submitting a proposal.

How to submit a PPP Proposal

- Private sector developers may submit PPP proposals as responses to a request for solicited proposals issued by a contracting authority. A contracting authority then submits an evaluation report with recommendations to the PPP Department for review and further submission to the PPP Technical Committee and PPP Council for approval to proceed with a project.
- Similarly, the private sector may submit an unsolicited proposal to a contracting authority who in turn submits to the PPP Department. The PPP Department appraises the project to ascertain the projects potential value for money, its affordability to the Government and whether the project provides optimum technical, financial and operational risk transfer to the private sector.

Principles of PPP Procurement Process

- The PPP procurement process is premised on principles of Competition, Transparency, Fairness, Equity and Cost-effectiveness. All PPP projects should therefore demonstrate:
 - **affordability of the project to the contracting authority, bankability to financiers and developers,**
 - **value for money,**
 - **optimal risk allocation to the party better able to mitigate/manage the risk, and**
 - **generate appropriate socio-economic benefits.**
- It must also take into account the Citizens Economic Empowerment Act of 2006 regarding preferential treatment for certain categories of citizens. This entails that the disadvantaged or marginalized must be given preference in accessing and being awarded tenders for the procurement of goods and services.

HIGHLIGHTS OF PPP PROJECTS IN ZAMBIA

PPP's in Zambia are anchored on the ACT of Parliament enacted in 2009 and revised in 2018. It focuses on infrastructure development and social service delivery.

