

Request for Comment from the Private Sector on the

Standardised Public Private Partnership (“PPP”) Provisions

Public Private Partnership (‘PPP’) Unit

6th May, 2003

The PPP Unit of National Treasury has embarked on the process of providing guidance to PPPs on the content of the legal document that governs the relationship between the private party and the public entity.

What are the objectives of the Standardised PPP Provisions?

The objectives of the Standardised PPP Provisions include:

- the promotion of a common understanding of the technical, operational and financial risks that are typically encountered in PPP projects;
- a common understanding of the National Treasury’s preferred approach to how such risks should be transferred or shared among the parties involved in the delivery of PPP projects;
- a consistent approach to risk transfer and sharing and value for money and a reduction of the time and cost of negotiation of the parties involved in a PPP project.

Why does the private sector need to contribute?

The PPP Unit considers it essential that the process preceding the issue of the Standardised PPP Provisions is consultative and inclusive of all stake-holders. The draft document already incorporates national and provincial government department and Schedule 3 public entity accounting officers’ comments. The private sector’s input is considered very important, and they are encouraged to participate in this process. During the period that the private sector has for private sector comment, interactive sessions may be scheduled at the discretion of the PPP Unit.

How does the private sector access the Private Sector Draft?

Please find the following Microsoft Word documents included in hard copy:

- A) Standardised Public Private Partnership (“PPP”) Provisions
- B) Frequently Asked Questions and Answers
- C) A risk matrix
- D) A comment sheet providing the private sector with the format in which comments can be provided.

These documents will be available on the Treasury website from the 6th May 2003, at www.treasury.gov.za. Should you have any problems accessing the electronic copy, a hard copy can be delivered to you on request.

In what format should responses be?

Please use the template comment sheet in D) above when providing any input.

To whom should any queries and comments be directed?

If you are a member of the International Project Finance Association (IPFA), please direct your comments to Paul Haley at aphaley@ipfa.org. If you are not a member of the IPFA, please email your comments to Alice Rennie at alice.rennie@treasury.gov.za.

When must comments be submitted by?

The receipt of these comments is required by no later than the 19 June 2003.

Thank you for your assistance

Maria Ramos

Director General, National Treasury

06 May 2003