

GENERAL INFORMATION

Capital: Addis-Ababa	Population: 120.93 million (2021)	GDP (USD): 111.3 Billion (2021)
-----------------------------	--	--

LEGAL AND INSTITUTIONAL FRAMEWORK

PPP Law	<p>Public Private Partnership (Amendment) Proclamation No. 1283/2023 (PPP Amended Proclamation, 2023).</p> <p>Public Private Partnership Proclamation No. 1076/2018 (PPP Proclamation, 2018)</p> <p>Directive issued to implement the Public Private Partnership Proclamation No. 1076/2018 (Directive, 2018)</p> <p>Policy for the Use and Implementation of Public Private Partnerships (PPP Policy, 2017)</p>
Other Applicable Sectoral Law	The Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009 (GPPAP Act, 2009)
PPP Unit	PPP Directorate General within the Ministry of Finance
Definition (Chapter 1, Art. 2 of PPP Proclamation, 2018)	<p>The PPP Proclamation defines a PPP as a long term agreement between a Contracting Authority and a Private Party under which a Private Party:</p> <ol style="list-style-type: none"> a) undertakes to perform a Public Service Activity that would otherwise be carried out by the Contracting Authority; b) receives a benefit by way of : <ol style="list-style-type: none"> 1) compensation by or on behalf of the Contracting Authority; 2) tariffs or fees collected by the Private Party from users or consumers; 3) a combination of such compensation and such charges or fees. c) is generally liable for risks arising from the performance of the activity or use of the state property in accordance with the terms of the Project Agreements.
General Principles	This Public Private Partnership Scheme shall have the following

Last update: 21 March 2023

<p>(Chapter 1, Art. 3 of PPP Proclamation, 2018)</p>	<p>objectives:</p> <ol style="list-style-type: none"> 1) to create a favorable framework for promoting and facilitating the implementation of privately financed projects to support Ethiopian economic growth; 2) to enhance transparency, fairness, Value for Money, efficiency and long-term sustainability; 3) to improve quality of Public Service Activity; and 4) to maintain macroeconomic stability by reducing growth in public debt.
<p>Tendering and contracting procedures/ Choice of the private partnership</p> <p>(Chapters 5, 6,7,8,9 Art. 19-43 of PPP Proclamation, 2018)</p> <p>(PPP Amended Proclamation, 2023, Art. 2)</p>	<p>Except as otherwise provided under the Proclamation, all projects shall be procured through an open bidding process with pre-qualification.</p> <p>Other permitted PPP procurement routes include:</p> <p>Two stage bidding process (when it is not feasible to formulate a request for proposals with adequate project specifications to enable the submission of final proposals);</p> <p>Competitive dialogue (for particularly complex projects);</p> <p>Direct Negotiations (only in limited circumstances, such as when it is believed to be in the public interest); and</p> <p>Unsolicited proposals (provided such proposals do not relate to a project that has already been approved by the Public Private Partnership Board).</p>
<p>Project Evaluation</p> <p>(Chapter 4, Art. 15-18 of PPP Proclamation, 2018)</p>	<p>The identification of a potential Public Private Partnership project shall be carried out by the Contracting Authority, a Public Entity or the PPP Directorate General.</p> <p>Where a Contracting Authority considers it appropriate to potentially implement a project through a Public Private Partnership, it shall submit an application to the Ministry of Finance for approval before undertaking an in depth analysis of the project.</p> <p>Upon approval by the Ministry of Finance, the Contracting Authority shall undertake a feasibility study of the project.</p> <p>The feasibility study is assessed by the Ministry of Finance and approved by the Public Private Partnership Board.</p>
<p>Negotiation and Execution of PPP Contracts</p> <p>(Chapter 5, Art. 31 PPP Proclamation, 2018 and</p>	<p>The process of receiving comments from the bidders on the request for proposals shall enable the PPP Directorate General to reduce and if possible avoid the need for negotiations of Project Agreements.</p>

Chapter 3, Art 13 of PPP Proclamation, 2018)

(Art. 21 Directive, 2018)

However, in exceptional circumstances and only where deemed appropriate by the Director General, the Director General may enter into negotiations with the successful bidder and request the second ranked bidder to extend the validity of its bid pending the completion of negotiations with the successful bidder.

The Contracting Authority shall have responsibility to sign the Project Agreement referred to it by the PPP Directorate General.

The Contracting Authority shall not sign the Project Agreement before seven days from the date bidders are notified of the result of their bid to enable unsuccessful bidders to submit a complaint in accordance with Article 30 of the Directive.

Rights and Obligations of the public partner

(Chapter 3, Art. 13 of PPP Proclamation, 2018)

(Chapter 10, Art. 49 of PPP Proclamation, 2018)

The Contracting Authority shall have overall responsibility for the initiation, development, procurement, signing of agreements and implementation of Public Private Partnerships it administers.

The Contracting Authority or other Public Entity under the terms of the law and the Public Private Partnership Agreement shall make available to the Private Party or, as appropriate, shall assist the Private Party in obtaining such rights related to the project site, including title thereto, as may be necessary for the implementation of the project.

Rights and Obligations of the private partner

(Chapter 10, Art. 49 of PPP Proclamation, 2018)

The Private Party may possess land and use it for the purpose of the implementation of the project. The restrictions in terms and tenure of land and bidding system shall not apply on land that is covered under the project.

The Private Party shall have the right to mortgage the immovable property developed under the project in order to obtain loans from financial institutions.

Obligations of both public and private partners

No provision in the Law.

Applicable Law/ Dispute resolution

(Chapter 10, Art. 61 of PPP Proclamation, 2018)

Any disputes between the Contracting Authority and the Private Party shall be settled through the dispute settlement mechanism agreed by the parties in the Project Agreement. Notwithstanding any contrary provision in any existing law, the Project Agreements may provide for settlement of disputes through arbitration or any other forms of alternative dispute resolution mechanism.

EXAMPLES OF PROJECTS STRUCTURED AS PPP

Energy

Daewoo Aysha 60MW Wind Farm

Corbetti 1,000 MW Geothermal Power Project

Encom 30MW Temporary power plant

Aggreko 30MW Temporary power plant

Information and Communication Technology

Ethio Telecom