



**Public Private Partnership  
BEST PRACTICE MODEL**

## Current Types of PPP Projects in Egypt:

- Underground multi levels Car park.
- Recycling Cities
- Waste water treatment plants.
- Call Centers Parks
- Commercial Registry Offices Development & Automation
- Stadiums World Class standard
- Specialized University Hospital
- Industrial Port
- Offices Development & Operation
- Language Schools

## Other Types of PPP Projects Worldwide:

- Urban Communities Projects
- Olympic Villages
- Health Parks
- Research Centers
- Airports
- Retail Development Projects
- Entertainment Parks

## PPP Options:



## MAIN FEATURES

### Adopted Process

- A request for Expressions of Interest is announced by the Government
- RFP sent to pre-qualified Project Companies by the Government
- Project Companies submit proposals
- 2 or more Project Companies to be invited to submit their '**BAFO**'
- 1 Project Company to be selected to go through a round of final negotiations
- The Concession Agreement to be signed with the selected Consortium

### Project Duration

Construction till Operation phase may vary according to the size of the Project.

### Concession Agreement

- Under the terms of the Concession, the land on which the Project is built to be contributed by the government in return for a share in the revenues generated 'similar to dividends'
- At the End of Concession, the Project transfers to the government without charge
- The Concession Period varies from 10-35yrs (according to the agreement)
- A highly 'International recognized **professional Consultants**' is always hired by the Consortium/Project Company to provide all the major projections to be reviewed & used in the Base Case & all Sensitivity Analysis Scenarios.

## PPP - INTERNATIONAL CASE STUDIES

### “BACK OF BEYOND” Roadway in Canada

- 9 of 13 Sections of the road were refurbished, & portions were widened to a maximum 4-lane divided highway using Asphalt while 47 new bridges were constructed & several existing ones were upgraded



### CANADA LINE ‘Richmond Airport Vancouver’

- “Canada Line” called Richmond Airport Vancouver ‘RAV’ Rapid Transit Project is a 19km, 16 station metro transportation system connecting downtown Vancouver, Vancouver International Airport & Central Richmond in British Columbia, Canada.



## PPP - INTERNATIONAL CASE STUDIES

### TOLL ROAD PROJECT 'The Road from Budapest to Vienna'

- Construction and Operation of a '50 km toll road' which would connect the Capital of an emerging Eastern European Country 'Budapest' with that of a Western European Capital 'Vienna'.



## Main Stakeholders

The proposed policy for developing the new generation of New Cities in Egypt depends on creating a new business model between:

- The State /Land Development Authorities
- The Developer /Investors

## Applicable Sectors

This business model should be applied to all sectors (Agricultural - Tourism - Industrial – Residential) especially in the early stages of development in order to attract the required investments & accelerate the development process in these new cities.

## Model Concept

- The Land Development Authority designate the land to the master developer through a “Concession Agreement”
- The Master plan, building regulations, & schedule has to be approved by the Land Development Authority
- Through the ‘Concession Agreement’, the Master developer will have the right to finance & implement the main roads network, stations, & the networks of the key facilities, as well as marketing & sales to sub-investors in various activities for the purpose of development

## Financial Terms

\*According to the contract, the Master Developer is committed to pay an annual payment, for every feddan of the allocated area subjected to the contract. At the End of the 'Concession Agreement' duration:

- The value paid is refundable for the developed area
- The value paid is non-refundable for undeveloped areas

\*Land Sales revenues will be distributed between the Land Development Authority & the Master Developer, according to specific percentages that are approved within ***the "Concession Agreement"***.

Thus, this proposal would attract Egyptian investors and foreign capital, which would contribute in advancing the Egyptian economy, without loading the state budget with any additional burdens.

## Conditions

- **'The Sales Contract'** for the sub-investors has to be unified, approved and signed by the three parties: the land development authority, the master developer & the sub-investor who buys the land.

## Roles & Responsibilities

### Master Developer

Represented by

**'Project Company/Consortium'**

- Preparation of the Master Plan of the allocated land, in accordance with the general strategy of the /Land Development Authorities, and the goals of development.
- Preparation of the development regulations and time schedules for development in accordance with the master plan.
- Financing and implementing the main roads network, and the networks of major facilities in accordance with the master plan, and according to the approved time schedule.
- Marketing and selling land plots, after supplying them with the main infrastructure networks, for the interested sub-investors in accordance with the activities specified in the master plan and the approved regulations and time schedule.
- Monitor the performance of sub-investors in land development, according to the terms of construction and all the terms of the contract for the development of the project.

'Franchise



'Contract'

### Governmental Institution

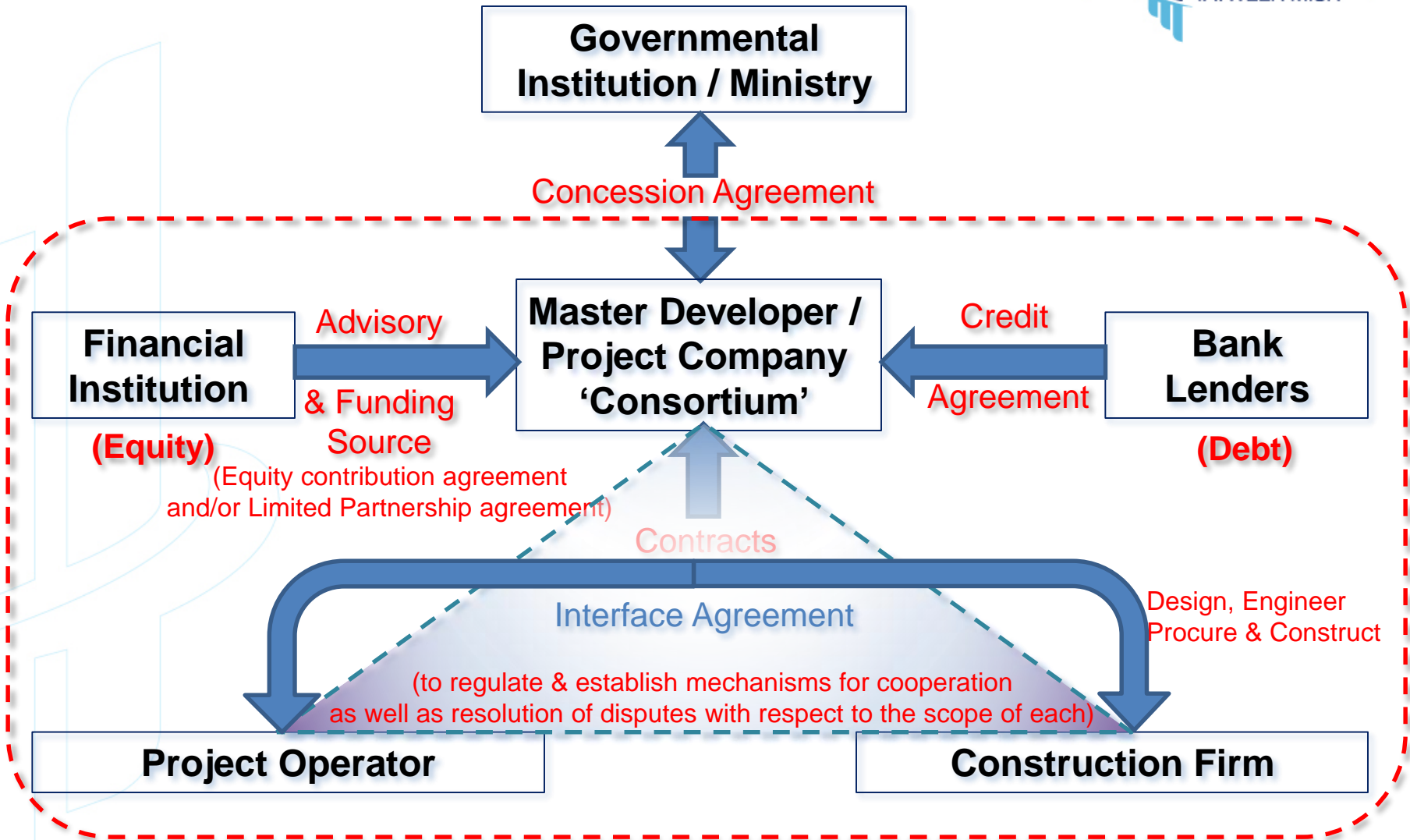
Represented by

**'Land Development Authority'**

- Approving of the Master Plan for the land allocated in the contract, for the master developer to comply.
- Approving the development regulations, *and time frames for development*, which act as the foundation for contracts with sub-investors.
- Approving of the sales contracts between the main developer & the sub-investors, as a party in contracting.
- Follow-up the Master Developer performance according to the contract and the particular schedule of development.



# MASTER DEVELOPER BUSINESS MODEL



**\*A Simplified Contractual Structure of the Project Company/Consortium**

Thank You