



REPUBLIC OF NAMIBIA

Ministry of Finance

Keynote address – PPP Conference

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Deputy Minister of Finance

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Director of Ceremony and Moderator

Honourable Ministers and Deputy Ministers here present,

Honourable Members of Parliament,

Excellences: Ambassadors and High Commissioners,

Representatives from government Offices, Ministries and Agencies,

Captains of Industry,

Members of the media,

Ladies and Gentlemen,

Good morning. It is my pleasure to welcome you all to our 4th Annual PPP Conference, under the theme *‘projects-based understanding of local challenges on PPPs implementation and how to overcome them’*.

Discussions will be focus around the two sectors; Health sector and Housing sector, I am confident that we will be able to learn from the pioneering work that has been done by other countries and institutions and, at the same time, share perspectives on the PPPs related work, including upcoming investment opportunities in Namibia.

In a PPP, the principles - of both the public and private sectors - must be common and should necessarily ensure that public services are delivered economically, effectively and efficiently serving the public and private sector’s interest through an appropriate allocation of risk and returns between the two parties, as well as developing projects in bankable manners such that there is a true investment opportunity and yet remain affordable to the end users including government.

I take special notes of the presentation from the Walvis Bay Corridor Group on *‘Building Transport Sector through PPP’*, because after all is said and done, the Transport and Logistic sector remain the key enabler of the economic growth, therefore it in the best interest of the audience to understand the status of transport sector in our country. The two

sectors that we are focused on today; housing sector and health sector can only be developed and function properly if we have an efficiency transport and logistic system.

Ladies and gentlemen, PPP unit have been in existed since 2015 and I would like to take the next few minutes to proudly update you on some of the milestones reached:

Enactment of the PPP Act

The PPP Legislation has been enacted and gazetted last year in July. The Act is known as the Public Private Partnership Act (Act No. 4 of 2017).

Importantly, the PPP Act validated the established institutional roles – including PPP function at MoF, and mandates the constitution of a PPP Committee that shall be hosted within the Ministry of Finance, as well as outlining the procedures for dispute resolution, auditing, information disclosure and other general provisions.

PPP regulations

The regulations will assist the implementation of the PPP Act, by providing guidelines to be followed throughout the PPP process. The Public Private Partnership regulations as per Section 40(1) of the PPP Act are recently certified by the Ministry of Justice for publication purposes/gazetting.

PPP Committee

Another recently, the Public Private Partnerships Committee is established with the key role of the PPP Committee include of advising the Minister of Finance on policies, best practices; and assessment of transaction approvals with respect to public private partnership projects. Suitably qualified individuals to serve on this committee were sought through self-nominations public advertisements.

We believe that our work towards putting in place key legislative and institutional mechanisms provides a sound bedrock for PPP project investments.

Capacity building initiatives

Extensive efforts in the form of structured training programs, knowledge sharing discussions with both public and private sector organizations, as well as forum presentations and media publications continue to be made towards capacity building.

This is to ensure that officials involved in infrastructure delivery are equipped with the relevant skills and the citizens at large understand the function of PPPs and its core principles of risk allocation; Value for money and affordability; as well as capacity to draft comprehensive and balanced PPP agreements. The capacity building initiative also covers project monitoring and evaluation training.

Between last year's conference and this one, I can report that,

An experienced consulting firm a legal attorney has been appointed to develop the toolkits (PPP standard bidding documents) in line with the existing Laws and Regulations of the country. This is also in line with one of the resolution taken at the just ended 2nd National Land Conference, where MoF is tasked to develop “ Standardized templates and guidelines for local Authorities to be developed in line with the relevant PPP Act to eliminate intermediaries in housing developments ”.

Last months, on the 26 October 2018, the government signed a grant agreement with the French Development Agency (AFD) for 200 000 EUR. The grant is earmarked for the themed in-depth PPP training curriculum for both public and private sector. Other important component that will be assisted by this grant funding, is the identification of PPP candidate projects in the country, this will enable the country to take the best PPP projects to the market.

The PPP Unit has responded to stakeholders' requests, through conducting regional PPP trainings focused at local authorities and regional councils. This is important, since the PPP Act is a central legislation and all Public Entities are covered under this legislation. In addition, the PPP Unit is in discussion with NIPAM, Development Bank of Namibia and SADC Development Finance Resource Centre to develop a curriculum for PPP foundation course and deliver to both public and public sector.

In the spirit of learning from others and also making a positive contribution, we collaborate and share knowledge with PPP units in the region. These interactions with regional

stakeholders have been very productive, and we are already working with a number of institutions.

On risk management, we have engaged the International Monetary Fund (IMF) to assist our government to develop fiscal risk management framework for PPPs and SOEs.

Finally, I am pleased to provide an update on progress with respect to a number of specific PPP project initiatives

In the energy sector: a number of privately financed renewable energy generation facilities have already been developed and are in operation; further investments are planned in this area including hydro, wind, solar and biomass projects;

With respect to railways: potential PPP projects include investments in rolling stock as well as track up-grading and operation of specific freight intensive rail routes

In other transport sectors: studies are being carried on for the selection of a private operator for the container terminal at Walvis Bay, and for expansion and management of the Hosea Kutako International Airport through the PPP route.

In the area of health: wide spectrum of projects including accommodations, dialysis, hospital, and Pediatric Intensive Care Unit, trauma center development are being considered.

With respect to office accommodation: A transaction Advisor has been appointed to assist with the feasibility study for the redevelopment of the head office building of the Ministry of Justice.

Development of a water desalination project at the west coast: An initiative to undertake a comprehensive feasibility assessment for the proposed desalination project for potential development through private investment is underway.

We believe that there is substantial potential to enhance development of public infrastructure and public service delivery through the PPP mode.

I therefore encourage line ministries and other public institutions to continue to explore project opportunities that are amenable to the PPP mode. And while doing so take

cognizance of adequate project preparation, project structures with sensible risk allocations, and undertake a robust and competitive procurement process.

In conclusion, ladies and gentlemen,

Now that we have the PPP Act in place, we must commit to have PPP projects developed with best practices and core principles of value for money, transparency, competitiveness, affordability and appropriate risk transfer.

Having said all these, **I wish you successful deliberations during this conference. *I thank you for your attention***