

## **Pakistan's PPP Policy**

Infrastructure Project Development Facility (IPDF), the central PPP Unit of the Government has worked in close association with the Asian Development Bank in drafting the 2007 Public Private Partnership policy for Pakistan. The PPP policy was approved by the ECC of the Cabinet in November 2007. In 2009, this policy was revised to include detailed referencing to the legal and financial framework which dictates the PPP program in Pakistan.

The 2007 / 2009 Policy is in line with deregulation & liberalization reforms of Government. It communicates the overall PPP Program structure comprising of Task Force, Infrastructure Project Development Facility, Infrastructure Project Financing Facility, Viability Gap Fund and Risk Management Framework all based on international best practice and national experience. It aims to provide a structured approach for infrastructure development in shape of a PPP project life cycle.

The PPP policy's primary objective is: More services, Better services, Affordable services, and Timely services. This objective is to be achieved through faster project implementation, leveraging of public funds, enhanced accountability and transparency and a shift in public sector management.

The 2009 policy delves more deeply into the specific role of the public and private sectors within a PPP arrangement, defines the role of each relevant institution (Ministry of Finance, IPDF, Planning Commission and Line Ministries). It also comprises the detailed financial framework that is to be applied in the development of a project through PPP modality. The policy also defines the legal framework in detail and establishes a more comprehensive risk sharing and risk mitigation framework.

The policy covers the following sectors:

- a. Transport & Logistics; including provincial and municipal roads, rail, seaports, airports, fishing harbors as well as warehousing, wholesale markets, slaughter houses and cold storage
- b. Mass Urban Public Transport; including buses, and intra and intercity rail
- c. Municipal Services; including water supply and sanitation; solid waste management; low cost housing, and health / education facilities
- d. Small Scale Energy Projects; hydroelectric and captive power generation projects - other than those being facilitated by Private Power Infrastructure Board (PPIB) and the Alternative Energy Development Board (AEDB).