



Sustainable Water  
Integrated Management (SWIM) -  
Support Mechanism



Project funded by  
the European Union

*Water is too precious to waste*

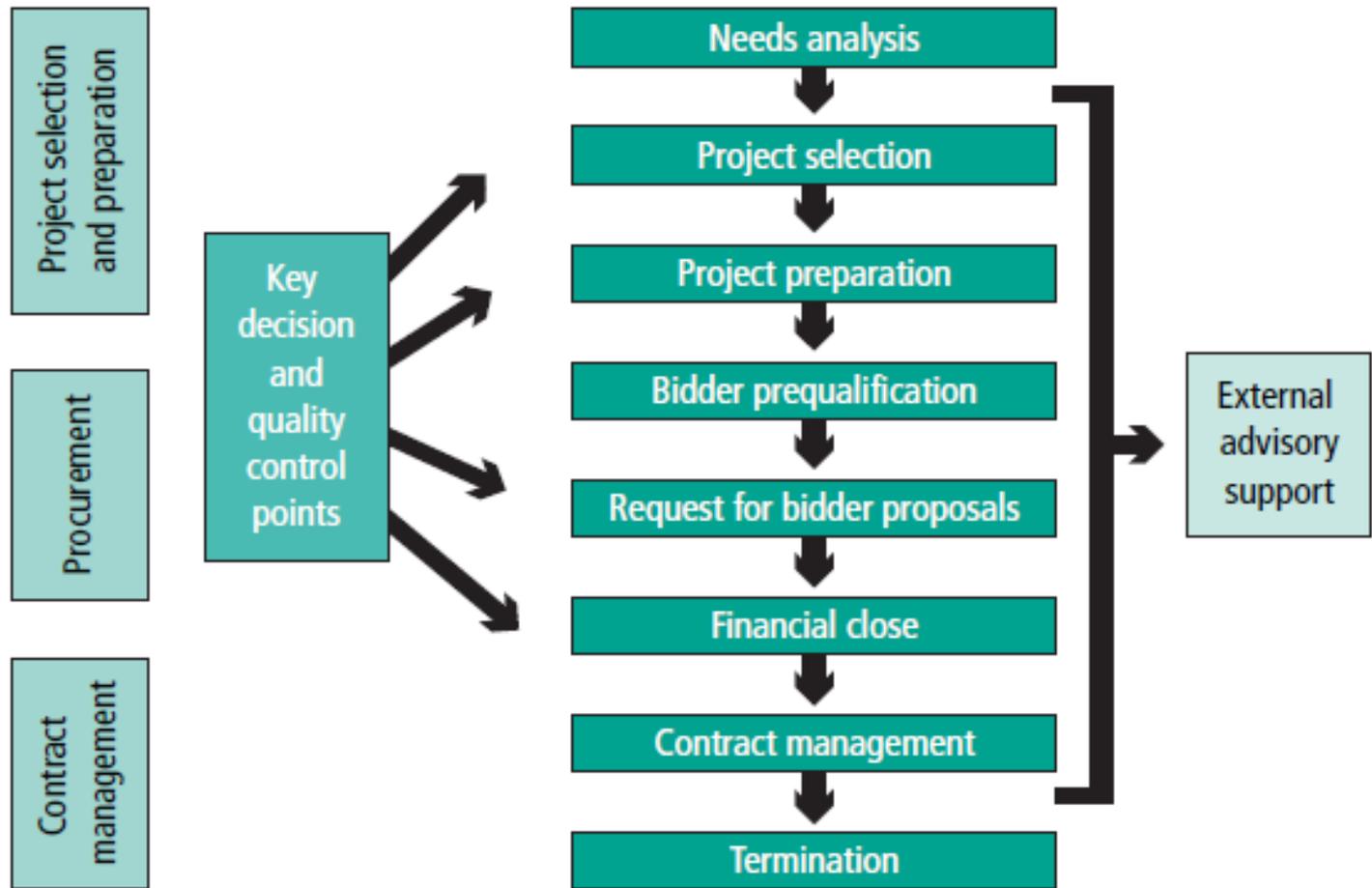
**PPP Projects Preparation**  
**Amman, 19-21 December 2011**

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# Introduction

- ✓ Proper preparation of PPP projects is challenging
- ✓ Investing time, efforts and money in the project preparation can have positive impact on its success and be an efficient use of public resources

# Key phases of PPP process



# Project selection and preparation

## Turning a desirable project into a realizable PPP

- ✓ Selection of the project
  - What are the project scope and requirements
  - Can the project be delivered as PPP
  - Should the project be delivered as PPP
- ✓ Expressing Projects in terms of Outputs, that should be SMART : Specific, Measurable, Achievable, Realistic and Timely

# Preparing projects for market

1. Organise the public sector to manage the process including :
  - identifying and assembling the team including **advisors**
  - Secure funding for the project preparation
2. Develop the project

## **Costs of project preparation and tendering should not be underestimated**

According to WB estimations, the range of costs is as follows

- 3 to 4 % of investment costs for projects costing less than 100 million \$
- 2 to 3 % for projects costing more than 100 million \$
- And around 2% for projects costing more than 500 millions \$

(excluding significant cost of land, early works, and environmental impact assessments)

# Project Advisers

- ✓ Professional advisers should be used where their skills will add value to the project's preparation, procurement and management activities
- ✓ But the leadership of the project should remain the public sector's responsibility
- ✓ The competitive process for selecting advisers should aim to secure the best quality and best value advice

# Project Advisers

## Advisers' field of expertise

- ✓ **Technical** : feasibility of the technical aspects, output specifications, payment mechanisms in conjunction with financial advisers, examine costs of bidders' solutions,...
- ✓ **Financial** : appraisal of different options and financial modelling and liaising with the development finance institutions, payment mechanisms, requirements for submitting financial bid, evaluate and advise on financial proposal throughout the procurement phase,...

# Project Advisers

## Advisers' field of expertise

- ✓ **Legal** : legal feasibility of the project, contract documentation for the project, develop other aspects of bid documents including analysis interface agreements, evaluate and advise on all processes and legal and contractual solutions throughout the procurement phase,...
- ✓ **Environmental** : examine the potential environmental impact of the project, identify the potential risks, consider the mitigation of such risks and the impact on the scope and design of the project,...



**THANK YOU**