PROPOSED PUBLIC PRIVATE PARTNERSHIP BILL

By Hon. Benson P. Kaapala, MP.

Introduction

Public Private Partnership when managed well can be an effective method to mobilize additional financial resources and benefits from the private sector. The success and public benefit from PPP depends to a large degree on effective management and monitoring systems.

The proposed Bill before this august house comes at a time when our people demand greater levels of transparency, a greater need for efficiency, quality and accountability due to an increase in dubious deals published in our local media. I applaud the efforts of the Minister of Finance and his team for producing this document for our deliberation for the good of our country's ordinary citizen and for the good of our economy.

There are some points I would like to contribute towards this debate;

The first point is with regards to the scope of the word "private" in the PPP bill, this is not outlined in Part 1, Definitions. Without a clear definition of who constitutes "private" the word is open to misinterpretation and could lead to discrimination.

> **Private should not be limited to large corporations** and wealthy business individuals but should include the ordinary Namibian whose project ideas if funded and supported could benefit the public. The aim of PPP is primarily to benefit the public, "private" and "public entities" benefits are secondary. Therefore if an individual has project ideas with the potential of substantially benefiting the public, these individuals are not to be discriminated and their ideas overlooked. The partnership here

would not involve capital from the "private entity" but rather be knowledge based, their creativity and enthusiasm. The benefits to the public may not be immediate when compared to those partnership with well established "private entities" but these projects could have far greater benefits than flyby night companies who after sells drop or sense a loss in their financial returns pack up and leave.

The second point is with regards to Part 4, Feasibility Assessment;

The Feasibility Assessment is a key indicator if a proposed project is worthy of being qualified as a PPP project therefore the Feasibility Report should indicate output specifications clearly declaring the expected output quality and quantity.

16 (2) (e) deals with reasonable estimated budgets. This could be expanded to incorporate ***whole life costing***, which is taking into consideration balances between project construction and maintenance. A proposed project may be within budgetary limits but may become a white elephant or dilapidated in the long run due to the maintainability of the infrastructure or facilities.

16 (2) (g) deals with unreasonable high risk on the "public entity". A good PPP requires that substantial risk be on the side of the "private entity" this I believe should be highlighted. The "public entity" should not in the case of Ramatex incur the bulk of the infrastructure investment. If the "private entity" incurs substantial risk, this leads to quality services because they would want what they invested to yield tangible and substantial returns. When you invest in something you look after it so that it may yield a profit. The quality of the works can also be tied to performance related rewards. Payments should depend on meeting outputs and standards stated in the feasibility instead of paying for service that short change the public whom they are intended to serve.