

Client Alert

Global Transactions Practice Group

August 24, 2017

Vision2030 PPP Update and Publications: Successful Delivery of PPP Projects in Saudi Arabia & the GCC; GCC PPP Legal Report 2017

King & Spalding has prepared two publications to assist clients who are interested in participating in PPP projects in Saudi Arabia and other GCC states with Vision2030 plans. The publications are:

“Delivering Infrastructure Projects under a Public-Private-Partnership (PPP) Model: A guide to achieving success in Road, Rail, Airport, Port, Healthcare, Education, Housing and Accommodation PPP projects in the Middle East”, and can be accessed [here](#).

“Middle East Vision 2030 PPP Legal Report 2017: An overview of PPP legislative frameworks and activities throughout the Middle East” and can be accessed [here](#).

PPP Whitepaper

Middle Eastern Governments have been re-examining traditional forms of procurement in favour of a range of alternate options for their infrastructure projects. One of the key reasons for this has been widely reported - prolonged low oil prices, leading to reduce Government revenues and reduced infrastructure budgets. One of these alternate procurement options is the Public-Private-Partnerships (PPP) model. Indeed, we are advising many Master Developers (many of whom are Government-owned) on using a PPP approach for the procurement of their infrastructure projects, particularly utilities infrastructure.

Experience from mature PPP markets, such as the United Kingdom, Canada, Europe and Australia, demonstrates that procurers can derive significant benefits from procuring infrastructure assets and services through PPPs. Very few PPPs have made it to market, but PPP policy and regulation is coming, together with a wave of planned PPP deals. This is welcomed by the market. There is much that can be learned from looking to these mature PPP markets and examining their closed PPP deals. Of course, each Middle Eastern Government should look to successfully at closed local infrastructure

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project financings and then see how a local PPP model can work within their established framework.

We have examined various PPP markets and models, and we have produced a White Paper, which can act as a reference guide to all participants looking to participate in PPP projects.

The PPP White Paper, entitled “*Delivering Infrastructure Projects under a Public-Private-Partnership (PPP) Model: A guide to achieving success in Road, Rail, Airport, Port, Healthcare, Education, Housing and Accommodation PPP projects in the Middle East*”, looks at a number of benefits that PPP can bring, including whole of life costing, optimal transfer of risk, innovation in design and improved service delivery -- all of which drive ‘value for money’. The White Paper analyses each stage of a PPP project: from preliminary assessment, to the bid process and then to execution of the PPP agreements and finally, capacity building. In each stage, there are a number of issues that need to be carefully considered. This White Paper explores each stage and each issue in detail.

A full copy of the **PPP White Paper** can be accessed [here](#).

PPP Legal Report 2017

Understanding the PPP legal landscape in the GCC is critical for those considering investing in infrastructure projects. Further, the GCC is not a single market. As such, we are seeing a diverse approach from Governments on how they are planning to procure their infrastructure assets and services.

Practices differ by country, and also in some cases by sector. For example, power and water projects have, in some countries, been carved out of the scope of new PPP laws. In other cases, new PPP laws are horizontal (i.e. they apply across multiple sectors), but must be read together with existing sector laws. In the event of inconsistencies, or where legislation is silent on a particular issue, the provisions of the new PPP Law are expressed to apply, in some countries. Accordingly, it is important that the new PPP laws are not read in isolation

We have reviewed the new PPP laws and regulations as they exist at 30 June 2017 throughout the GCC and we have prepared a report as a reference guide for potential participants.

The report, entitled “*Middle East Vision 2030 PPP Legal Report 2017: An overview of PPP legislative frameworks and activities throughout the Middle East*” summarises the current PPP legislative activities in each of Saudi Arabia, the United Arab Emirates, Kuwait, Oman, Qatar, Bahrain and Jordan. It highlights country differences, cross-sector differences, and high level comments on what should be considered as participants prepare bids for Middle East PPP projects. It also lists several upcoming PPPs in each country, including Water, Waste, Leisure, Power, Airport, Healthcare, Education, Road, and Rail PPPs.

A full copy of the **Middle East Vision 2030 PPP Legal Report 2017** can be accessed [here](#).

King & Spalding's PPP experts have extensive experience in advising clients – both procurers and private sector investors – on the procurement of infrastructure projects, including under PPP models. Our Middle East lawyers have advised on more than 40 PPPs throughout the Middle East and internationally. We are currently advising on several pathfinder PPPs regionally. We would be pleased to discuss the contents of this White Paper further with parties interested in developing their PPP projects. Please visit www.kslaw.com for more information or contact the author.

Celebrating more than 130 years of service, King & Spalding is an international law firm that represents a broad array of clients, including half of the Fortune Global 100, with 1,000 lawyers in 20 offices in the United States, Europe, the Middle East and Asia. The firm has handled matters in over 160 countries on six continents and is consistently recognized for the results it obtains, uncompromising commitment to quality and dedication to understanding the business and culture of its clients. More information is available at www.kslaw.com.

This alert provides a general summary of recent legal developments. It is not intended to be and should not be relied upon as legal advice. In some jurisdictions, this may be considered “Attorney Advertising.”