



NATIONAL HIGHWAY AUTHORITY
PUBLIC PRIVATE PARTNERSHIP CELL



Presentation

On

**IMPLEMENTATION OF INFRASTRUCTURE
DEVELOPMENT PROJECTS THROUGH
PUBLIC-PRIVATE PARTNERSHIP**

NHA ACT

NHA Act 1991, amended 2001, Chapter-III, Section-10(2)(xi) empowers National Highway Authority to:

“Exercise power to award negotiated contracts for the projects to be undertaken through private sector financing program.”

GOP PPP PLAN

The GOP has set an ambitious development portfolio with total cost of Rs 600 Billion in its medium term development framework and its vision 2030.

GOP PPP PLAN

Fiscal budget allocations alone (Rs 40-50 billion per year) would not be sufficient to cater for the set targets and need to be supplemented by **off budget financing through the private sector.**

NHA PLAN

NHA has planned to undertake a major portion of its highway development projects by financing through Public Private Partnership (PPP).

NHA PLAN

NHA is promoting public-private partnerships in order to bring **skills / efficiency** and to augment limited public resources from the private sector.

**National Highway Authority's
PPP Policy & Regulatory Framework
(May 2009)**

SALIENT FEATURES OF POLICY

INSTITUTIONAL ARRANGEMENTS

Granting the service to the private sector means that the NHA has to adopt legal and institutional mechanisms to ensure that the service is provided efficiently and the responsibilities assumed by the private sector are fulfilled.

CONTINUED

SALIENT FEATURES OF PPP POLICY

ONE WINDOW OPERATION

NHA has established a fully functional and dedicated PPP Cell in 2005, which on behalf of NHA, is responsible for:

1. Promotion of PPPs including providing information
2. Coordinating with relevant agencies
3. Preparing and negotiating Concession Agreements
4. Monitoring the Concessionaires performance in accordance with the respective Agreements
5. Generally safeguarding the public interest.

CONTINUED

SALIENT FEATURES OF POLICY

TOLL POLICY

Concessionaires will be given the right to collect tolls at appropriate locations approved by NHA, within their specified Concession Area.

CONTINUED

SALIENT FEATURES OF PPP POLICY

TOLL ESCALATION

Escalation of toll charge will be permitted, using the formula defined in the Concession Agreement, which is generally based on CPI.

CONTINUED

SALIENT FEATURES OF PPP POLICY

- GoP Legislative regime to promote the foreign investment
 - The tax regulations of FBR and Income Tax Ordinance, 2000
 - Enforcement of Double Tax Treaty available for 69 countries.
 - Fair rules for bifurcation of income between local and foreign source
 - Bilateral Investment Treaty- providing protection of foreign investments and enforcement mechanism in cases of disputes.
 - Foreign Private Investment (Promotion & Protection) Act, 1976

CONTINUED

SALIENT FEATURES OF PPP POLICY

NHA PPP projects incentives are available according to:

- The guidelines of board of investment (BOI).
- Securities and Exchange Commission of Pakistan providing easy modes and guides to start of business companies in Pakistan. Like Promoters Guide, Standardization of Articles and Memorandum of Association.

CONTINUED

SALIENT FEATURES OF PPP POLICY

TENDERING PROCEDURES

- Tendering procedures are made open, fair & transparent consistent with NHA PPP Policy
- Standard Pre-qualification documents, Request for Proposals including Model Concession Agreement have already been developed.

PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS OF NHA

Projects: Implementation Stage (3)

Sr. #	Project	Cost (Rs in Mil)	Project Details	Status
1	Service Areas 10 Nos. (M-2)	1,125	Establishment of 10 Service Areas under a 15 years Concession Period	Operational (15 th Year)
2	Lakpass Tunnel (N-25)	679	180 m Tunnel is operational under a 25 years' Concession	Operational (4 th Year)
3	Two Main-Service Areas at River Indus (M-1)	689	Establishment of Two Main-Service Areas. Concession signed for 15 Years	Financial Close achieved & construction has commenced

Projects: Procurement Stage (7)




Sr. #	Project	Cost (Rs in Mil)	Project Details	Status
1	Two Mini-Service Areas at River Haro (M-1)	260	Establishment of Two Main Service Areas at M-1	Concession Signing Stage
2	Connecting Road Network for New Benazir Bhutto International Airprot	4,098	Construction of connecting Road Network of Benazir Bhutto International Airport	Concession Negotiation Stage
3	Overlay & Modernization of Lahore-Islamabad Motorway (M-2)	40,000	Overlay and modernization of existing M-2	Concession Negotiation Stage
4	Habibabad (Wan Radha Ram) Bridge (N-5)	562	Construction of a new 60 meter, 4-lane Bridge with reinforced earth approaches.	Concession Negotiation Stage

Projects: Procurement Stage

Sr. #	Project	Cost (Rs in Mil)	Project Details	Status
5	Service Area on IMDC (N-75) at Lower Topa	1,350	Establishment of a Service Area and a 4-Star Hotel at Lower Topa	Concession Negotiation Stage
6	Karachi Northern Bypass (M-10)	6,000	Construction of Additional Carriageway to convert existing 2-Lane highway into 4-Lane divided facility	Bids under Evaluation.
7	Multan – Muzaffargarh – D.G Khan (N-70)	5,000	Conversion of existing 2-Lane highway into 4-Lane divided facility including Bridge at Ghazi Ghat	Bids under Evaluation.

Projects Available for Investment (7)

Sr. #	Project	Length KM	Cost (Million Rs)	Project Details	Status
1 →	N-5 from N5/M2 Junction (Rawalpindi) to Wah Underpass	20	4,000	Improvement / Rehabilitation of Existing 4-Lane Highway into 6-Lane Highway	Advertised. Last date for bids is 20-3-2013 .
2 →	Karachi – Hyderabad Motorway (M-9)	136	13,000	Conversion of existing 4-Lane Karachi-Hyderabad Superhighway into 6-Lane Motorway (M-9)	Advertised. Last date for bids is 01-4-2013 .
3 →	Pindi Bhattian – Faisalabad Motorway (M-3)	53	4,770	Conversion of existing 4-Lane into a 6-Lane Motorway plus overlay on existing 4-lanes (<i>Land and 6-lane structures are already available</i>)	Preparation Stage
4 →	Khanewal to Lodhran (E-5A)	100	24,000	Construction of 4-Lane Access Controlled Expressway	Preparation Stage

Sr. #	Project	Length KM	Cost (Million Rs)	Project Details	Status
5 	Lodhran to Sukkur Throughway (E-5B)	385	40,000	Rehabilitation, geometric improvement, structure repair / improvement of existing 4-lane highway	Preparation Stage
6 	Sukkur to Hyderabad Highway (N-5)	350	21,000	Rehabilitation, geometric improvement, structure repair / improvement of existing 4-lane highway	Preparation Stage
7 	Rawalpindi Elevated Expressway (N-5)	13	28,000	Construction of Elevated Expressway through the Rawalpindi City	Preparation Stage

Thanks