وزارة التجارة والصناعة
Ministry of Commerce and Industry
State of Qatar • دولة قطر

invest Qatar

Summary of Public – Private Partnership according to Law No.12 of 2020

In Brief:

- The State of Qatar introduced the PPP Law to support the development and implementation of public-private partnerships in the country. Under this law, the Ministry of Commerce and Industry ("MOCI") serves as the governing authority for PPP projects, and the PPP Unit was established to act as the custodian of the PPP project framework.

- PPPs in Qatar can be implemented across a wide range of sectors, including but not limited to infrastructure development, healthcare, education and transportation. There are no strict limitations on the types of projects that can be developed under a PPP framework, as long as they align with the country's economic and development goals.

- The law achieves 3 main goals:
  - Establishes a clear legal structure for forming and executing partnerships between government and private entities through various models
  - Outlines detailed procedures for project selection, tendering, bidding, evaluation and contracting based on principles of transparency, competition and ministerial oversight
  - Regulates the formation, operations, obligations and limitation of project companies involved in PPPs, including financial guarantees, risk-sharing, quality and eventual transfer back to the state

To read more on the law: https://www.moci.gov.qa/en/ppp-laws/

PPPs in Qatar usually come in the following forms

Build-Operate-Transfer (BOT)

- A public authority grants a concession to a private company to build, finance and operate a project. The company operates the project for a period with the goal of recouping its investment, then transfers control of the project to the public authority.

Build-Transfer-Operate (BTO)

- The private sector builds and then transfers the facility to the public authority. The public authority will grant the investor the right to operate that facility for a specified duration to recover investment capital and earn profits.

Build-Own-Operate-Transfer (BOOT)

- The private sector is responsible for designing, constructing, owning and operating the facility throughout the contract term, with the objective of recouping its investment and earning a return during the operational phase. At the end of the contract, the facility is handed back to the government.

Allocation of Land through Lease or Usage Permit:

- The government may allocate land to the private sector for specific development projects, either through a lease or a usage permit (usufruct), allowing the developer to use the land for the intended purpose while ownership remains with the state.

Operation and Management (O&M)

- A private operator is responsible for operating and maintaining the asset on behalf of the public authority. The payment for this contract is either via a fixed fee or more commonly a performance-based fee.

Custom Model

- When it is in the interest of the State, the Minister can propose different models that can be adopted by the Council of Ministers.

Where to Find PPPs?

- MoCI lists all PPP projects on their website
  www.moci.gov.qa/en/public-private-partnership-program/

- Projects are listed on the website under three phases

01

Projects Under Study: Firms can prepare for potential announcements

02

Procurement Stage: Firms can APPLY at this stage

03

Under Implementation and Operation: Bidding is closed

How to get involved in PPP projects?

Respond to government-issued requests for proposals

Forming consortiums with other companies to bid on large-scale projects

Engaging in unsolicited proposals (subjects to government approval)

PPP project selection criteria

- Each potential PPP project is assessed on a case-by-case basis to determine its suitability for private sector involvement. Projects are normally selected based on the following key principles:

Alignment with National Priorities and Strategies

- The project should support Qatar's needs and vision while providing clear benefits to the State and its people.

Scale and Longevity

- The project should be large and long-term enough to justify the transaction costs, result in Value-for Money savings and allow the private sector to recover its investment.

Risk Allocation

- Projects should be assessed to determine which risks are best managed by the private sector rather than the government.

Clear and Measurable Outcomes

- The government's objectives for the project must be clearly defined and measurable.

Innovation and Efficiency

- Projects should allow the private sector to introduce innovative solutions that optimize asset use, improve performance, and reduce costs.

Market Interest

- There should be sufficient market demand and competition to encourage private sector participation and drive innovation.

Stakeholders in the PPP process

Prime Minister

All PPP Projects, Project Concepts reports, Business Cases and bidder selections must be approved by the Prime Minister

Ministry of Commerce and Industry

- MoCI dedicated PPP unit supervises the implementation and regulation of PPP approving all PPP initiations.

Project Committee

- A separate committee established for each Project by decision of the Minister of Commerce and Industry and includes representatives of MoCI, the Contracting Authority and the State Audit Bureau.

Ministry of Finance

- Allocates and approves the necessary budgetary resources for PPP Projects.

Contracting Authority/ Government Entity

- Any Public entity that intends to enter into a PPP contract pursuant to the PPP Law.

Project Procurement Process (PPP):

This stage ensures a fair and competitive selection of the best private sector partner for approved PPP projects.

01

Expression of Interest (EOI) –
Gauges private sector interest in the project.

02

Request for Qualification (RFQ) –
Sets eligibility criteria for qualified participants.

03

Statement of Qualification –
Highlights each bidder's credentials.

04

Request for Proposal (RFP) –
Requests detailed technical and financial proposals.

05

PPP Contract
Outlines roles, responsibilities, and terms between both parties.

06

Bidder Clarification Report
Provides official responses to bidder inquiries on the RFP.

07

Evaluation Report
Assesses proposals and identifies the Preferred Bidder.

08

Contract Signing
Final agreement is signed after negotiations and financial closure.

PPP agreement duration

The duration of a PPP agreement varies based on the nature of the project and the contractual terms agreed upon, typically, PPP contracts last between 15 to 30 years, Under the Qatar PPP Law, the duration of a PPP agreement must not exceed 30 years. However, extensions and some exemptions may be considered under specific circumstances, subject to government approval.

Dedicated PPP unit

The PPP unit at MoCI supervises the implementation and regulation of public-private partnership projects that are decided to be implemented or developed in accordance with the provisions of Law No. (12) of 2020 regulating the partnership between the public and private sectors. It is the engine for setting the general principles of the partnership policy that helps enabling the implementation of partnership projects between the public and private sectors in the State of Qatar.

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