

**MALAWI GOVERNMENT**

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Act

No. 27 of 2011

I assent

NGWAZI PROF. BINGU WA MUTHARIKA  
PRESIDENT  
22ND DECEMBER, 2011

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**An Act to provide for partnerships between the public sector and private sector for the supply of infrastructure and delivery of services as means of contributing towards sustaining economic growth, social development and infrastructure development; to provide for the development and implementation of public-private partnership arrangements in Malawi for the delivery of infrastructure and services; to provide for the establishment of the Public-Private Partnership Commission; to provide for private sector participation in state-owned enterprises, commercial entities and commercial assets; and to provide for matters connected with or incidental to the foregoing**

ENACTED by the Parliament of Malawi as follows—

## PART I—PRELIMINARY

Short title and  
commence-  
ment

1. This Act may be cited as the Public-Private Partnership Act, 2011, and shall come into operation on such date as the Minister shall appoint by notice published in the *Gazette*.

Interpretation

2. In this Act, unless the context otherwise requires—

Cap. 44:01

“Commission” means the Public-Private Partnership Commission established under section 4;

“bank” has the meaning ascribed thereto in the Banking Act;

“Chairman” means the Chairman of the Commission as specified under section 5;

“Chief Executive Officer” means the head of the Secretariat of the Commission appointed under section 15;

“commercialization” means the re-organization of specified Government departments into commercialized enterprises which shall operate as profit making commercial ventures;



“company” means a company within the meaning of section 2 of the Companies Act;

Cap. 46:03

“concessionaire” means a Partner assigned through a long-term concession contract with a Contracting Authority, the right to invest and maintain an infrastructure project or provide a service to the public, and be compensated through charging of user fees directly to the public;

“consultant” means any person employed by the Commission to undertake any work of a specialized nature connected with the work of the Commission and includes banks, public accountants, economists, investment banks, doctors, architects, quantity surveyors, engineers, communication experts, lawyers and valuers;

“construction” includes building, refurbishment, rehabilitation, maintenance, repair, improvement, demolition, extension and replacement;

“Contracting Authority” means any Ministry, Government Department, Local Authority or state-owned enterprise;

“direct agreement” means an agreement entered into between a Contracting Authority and a person who has arranged or provided funding for a Partner for the carrying out of a particular public-private partnership arrangement;

“divestiture” means the disposing of the whole or part of the assets and shares of a state-owned enterprise;

“Divestiture Proceeds Account” means the account established under section 55;

“equity” means any financial interest resulting from the purchase of shares for consideration;

“established fund” includes a pension fund, contributory social security scheme, compensation fund and superannuation fund;

“financial institution” has the meaning ascribed thereto in the Financial Services Act;

Act No. 26 of  
2010

“immediate family member”, in relation to any person, means that person’s spouse, child, parent, brother, sister, grandchild or grandparent;

“infrastructure facility” includes an existing asset or an asset to be provided under a public-private partnership arrangement and means physical facilities and systems that directly or indirectly provide services to the public;

“investor” means an individual, a company, an established fund, a mutual fund, a financial institution or any other institution,

entity or commercial venture whether local or foreign, and in any format of enterprise recognized as a legal entity under the laws of Malawi, intending to invest in a state-owned enterprise or in an infrastructure facility under a public-private partnership arrangement, but does not include the Government, a Local Authority or a state-owned enterprise whether foreign or local;

Cap. 22:01

“Local Authority” means a City, Town, District, or Municipal Council, established under the Local Government Act;

“market value” means the market value of a state-owned enterprise at the completion of the sale;

“mutual fund” means an investment fund which purchases shares in a portfolio of companies and subdivides such portfolio into individual units for sale of such units to investors;

“operation” includes management and maintenance;

“Partner” in relation to a public-private partnership arrangement, means a party to the arrangement other than a Contracting Authority;

“property” means all property, movable or immovable, and all estates, interests, easements and rights, whether legal or equitable into or out of property, choses-in-action, money and good-will;

“public investments projects” includes projects involving public-private partnership arrangements;

“public-private partnership arrangement” refers to the arrangement provided for in Part V;

“public-private partnership” means a contract in which a Contracting Authority partners with a Partner to build, expand, improve, or develop infrastructure or service in which the Contracting Authority and private sector partner contribute one or more of know-how, financial support, facilities, logistical support, operational management, investment or other input required for the successful deployment of a product or service, and for which the Contracting Authority and the private sector partner is compensated in accordance with a pre-agreed plan, typically in relation to the risk assumed and the value of the result to be achieved;

“Special Purpose Vehicle” means a Company incorporated for the purpose of implementing a public-private partnership arrangement including for raising finance for public-private partnership projects as anticipated in section 21;



“specified Government department” means a department specified by the Minister under section 48;

“state-owned enterprise” means a corporation, board, commission, company, parastatal body or similar body, corporate or unincorporate, in which the Government has direct or indirect ownership, equity or interest and includes partnerships, joint ventures or any other form of business arrangement or organization or any commercial entities or commercial assets howsoever held or created in which the Government has direct or indirect interest but does not include a Government department or a Local Authority;

“stocks” and “shares” in relation to a state owned enterprise includes loans, stocks, debentures and debenture stock and options on any stocks, shares, loan, debentures or debenture stock and rights; and

“stock broker” means a person who carries on the business of buying and selling stocks or shares for and on behalf of other persons.

## PART II—OBJECTIVES OF PUBLIC-PRIVATE PARTNERSHIPS AND DIVESTITURE OF STATE-OWNED ENTERPRISES

3.—(1) This Act shall facilitate the development and implementation of public-private partnership arrangements for purposes of efficient delivery of infrastructure and services in order to achieve sustainable economic growth and social development including—

Objectives

(a) to improve the delivery of public infrastructure and therefore access to services in Malawi;

(b) to assist in achieving better value for procurement of infrastructure and public expenditure by the Government through efficient and optimal risk identification and transfer to the private sector;

(c) to leverage on private sector financing, management, technical know-how and technological innovation for delivery of efficient and affordable infrastructure and services;

(d) to encourage participation by resource owners in public-private partnerships and provide assurance for private interests in those partnerships;

(f) to encourage competitive and efficient markets for the provision of infrastructure and services in Malawi;

(g) to minimize the fiscal burden of providing infrastructure development and service delivery through the public treasury and thereby allowing resources to be freed for social services; and

(h) to promote private sector contribution towards the attainment of positive social indicators associated with optimal access to infrastructure and services.

(2) The objectives of this Act in relation to divestiture of state-owned enterprise shall be—

(a) to foster increased efficiency in the economy;

(b) to increase competition and reduce monopoly in the economy;

(c) to promote participation by the Malawian public in state-owned enterprises; and

(e) to raise revenue for the Government through divestiture of state-owned enterprises.

### PART III—THE PUBLIC-PRIVATE PARTNERSHIP COMMISSION

Establishment  
of the  
Commission

4. There is hereby established a body to be known as the Public-Private Partnership Commission (in this Act otherwise referred to as the “Commission”) which shall be a body corporate with perpetual succession and a common seal capable of suing and being sued in its corporate name, and with power, subject to this Act, to do or perform all such acts and things as a body corporate may by law do or perform.

Composition  
of the  
Commission

5.—(1) The Commission shall consist of a Chairman and—

(a) four other members appointed by the President by notice published in the *Gazette*, and

(b) the following members *ex officio*—

(i) the Secretary to the Treasury;

(ii) the Solicitor General and Secretary for Justice;

(iii) the Principal Secretary responsible for planning and development; and

(iv) the Principal Secretary responsible for industry and trade.

(2) In appointing members under subsection (1), the President shall have regard to the need for continuity of service on the Commission, so that at least half of the members appointed thereunder shall be re-appointed for the next term of office.

(3) Members of the Commission appointed under subsection (1) shall be persons who—

(a) are citizens resident in Malawi; and

(b) possess qualifications, expertise and experience in any of the fields of economics, accountancy, law, engineering, project



finance, public administration, public-private partnerships, mergers and acquisitions, and business management.

6. A member of the Commission shall hold office for a period of three years and shall be eligible for re-appointment, but the office of that member shall become vacant—

Tenure of  
office and  
vacancies

(a) if the member resigns by giving one month notice, in writing to the President;

(b) upon the member's death;

(c) if the member is absent, without the consent in writing of the Chairman, or without valid excuse, from three consecutive meetings of the Commission of which the member has had notice;

(d) if the member is convicted of a criminal offence without the option of a fine;

(e) if the member becomes an undischarged bankrupt; or

(f) if the member participates, directly or indirectly, in a public-private partnership arrangement or acquires shares or other interests in a state-owned enterprise in contravention of this Act.

7. Members of the Commission shall be paid such allowances as the Minister shall determine.

Allowance of  
members

8.—(1) The Commission shall facilitate the implementation of public-private partnership arrangements and shall be the sole authority to implement the divestiture of direct and indirect interests in state-owned enterprises.

Authority and  
functions  
of the  
Commission

(2) Without derogation from the generality of subsection (1), the Commission shall—

(a) facilitate the procurement of private sector investors in public-private partnership arrangements and other form of undertaking relating to public investments projects in Malawi;

(b) implement divestitures in direct or indirect Government ownership of, or interest in, any state-owned enterprise; and

(c) provide technical support to Contracting Authorities in the identification, initiation and development of public-private partnership arrangements.

(3) The functions of the Commission in relation to public-private partnerships shall be—

(a) to perform pre-feasibility and viability assessment in conjunction with a Contracting Authority, of a project submitted to it and give its recommendations to the Cabinet through the Minister, as to whether the project—

(i) is affordable to the Government, the Contracting Authority and ultimate users;

- (ii) delivers value for money; and
- (iii) presents optimum transfer of technical, operational and financial risks to the private party;
- (b) in conjunction with a Contracting Authority, conduct full legal technical and financial feasibility studies on public-private partnership projects;
- (c) planning, managing the procurement tender process from receipt of expressions of interest to selection of a preferred Partner and negotiations of the contract with the Partner;
- (d) appropriate bidding documentation including the draft public-private partnership agreement, confidentiality undertakings, requests for proposal, and ensure that the requests for proposal conforms with the project model approved during the feasibility study stage;
- (e) to advise the Minister on administrative procedures in relation to public-private partnership projects;
- (f) to develop best practice guidelines in relation to all aspects of public-private partnerships;
- (g) to propose to the Minister policy considerations in relation to accelerating bankable public-private partnership projects;
- (h) to build public-private partnership awareness in the country;
- (i) generally facilitate the implementation of public-private partnerships in Malawi from project identification to procurement of a Partner;
- (j) to implement the public-private partnership programme in accordance with the policy guidelines approved by the Cabinet;
- (k) to advise the Minister responsible for finance of what, in the opinion of the Commission, are the optimal means of financing the cost of public investment projects in order to achieve value for money;
- (l) to implement public-private partnership arrangements in accordance with this Act and any regulations made hereunder;
- (m) to provide advice to any Contracting Authority on all aspects of financing, refinancing and insurance of public investment projects to be duly undertaken by means of public-private partnership arrangements; and
- (n) to monitor progress of the implementation of public-private partnership arrangements in Malawi and report the same to the Cabinet through the Minister, on a regular basis, in any case no less frequently than on a quarterly basis.



(4) The functions of the Commission in relation to divestiture of state-owned enterprises shall be—

(a) to prepare an annual working plan, annual budget, and a Corporate Strategic Plan;

(b) to oversee all aspects of private sector participation in state-owned enterprises and infrastructure;

(c) to monitor the impact and progress of the divestiture programme and to prepare the long-term divestiture sequence plan in relation to enterprises designated for divestiture and submit such plan to the Cabinet through the Minister for approval;

(d) to report the sale of each state-owned enterprise to the Cabinet, through the Minister, specifying the method of sale used and the reasons why such method was considered appropriate, the proceeds realized and other particulars;

(e) to carry out or cause to be carried out an assessment of the market value of the state-owned enterprise that is to be divested;

(f) subject to any existing rights, to ensure that the divestiture of each state-owned enterprise is carried out according to the following principles, that is to say, that—

(i) each transaction is fully transparent to the public at large;

(ii) participation is competitive by making it open to all investors;

(iii) the process is fair and efficient;

(iv) the transaction is such as to reduce concentration of ownership and marketing;

(g) to set pre-qualification criteria for the selection of potential buyers of, or investors in, a state-owned enterprise to be divested, and evaluate offers from them, in accordance with such criteria, with regard to—

(i) the ability and commitment of buyers to develop the enterprise;

(ii) the track record of buyers and their expertise in the type of enterprise on offer; and

(iii) the price;

(h) to ensure that monopolies are not created nor maintained in the process of divestiture in relation to consumer markets; but so, however, that concentrated production does not in itself constitute a monopoly for the purposes of this Act;

(i) to prepare or cause to be prepared the relevant documentation necessary to effect the divestiture of any state-owned enterprise;

(j) to seek potential investors in state-owned enterprises;

(k) to maintain records, safeguard information and establish such administrative procedures as shall ensure confidentiality of information;

(l) to maintain close liaison with all relevant institutions in the process of divestiture;

(m) to publicise activities of the divestiture programme; and

(n) to do all such things as are necessary or incidental or conducive to the better carrying out of the functions of the Commission specified in this Act.

(5) The Commission shall have all such other powers as are necessary or expedient for the performance of its functions, including the engagement from time to time of consultants and advisers and other service providers.

(6) In carrying out its functions, the Commission shall comply with all guidelines and instructions that the Minister may, from time to time, issue to the Commission.

(7) In the discharge of its functions, the Commission shall at all times exercise due care, skill, prudence and diligence, and act in the utmost good faith.

(8) Any recommendation or report by the Commission to the Cabinet under this Act shall be submitted through the Minister.

Provision  
of advice

9.—(1) In providing advice under this Act, the Commission shall have regard to—

(a) such policy directions as the Minister may issue for the purposes of this paragraph to Contracting Authorities from time to time in relation to the financing of public investment projects; and

(b) such policy guidance as the Minister may issue for the purposes of this paragraph to Contracting Authorities from time to time in relation to the process, procedures and regulations generally of public-private partnership arrangements.

(2) The Minister shall cause a copy of every policy direction and policy guidance issued under subsection (1) to be sent to the Commission.

(3) The provision of advice by the Commission under this Act may include, where appropriate, advice as regards the engaging of consultancy services across the range of technical and other relevant expertise necessary to undertake such projects.

(4) Subject to any guidelines that the Minister may, from time to time, issue for the purposes of this section and other provisions of this Act in respect of public investment projects, including—



- (a) the type of projects;
- (b) the size of the project;
- (c) the stage of development of the project; and
- (d) any other relevant factors that shall determine projects of which the Commission's advice and involvement shall be sought,

a Contracting Authority shall—

- (a) seek the advice of the Commission as soon as is practicable before undertaking a public investment project; and
- (b) on the basis of a pre-feasibility assessment, evaluate the feasibility of a public-private partnership approach in implementing the project.

10.—(1) Subject to the other provisions of this Act, the Commission may regulate its own procedure.

Proceedings  
of the  
Commission

(2) The Commission shall meet for the transaction of business at least once every three months at such places and at such times as the Chairman may determine.

(3) A special meeting of the Commission may be called by the Chairman upon written notice of not less than seven days received from any member of the Commission and shall be called if at least four members so request in writing:

Provided that if the urgency of any particular matter does not permit the giving of such notice, a special meeting may be called upon giving a shorter notice.

(4) Half of the members of the Commission shall form the quorum of any meeting of the Commission.

(5) There shall preside at any meeting of the Commission—

- (a) the Chairman;
- (b) in the absence of the Chairman such member as the Chairman may designate or such member as the members present and forming a quorum may elect from among their number for the purpose of that meeting.

(6) The decision of the Commission on any matter before any meeting shall be that of the majority of the members present and voting at the meeting and, in the event of an equality of votes, the person presiding shall have a casting vote in addition to that person's deliberative vote.

(7) No member of the Commission shall attend to the business of the member's office by representation, and where a member is unable to attend any meeting of the Commission, the member may

request that the member's apologies for failure to attend be recorded.

Committees  
of the  
Commission

**11.—**(1) The Commission may, for the purpose of performing its functions under this Act, establish committees and delegate to any such committee such of its functions as it considers necessary, and the Commission may appoint as members of a committee established under this subsection persons who are or are not members of the Commission and such persons shall hold office for such period as the Commission may determine.

(2) Subject to any special or general directions of the Commission, any committee established under this section may regulate its own procedure.

Minutes of  
meetings

**12.** The Commission shall cause minutes to be kept of the proceedings of every meeting of the Commission and of every meeting of a committee of the Commission.

Disclosure  
of interest

**13.** If any member is present at a meeting of the Commission or of any committee of the Commission at which any matter which is the subject of consideration is a matter in which that person or that person's immediate family member, or that person's professional or business partner is directly or indirectly interested in a private or professional capacity, the person shall, as soon as is practicable after the commencement of the meeting, disclose such interest and, unless the Commission or the committee otherwise directs, that person shall not take part in any consideration or discussion of, or vote on, any question touching on such matter.

Co-opted  
persons

**14.—**(1) The Commission may in its discretion at any time and for any period invite any person, and the Minister may in like manner nominate any officer in the public service, to attend any meeting of the Commission or of any of its committees and take part in the deliberations of the meeting, but such person or officer shall not be entitled to vote at the meeting.

(2) Section 13 shall apply, *mutatis mutandis*, to a person or an officer attending a meeting of the Commission pursuant to subsection (1).

#### PART IV—SECRETARIAT

Secretariat  
of the  
Commission

**15.** The Secretariat of the Commission shall consist of the Chief Executive Officer and other employees of the Commission appointed under this Part.

Chief Executive  
Officer of the  
Commission

**16.—**(1) The Commission shall appoint, on such terms and conditions as it may determine with the approval of the Minister, a Chief Executive Officer.



(2) The Chief Executive Officer shall perform such duties as the Commission shall assign to that office and ensure the effective administration and implementation of the provision of this Act.

(3) Without derogation from the generality of the responsibilities and duties of the Chief Executive Officer conferred under subsection (2), the duties of the Chief Executive Officer shall include the following—

(a) to formulate and submit to the Commission proposals and recommendations including programme strategies, selection criteria and annual targets for—

- (i) public-private partnership arrangements;
- (ii) financing of public-private partnership projects; and
- (iii) divestiture and reform of state-owned enterprises;

(b) to prepare and update a database of state-owned enterprises that are subject to divestiture;

(c) to establish operational guidelines and transparent procedures and carry out studies for implementation of—

- (i) public-private partnership arrangements;
- (ii) financing of public-private partnership projects; and
- (iii) the divestiture and reform of state-owned enterprises;

(d) to ensure that the functions of the Commission are being performed effectively;

(e) to prepare for approval by the Commission, the strategic objectives and targets to be met by the Commission; and

(f) any other function and duties as the Commission may assign to him from time to time for the purposes of the implementation of the Act.

(4) The Chief Executive Officer or, in the Chief Executive Officer's absence, such other officer of the Commission as the Chief Executive Officer may designate, shall attend meetings of the Commission and may address such meetings, but shall not vote on any matter:

Provided that the person presiding at any meeting of the Commission may, for good cause, require the Chief Executive Officer or such other officer to withdraw from such meeting.

(5) Section 13 shall apply, *mutatis mutandis*, to the Chief Executive Officer and to such other officer referred to in this section.

17. The Commission may delegate to the Chief Executive Officer the employment, on such terms and conditions as the Other employees

Commission may determine, such other employees, subordinate to the Chief Executive Officer, as the Commission considers necessary for the performance of the Chief Executive Officer's functions and to assist the Chief Executive Officer in the discharge of the Chief Executive Officer's duties and responsibilities.

Disclosure of  
interest by  
employees,  
etc

**18.—**(1) An employee of the Commission or a consultant to the Commission who, or whose spouse, is directly or indirectly interested in a private or professional or official capacity in any matter relating to the divestiture programme or public-private partnership arrangement shall be required to disclose such interest.

(2) A disclosure of interest made under this section shall be made to the Chief Executive Officer who shall take such decision as the Chief Executive Officer considers appropriate in each case and submit a report thereon to the Commission.

Oath of  
secrecy

**19. Every—**

- (a) member of the Commission;
- (b) member of a committee of the Commission;
- (c) employee of the Commission;
- (d) consultant in the service of the Commission,

shall take such oath of secrecy as may be approved by the Commission or as may otherwise be prescribed under this Act.

Prohibition of  
publication or  
disclosure of  
information by  
unauthorized  
persons

**20.—**(1) No person shall, without the consent in writing given by or on behalf of the Commission, publish or disclose to any person, otherwise than in the course of the person's duties, the contents of any document, communication or information which relates to, and which has come to the person's knowledge in the course of the person's duties under this Act.

(2) Any person who knowingly contravenes the provision of subsection (1) commits an offence.

#### PART V—PUBLIC-PRIVATE PARTNERSHIP ARRANGEMENTS

Special purpose  
vehicle or  
joint venture

**21.—**(1) The public-private partnership arrangement may be implemented through a Special Purpose Vehicle incorporated under the Companies Act specifically for this purpose or it may be through a Joint Venture agreement between the Contracting Authority and the private Partner:

Provided that the Joint Venture provisions may be incorporated into the public-private partnership agreement.

(2) The Shareholders of the Special Purpose Vehicle shall be the Minister responsible for Finance and the private Partner and the two must enter into a Shareholders agreement the terms of which must be as prescribed by the Minister.



22.—(1) Notwithstanding any other enactment but subject to this Act, a Contracting Authority, if authorized by the Minister, may enter into an agreement with a Partner for the performance of one or more of the functions of that Contracting Authority.

Public-Private  
Partnership  
agreement

(2) Every Agreement shall—

(a) identify the responsibilities of the Contracting Authority and the Partner;

(b) specify the relevant financial terms;

(c) ensure the management of performance of the Partner;

(d) provide for the return of assets, if any and where applicable, to the Contracting Authority, at the termination or expiry of the agreement, in such manner as may be provided for in the Agreement;

(e) provide for the optimal sharing of risks between the Contracting Authority and the Partner;

(f) provide for the payment to the Partner by way of compensation from revenue or charges or fees collected by the Partner from users or customers of a service provided by it;

(g) provide for its duration; and

(h) contain such other information as may be prescribed.

(3) Every agreement shall be governed by and construed in accordance with the Laws of Malawi.

(4) Every agreement shall provide for disputes between the Partner and the Contracting Authority to be settled by exhausting alternative dispute resolutions mechanisms such as mediation, failing which matters will go for arbitration, according to the rules defined in the Agreement.

23.—(1) Without prejudice to the functions of a Contracting Authority under any written law, the Commission or a Contracting Authority, with the support of the Commission, may, either itself or in conjunction with any other person or another Contracting Authority—

Functions of a  
Contracting  
Authority

(a) identify, appraise, develop and monitor a project to be implemented under this Act;

(b) undertake or cause to be undertaken a feasibility study where it considers that a project may be implemented under a public-private partnership agreement;

(c) submit the feasibility study to the Minister responsible for Finance through the Commission for its approval;

(d) enter into a public-private partnership arrangement with a Partner, subject to the approval of the Minister responsible for finance and the Minister, for the performance of functions of the Contracting Authority specified in the arrangement in relation to—

(i) the design and construction of an infrastructure facility, together with the operation of services relating to it and the provision of finance, if required, for such design, construction and operation; and

(ii) the provision of services relating to an infrastructure facility and the provision of finance, if required, for such service;

(e) subject to subsection (4), arrange or provide for a payment to a Partner;

(f) transfer an interest, or part of an interest, of the Contracting Authority in an infrastructure facility or part of an infrastructure facility, to the Partner, or, subject to the prior consent of the appropriate Minister or, if the Contracting Authority is a ministry, subject to the consent of the Minister, to a nominee of the Partner by transfer, assignment, conveyance, grant of lease or licence or otherwise; and

(g) take a transfer of an interest of the Partner or a nominee of the Partner, in an infrastructure facility or part of an infrastructure facility, by transfer, assignment, conveyance, grant or surrender of lease or licence or otherwise.

(2) Subject to subsections (3) and (4), the Contracting Authority may, whether or not for consideration, transfer, convey or assign its interest in any real or person property, including leasehold owned or held by such Contracting Authority to a company formed under section 21 for the purpose of enabling such a company to carry out its financing functions in connection with public investment projects.

(3) A Contracting Authority shall not convey, assign or transfer any property under subsection (2) to any such company unless the consent of the Minister and the appropriate Minister has been obtained.

(4) A Contracting Authority may, with the approval of the Minister, attach such terms and conditions as it considers appropriate to any transfer, conveyance or assignment pursuant to subsection (1).

(5) A public-private partnership arrangement may include terms and conditions in relation to the performance by the Partner



concerned of the Partner's obligations under the arrangement as agreed by the Contracting Authority.

(6)—(a) Where a payment is arranged or provided for pursuant to section 21, the Minister responsible for finance may, at any time until entry into the public-private partnership arrangement by the Contracting Authority, give directions to the appropriate Minister in relation to the aggregate value of the moneys committed to such arrangements, as the Minister considers necessary; and

(b) the appropriate Minister shall, in performing his functions, have regard to any directions given by the Minister responsible for finance under this section.

(7) Functions conferred on a Contracting Authority by this section shall be in addition to, and not in substitution for, any other functions of the Contracting Authority.

(8) The public-private partnership arrangements undertaken pursuant to the provisions of this Act shall be carried out based on the principles of fairness, transparency and accountability.

(9) The Contracting Authority shall ensure that risks and associated benefits of the public-private partnership arrangements are allocated to parties that are best placed to manage them.

24.—(1) A public-private partnership arrangement shall, whilst it is in force, operate to confer on the Partner concerned, the functions of the Contracting Authority specified in the arrangement, subject to any terms and conditions so specified. Additional powers

(2) A function conferred on a Partner by a public-private partnership arrangement—

(a) may be performed by the Partner in the Partner's own name, subject to the general superintendence and control of the Contracting Authority concerned; and s

(b) shall, notwithstanding such arrangement, continue to be vested in the Contracting Authority concerned concurrently with the Partner and may be performed by either or both of them.

(3) The conferral of a function of a Minister on a Partner by a public-private partnership arrangement shall not affect the Minister's responsibility to Parliament or as a member of the Government for the performance of the function.

(4) In this section, "functions", in relation to a Contracting Authority, includes functions of any other Contracting Authority to be performed by it pursuant to an agreement or arrangement duly made by it with that other Authority.

Types of  
infrastructure  
facilities and  
service

**25.—**(1) A Contracting Authority, where authorized by the Cabinet, may enter into a public-private partnership arrangements for the delivery of infrastructure and services within the scope of Government's key priority areas aimed at achieving sustainable economic growth and social development.

(2) Without delogating from the generality of subsection (1), the key priority areas include—

- (a) agriculture and food security;
- (b) energy, industrial development, mining and tourism;
- (c) transport infrastructure and inland ports;
- (d) education, science and technology;
- (e) public health, sanitation, malaria and HIV/AIDS management;
- (f) integrated rural development;
- (g) greenbelt irrigation and water development;
- (h) child development, youth development and empowerment;
- (i) climate change, natural resources and environmental management; and

(j) any other type of infrastructure and services as the Minister may, from time to time, designate by notice published in the *Gazette*.

(2) In the implementation of public-private partnership arrangements listed in subsection (1), the Commission may use any or a combination of the following modes of private sector involvement—

- (a) Build Own Operate Transfer;
- (b) Build Own Transfer;
- (c) Build Own Operate;
- (d) Design Finance Refurbish Operate Transfer;
- (e) Design Finance Build Operate Transfer;
- (f) Concession or Leases; and
- (g) any other mode as the Commission shall determine.

#### PART VI—PROCEDURES FOR AWARDED CONTRACTS

Feasibility  
study for  
public-private  
partnership

**26.—**(1) Every Contracting Authority shall, through the Commission or by itself if authorized by the Commission undertake or cause to be undertaken a feasibility study where it considers that a project may be implemented under an agreement to assess whether the proposed project is feasible as a public-private partnership project.



(2) The feasibility study shall—

(a) demonstrate comparative advantage in terms of strategic and operational benefits for implementation under a public-private partnership agreement;

(b) describe in specific terms—

(i) the nature of the Contracting Authority's functions, the specific functions to be considered in relation to the project, and the expected inputs and deliverables;

(ii) the extent to which those functions can lawfully and effectively be performed by a Partner in terms of an agreement; and

(iii) the most appropriate form by which the Contracting Authority may implement the project under an agreement;

(c) demonstrate that the agreement shall—

(i) be affordable to the Contracting Authority;

(ii) deliver value for money; and

(iii) transfer appropriate technical, operational or financial risk to the Partner; and

(d) explain the capacity of the Contracting Authority to effectively enforce the agreement, including the ability to monitor and regulate project implementation and the performance of the Partner in terms of the agreement.

27.—(1) The Commission shall consider carrying out a pre-qualification exercise to select potential bidders or may delegate its powers under this subsection to the Contracting Authority where the Commission considers that the Contracting Authority has the necessary expertise to undertake the pre-qualification exercise. Pre-selection  
of bidders

(2) The invitation to bidders to submit bids shall be done through the request for proposal document which shall be prepared by the Commission and shall include a public invitation for bidders to submit bids.

(3) In the exercise of its powers under this section the Commission shall strive for the highest standard of equity by ensuring that all bidders are afforded equal opportunity and are treated fairly.

28.—(1) The request for proposals shall clearly set out the evaluation criteria which shall form the basis for selection of a preferred bidder. Evaluation  
criteria

(2) Bids shall be evaluated by the Commission.

Contract  
award for  
public-private  
partnership

**29.—**(1) The public-private partnership contract may be concluded solely on the basis of a decision by the Commission having secured clearance from the Minister responsible for finance and the consent obtained from the Minister to the final draft contract.

(2) Where the Commission has delegated its function to the Contracting Authority, the Contracting Authority shall submit to the Commission for approval the final draft of the public-private partnership contract, including all the annexes thereto, evaluation reports prior to reaching a decision on the selection of a Partner.

(3) Within thirty days from the date of receipt of the final draft contract referred to in subsection (1) the Commission shall reach the decision on the granting of consent to the text of the draft contract.

(4) The Commission shall issue the decision referred to in subsection (2) on the basis of the assessment of compliance of the draft contract with the tender documents and the provisions of this Act and the Regulations made thereunder.

(5) Any amendments to a concluded public-private partnership contract, whereby the rights and obligations of the parties to the contract are being modified, shall be made according to a procedure that is in line with the provisions of this Act.

Register of  
public-private  
partnership  
contracts

**30.—**(1) The Contracting Authority shall submit to the Commission the concluded public-private partnership contract with all annexes, including changes to the contract and annexes thereto in the period that the Minister shall set.

(2) The concluded public-private partnership contract with all annexes thereto which are its integral part, and all changes to the contract and annexes thereto, shall be entered in the Register which is kept by the Commission.

Unsolicited  
bids

**31.—**(1) Any unsolicited bid or expression of interest for a public-private partnership by a prospective private Partner to a Contracting Authority shall be referred to the Commission and shall not be responded to by the Contracting Authority.

(2) Once the Commission receives the unsolicited bid or expression of interest, it shall consult with the relevant Contracting Authority for a preliminary assessment whether the public-private partnership of the type proposed is acceptable or not.

(3) If the assessment and consultation in subsection (2) determines that the public-private partnership type is acceptable, the Commission shall seek the approval of the Cabinet to conduct a



feasibility study, and the unsolicited bidder shall be informed that bidders including the unsolicited bidder shall be invited to bid for the public-private partnership in accordance with the procedure laid down in this Act.

(4) If however the assessment and consultation in subsection (2) above determines that the public-private partnership being proposed is unacceptable the Commission shall advise the unsolicited bidder accordingly.

#### PART VII—DIVESTITURE AND COMMERCIALIZATION

**32.** A state-owned enterprise shall be divested in accordance with the divestiture sequence plan or as the Cabinet may otherwise determine through the Minister.

Divestiture of  
state-owned  
enterprises

**33.** In any agreement for the sale of a state-owned enterprise, the parties may agree that the Minister responsible for Finance may retain, or at any time after the date of the agreement acquire, a share in the divested enterprise, which share shall confer special rights to enable the Government in the national interest to intervene in the operations of the enterprise where such intervention is necessitated by the specific actions or undertakings of the enterprise.

Special rights  
of the  
Government

**34.** The shares of a state-owned enterprise shall be allotted by the Commission.

Allotment  
of shares

**35.** The shareholders in any state-owned enterprise, when so requested by the Commission, shall provide to the Commission such information as the Commission may reasonably require, subject to any prohibition or restrictions contained in any written law on the provision of such information.

Obligations of  
shareholders

**36.—(1)** A state-owned enterprise scheduled for divestiture, and in which there is no private ownership, shall—

Obligations of  
state-owned  
enterprises

(a) carry out any recommendations, made by the Commission, for preparing the enterprise for divestiture;

(b) keep up to-date all business records and books of accounts;

(c) make available to the Commission its manpower development, investment or financing plan if any has been developed;

(d) prepare the accounts and a financial statement of the enterprise for every financial year and cause them to be audited not later than four months after each financial year;

(e) maintain a register of its fixed assets, which register shall be reconciled with the financial statement;

(f) not perform any action that would result in the assets of the company being dissipated;

(g) not undertake any new capital investment programmes, unless a project appraisal report approved by the Commission, is prepared showing that—

(i) routine plant, equipment and vehicle renewal is required;

(ii) rehabilitation expenditure is essential to keep the operations of the state-owned enterprise running or to improve the marketability of the enterprise;

(iii) the new capital investment has a pay back period of less than two years;

(iv) the new capital investment will contribute to the promotion of export or import substitution; and

(v) the state-owned enterprise demonstrates that the new capital investment will not result in deterioration of its operations;

(h) as far as possible, establish and document all contractual, legal and other obligations;

(i) not give any person information which might give undue advantage to that person or to any potential investor; and

(j) if so requested by the Commission, disclose all of any information whatever about the enterprise.

(2) Any person who knowingly contravenes the provisions of subsection (1) commits an offence.

Modes of  
divestiture

**37.**—(1) The Commission may employ the following modes of divestiture—

(a) public offering of shares;

(b) private sale of shares through negotiated or competitive bids;

(c) offer for sale of additional shares in a state-owned enterprise to reduce Government share holding;

(d) sale of the assets and business of the state-owned enterprise;

(e) re-organization of the state-owned enterprise before the sale of the whole or any part of the enterprise;

(f) buy outs of a state-owned enterprise by management or employees in that enterprise; and

(g) any other method the Commission may consider appropriate.

(2) Save as may otherwise be provided in regulations made under this Act, the Commission shall ensure that each state-owned enterprise is sold at its market value.



38. The valuation of state-owned enterprises shall be performed by independent valuers who shall issue a certificate of valuation or an opinion of the value. Valuation of state-owned enterprises
39. The shares in a state-owned enterprise shall be liable to be sold to any person whether or not such person is a citizen of Malawi. That notwithstanding, the Commission will make every effort to encourage Malawian participation in state-owned enterprise through various schemes approved by the Minister. Eligible shares to members
40. No member of the Cabinet or of the Commission or of a committee of the Commission and no employee of the Commission or consultant to the Commission or the spouse, child, mother, father, brother, sister or a professional or business partner or immediate family member thereof shall purchase shares or assets in a state-owned enterprise, unless the sale is by public offer of shares. Sales of shares to Members of Cabinet, etc.
41. An established fund may purchase shares in a state-owned enterprise on behalf of the contributors. Established funds
42. Where the purchasers are citizens of Malawi, shares may be offered at a discount which shall be in accordance with prescribed guidelines, and it shall be a condition of every sale of shares at a discount that the shares so purchased shall not be disposed of within two years of the date of purchase. Purchase of shares by citizens of Malawi
43. The shares of a state-owned enterprise shall not be sold on credit, unless otherwise prescribed by regulations made under this Act. Shares not to be sold on credit
- 44.—(1) The Commission shall appoint a competent negotiating team for each sale to act on behalf of the Commission. Negotiations of sale
- (2) A person appointed on the negotiating team shall—
- (a) have proper professional qualifications and experience and shall not be a person held in bad business standing;
- (b) take an oath of secrecy as approved by the Commission or as may be prescribed; and
- (c) disclose any personal or professional interest the person may have, whether direct or indirect, before accepting the appointment.
45. The Commission may convert a state-owned enterprise scheduled for divestiture, which is not a company, into a private or public company in accordance with the provisions of the Companies Act. Conversion of private companies to public companies  
Cap. 46:03
46. The Commission may liquidate a state-owned enterprise in accordance with the provisions of the Companies Act. Liquidation  
Cap. 46:03

Completion  
of sales

47.—(1) The final sales agreement to transfer shares in a state-owned enterprise to the successful bidder shall be signed by—

(a) the Minister responsible for finance or the Commission, where the shares sold were directly owned by the Government; or

(b) the respective shareholder, where the shares sold were not directly owned by the Government. ✓

Cap. 46:03

(2) The transfer of shares shall be in accordance with the provisions of the Companies Act.

(3) The final sale or transfer of assets-owned by a state-owned enterprise to the successful bidder shall be signed by the Commission on behalf of the state owned enterprise.

Commerciali-  
zation of  
specified  
Government  
departments

48.—(1) The Minister, in consultation with the Minister responsible for the Government department to be commercialized, may specify, by notice in the *Gazette*, any Government department for purposes of commercialization under this Act.

Cap. 46:03

(2) A specified Government department shall be incorporated under the Companies Act.

(3) A Government department specified under this section may, subject to the approval of the Minister responsible for Finance—

(a) fix its own rates, prices and charges for goods and services provided;

(b) capitalize assets; and

(c) borrow debenture stocks.

#### PART VIII—PUBLICATIONS, INFORMATION AND REPORTS

Publication  
and records  
of certain  
information

49.—(1) The Commission shall publish by notice in the *Gazette* and in at least two newspapers in general circulation in Malawi, or in any media, the names of the state-owned enterprises approved to be divested.

(2) The Commission shall keep and maintain proper records of—

(a) the names of the state-owned enterprises approved to be divested as published under subsection (1);

(b) public-private partnership arrangement transactions that have been undertaken;

(c) the registered consultants dealing with the divestiture process;

(d) the bidders and bid prices;

(e) the successful bidders and the reason for selecting such bidders;



(f) the cost of transactions and any other special conditions of the public-private partnership arrangement;

(g) the price of shares and any other special conditions of the sale of shares; and

(h) any other matters as the Commission may deem appropriate.

(3) Any person having or claiming to have an interest in a state-owned enterprise to be divested shall make a claim in writing to the Commission within a period of sixty days after the notice referred to in subsection (1) is published, and if the person fails to do so, the person shall be deemed to have relinquished all interests in the state-owned enterprise.

(4) The Commission may not be sued in relation to actions or debts incurred by state-owned enterprises.

(5) The Government shall be responsible for the debts and actions of state-owned enterprises.

**50.**—(1) Save as otherwise provided by law, a person shall not disclose confidential information obtained by that person while performing, or as a result of having performed, duties under this Act as—

Unauthorized persons not to publish or disclose information

(a) a member of the Commission;

(b) an employee of the Commission; or

(c) a consultant or an adviser to the Commission, or an employee of such person whilst performing duties relating to such advice or consultation, or obtained while in performance of a service contract, unless such person is duly authorized by the Commission to do so.

(2) A person who contravenes subsection (1) commits an offence and shall be liable, on conviction, to a fine of five hundred thousand Kwacha (K500,000) and to imprisonment for two years.

(3) Nothing in subsection (1) shall prevent disclosure of information to the Commission, the Chief Executive Officer or the Minister.

**51.**—(1) As soon as practicable, but not later than six months after the expiry of each financial year, the Commission shall submit to the Minister, a report concerning its activities with respect to public-private partnership arrangements or divestiture of state-owned enterprises during that financial year.

Annual reports

(2) The report referred to in subsection (1) shall be in such form as the Minister shall approve and shall include information on the

financial affairs of the Commission, and there shall be appended to the report—

- (a) an audited balance sheet;
- (b) an audited statement of income and expenditure; and
- (c) such other information as the Commission may consider appropriate or as the Minister may direct.

(3) The Minister shall, during the meeting of the National Assembly next following receipt by the Minister of the report referred to in subsection (1), lay the report before the National Assembly.

Public-private  
partnership  
arrangements  
report

**52.** The Commission may annually publish a report of public-private partnership arrangements to the public.

Progress  
reports

**53.** The Commission shall, every six months, at the end of June and at the end of December, produce a report on its activities during that period, giving details of bids received and selected and other particulars and shall publish the report for sale to the public.

#### PART IX—FINANCIAL PROVISIONS

Use of  
proceeds

**54.—(1)** Such amount of the proceeds of every sale of state-owned enterprises as the Minister shall determine with the advice of the Commission shall be paid into a fund to be known as the Divestiture Proceeds Account to be established by the Minister responsible for Finance and to be held at the Reserve Bank of Malawi or at such other bank or place as that Minister, on the advice of the Commission, may direct.

(2) With the prior approval of the Minister responsible for Finance, the funds held on the Divestiture Proceeds Account may be used for—

- (a) funding the Commission;
- (b) funding the cost of divestiture under this Act;
- (c) funding the cost of public-private partnership development;
- (d) funding the restructuring of public enterprise to be divested or commercialized;
- (e) supporting payments for retrenchment, redundancy or other form of lay-off resulting from divestiture processes under this Act;
- (f) funding of any project within the Government development plans.



**55.**—(1) The funds of the Commission shall consist of such moneys as may— Funds of the Commission

(a) be appropriated by Parliament for the purposes of the Commission;

(b) be paid to the Commission by way of grants or donations or otherwise received by the Commission;

(c) be retained by the Commission out of the proceeds of sales of state-owned enterprises as may be approved by the Minister responsible for Finance;

(d) be received by the Commission under subsection (2);

(e) constitute proceeds of the sales of the annual progress reports of the Commission; and

(f) otherwise vest in or accrue to the Commission.

(2) The Commission may charge and collect fees in respect of programmes, publications, seminars, documents, consultancy services and other services provided by the Commission.

(3) The Commission may invest in such manner as it thinks fit such of its funds as it does not immediately require for the performance of its functions.

**56.**—(1) The Commission may—

(a) accept money by way of grants or donations from any source in or outside Malawi: Funds for public-private partnership development

Provided that such source and their principals, immediate family members, related entities, representatives or affiliated parties of any type, have not participated directly or indirectly in any public-private partnership arrangement or divestiture of state-owned enterprise in Malawi.

(b) subject to the approval of the Minister and the Minister responsible for Finance, raise, by way of loans from any source in or outside Malawi, such money as it may require for the discharge of its functions:

Provided that such source shall comply with the restraints in paragraph (a) above; and

(c) charge and collect fees in respect of programmes, facilitating public-private partnership arrangements, publications, seminars, documents, consultancy services and other services provided by the Commission.

(2) The Commission may invest in such manner as it thinks fit such of its funds as it does not immediately require for the performance of its functions.

Raising  
resources for  
public-private  
partnership  
arrangements

**57.**—(1) Subject to subsection (2) and to such guidelines as the Minister may issue, the Commission may from time to time raise money for purposes of public-private partnership arrangements.

(2) The combined net aggregate of the principal of all moneys raised and outstanding by the Commission and any companies formed under section 8 shall not exceed such total sum as the Minister may, from time to time, set and publish by notice in the *Gazette*.

Minister  
may make  
available  
moneys  
from the  
Consolidated  
Fund  
Cap. 37:02

**58.** Subject to the provisions of the Public Finance Management Act, the Minister responsible for finance may make available moneys from the Consolidated Fund to the Commission or a company formed under section 8 on such terms and conditions as the Minister may determine.

Commission  
or Contracting  
Authority to  
keep record  
of cost of  
transaction

**59.** To the extent possible, the Commission or the Contracting Authority, as the case may be, shall prepare a statement of its costs up to and including closing related to a particular public-private partnership arrangement, in addition to anticipated post-transaction costs based on the obligations and commitments of the Contracting Authority entering into such a public-private partnership arrangement.

Financial  
Year

**60.** The financial year of the Commission shall be the period of twelve months ending on 30th June in each year or on such other date as the Minister may specify by Order published in the *Gazette*.

Accounts

**61.**—(1) The Commission shall cause to be kept proper books of accounts and other records relating to its accounts.

(2) The accounts of the Commission shall be audited annually by independent auditors appointed by the Commission and approved by the Minister.

Annual  
Financial  
Report

**62.**—(1) As soon as practicable, but not later than six months after the expiry of each financial year, the Commission shall submit to the Minister a report concerning its activities during that financial year.

(2) The report referred to in subsection (1) shall be in such form as the Minister shall approve and shall include information on the financial affairs of the Commission, and there shall be appended to the report—

(a) an audited balance sheet;

(b) an audited statement of income and expenditure; and

(c) such other information as the Commission may consider appropriate or as the Minister may direct.



(3) The Minister shall, during the meeting of the National Assembly next following receipt by the Minister of the report referred to in subsection (1), lay the report before the National Assembly, but otherwise the Commission may publish the report for sale to the public.

#### PART X—MISCELLANEOUS PROVISION

**63.—**(1) A person who communicates with a member of the Commission, the Chief Executive Officer, an employee of the Commission, a consultant, or an adviser or other person engaged by the Commission, for the purpose of influencing improperly that person's consideration of any matter which falls to be considered or decided by the Commission, commits an offence.

Prohibition  
against  
exerting undue  
influence  
on officers

(2) If a person referred to in subsection (1) to whom a communication is made of the opinion that the communication may be in contravention of subsection (1), it shall be the duty of that person not to entertain the communication further and the person shall inform the Chairman of the Commission forthwith of the substance of such communication, and the Chairman shall acknowledge, in writing, receipt of such information.

**64.—**(1) Any dispute between—

Settlement  
of disputes

(a) an investor and the Commission arising from the divestiture process;

(b) an investor, a Partner, a Contracting Authority and the Commission arising from or relating to a public-private partnership arrangement,

shall be settled through negotiation, mediation, or, by arbitration in accordance with the Arbitration Act.

Cap. 6:03

**65.—**(1) A person who knowingly—

Falsification  
of information

(a) falsifies any information;

(b) does not disclose any material facts when lawfully required to do so; and

(c) solicits for use by any person not authorized under this Act any confidential information, relating to the divestiture of a state-owned enterprise, commits an offence.

(2) A person convicted of an offence under subsection (1) shall not thereafter be eligible to participate in any public sector investment programme in Malawi.

Administrative  
penalties

**66.**—(1) If the Commission is satisfied on reasonable grounds that a person has contravened this Act or regulations made under it, the Commission may impose administrative penalties on the person by doing one or more of the following—

- (a) giving the person a written warning;
- (b) directing the person to do a specified act, or refrain from doing a specified act, for one or more of the following purposes—
  - (i) to remedy the effects of the contravention;
  - (ii) to compensate persons who have suffered loss because of the contravention;
  - (iii) to ensure that the person does not commit further contraventions;
- (c) requiring the person to pay a monetary penalty as may be prescribed by the Minister.

(2) Without limiting subsection (1) (b), a direction may require the establishment of compliance programmes, corrective advertising or, in the case of a direction to a corporation, changes in the management of the institution.

(3) A person on whom an administrative penalty has been imposed and who fails or refuses to comply with the administrative penalty commits an offence and, on conviction, shall be liable to a fine of one million Kwacha (K1,000,000) and to four years imprisonment.

(4) Where the administrative penalty imposed by the Commission is a monetary penalty and the person on whom the monetary penalty has been imposed does not pay for a period of more than thirty days from the date of first demand in writing by the Commission, the amount in respect of the monetary penalty shall be recoverable by the Commission as a civil debt.

General  
penalties

**67.**—(1) A person convicted of an offence under this Act, for which no penalty has been specified, shall be liable to a fine not exceeding one million Kwacha (K1,000,000) and to imprisonment for four years.

(2) Where a body corporate is convicted of an offence under this Act, the court may, if the court thinks fit, impose a pecuniary penalty not exceeding an amount equal to five years times the amount of the maximum pecuniary penalty that could be imposed by the court on an individual convicted of the same offence.



68. The Minister may, on the advice of the Commission, make Regulations regulations for carrying out or giving effect to the provisions of this Act, and without prejudice to the generality of the foregoing, such regulations may prescribe—

(a) the structure or general description of the structure of the partnership;

(b) capitalization requirements;

(c) debt level limitations;

(d) operating conditions;

(e) conditions as to the standard of maintenance and performance standards during the operation of the public-private partnership;

(f) conditions as to the transfer of ownership of any assets or liabilities to the State or a municipality, including inspection and valuation processes;

(g) conditions as to the transfer of risk to the Partner;

(h) conditions as to fixed or variable subsidy levels;

(i) conditions as to the need for performance bonds or guarantees from any party, its parent company or any other person;

(j) the level or kind of local involvement that is expected or preferred; and whether any concessions might be made in return for local involvement;

(k) conditions as to the step-in rights of the Government or any lender, which may include service level requirements;

(l) dispute resolution processes;

(m) circumstances in which the public-private partnership may be determined by the Government and the consequences of that termination;

(n) conditions that must be met before any part of the public-private partnership may become operative or before charges may be imposed for use of any infrastructure or services provided by the public-private partnership;

(o) tender procedures;

(p) public floatation procedures;

(q) pre-qualification and registration of bidders procedures

(r) public announcement requirements;

(s) negotiation guidelines;

(t) final sale or transaction monitoring guidelines;

(u) pre- and post-transaction audit requirements;

(v) approach to, and procedures for, dealing with unsolicited proposals and direct negotiations for selection of the private sector;

(w) risk sharing framework between a Contracting Authority and a Partner in a public-private partnership arrangement;

(x) any forms and anything required to be prescribed under, or for the purposes of this Act; and

(y) such other matters as are necessary or conducive for the better carrying out of this Act.

Oversight of  
public-private  
partnership  
arrangements  
by regulators

**69.**—(1) The respective responsible sector regulators shall, in consultation with the Commission, subject public-private partnership arrangements to consistent regulation to ensure that the public-private partnership arrangements are being managed such a way that they are achieving the purpose for which they were established and are giving acceptable returns.

(2) The appropriate Minister shall ensure that sector regulations are effective and impartial in order to promote public-private partnerships.

Guidelines,  
policy  
directives or  
objectives

**70.** The Minister may, on the advice of the Commission and with the approval of the Cabinet, from time to time, issue policy directions prescribing further objectives and forms of public-private partnership arrangements and the guidelines to be followed for the proper and effective implementation of the provisions of this Act, and such objectives or guidelines shall be valid for all purposes unless inconsistent with this Act and only on the extent of the inconsistency.

#### PART XI—TRANSITIONAL PROVISIONS, REPEAL AND SAVINGS

Savings of  
existing  
agreements  
and  
arrangements

**71.** Subject to section 74, where an agreement or arrangement was entered into on a date before the commencement of this Act, and that agreement or arrangement would have been a public-private partnership arrangement or direct agreement if this Act had been in operation on such a date, then the agreement or arrangement, as the case may be, shall have effect and be taken always to have had effect as if this Act was in operation when the arrangement or agreement was entered into.

Existing  
public-private  
partnership  
arrangements

**72.** Any public-private partnership arrangement of any Contracting Authority effected at any time before the commencement of this Act shall comply with the provisions of this Act within twelve months from the commencement of this Act.



73.—(1) Any property procured or acquired by the Privatization Commission shall vest in the Commission.

Vesting of  
assets of the  
Privatization  
Commission

(2) On or after the appointed date, there shall be transferred to, and vested in, or subsisted against, the Commission by virtue of this Act and without further assurance—

(a) the affairs of the Privatization Commission; and

(b) subject to this Act, all property, rights and obligations which immediately before the appointed date were the property, rights and obligations of the Privatization Commission.

(3) Except as provided in this Act, every deed, bond and agreement (other than an agreement for personal service) to which the Privatization Commission was a party immediately before the appointed date, whether in writing or not, and whether or not of such nature that rights, liabilities and obligations thereunder could be assigned, shall, unless its subject matter or terms make it impossible that it should have effect as modified in the manner provided by this subsection, have effect from the date of the assignment thereof, as if—

(a) the Commission had been a party thereto;

(b) for any reference to the Privatization Commission there were substituted, as regards anything falling to be done on or after the appointed date, a reference to the Commission; and

(c) for any reference to any officer of the Privatization Commission not being a party thereto and beneficially interested therein there were substituted, as regards anything falling to be done on or after the appointed date, or reference to such officer of the Commission as the Commission shall designate.

(4) Subject to the provisions of subsection (2), documents, other than those referred to therein, which refer specifically or generally to the Privatization Commission shall be construed in accordance with subsection (2) as far as applicable.

(5) For the purposes of this Part—

“Privatization Commission” means the Privatization Commission established under the Public Enterprises (Privatization) Act.

Cap. 46:07

74.—(1) Where under this Act, any property, rights, liabilities and obligations of the Privatization Commission are deemed to have been transferred to the Commission in respect of which transfer a written law provides for registration, the Commission shall make an application in writing to the appropriate authority for registration of such transfer.

Registration of  
property to be  
transferred  
by the  
Privatization  
Commission

(2) The registration authority referred to in subsection (1) shall make such entries in the appropriate register as shall give effect to such transfer and, where applicable, issue to the transferee concerned a certificate of title in respect of the property or make necessary amendments to the register, as the case may be, and shall make endorsement on the deeds relating to the title, right or obligation concerned, and no registration fees, stamp duty or other duties shall be payable in respect thereof.

Legal  
proceedings

**75.—**(1) Without prejudice to the other provisions of this Act, where any right, liability or obligation vests in the Commission by virtue of this Act, the Commission and all other persons shall, as from the appointed date, have the same rights, powers and remedies (and in particular the same rights as to the instituting or defending of legal proceedings or the making or resisting of applications to any authority) for ascertaining, perfecting that right, liability or obligation as they would have had if it had at all times been a right, liability or obligation of the Commission.

(2) Any legal proceedings or application of any authority pending immediately before the appointed date by or against the Privatization Commission may be instituted by or against the Commission.

(3) After the appointed date, proceedings in respect of any right, liability or obligation which was vested in, held, enjoyed, incurred or suffered by the Privatization Commission may be instituted by or against the Commission.

Transfer of  
employees

**76.—**(1) Any person who immediately prior to the commencement of this Act is employed by the Privatization Commission shall be deemed to have been transferred to the employment of the Commission under the person's former terms and conditions of service, and for purposes of determining the person's rights thereunder, the service shall be regarded as being continuous from the time the person was appointed by the Privatization Commission.

(2) No employee of the Privatization Commission transferred to the Commission by virtue of this section shall be entitled to claim any payments merely by virtue of such transfer.

Repeal and  
savings

**77.—**(1) Subject to subsection (2), the Public Enterprises (Privatization) Act is hereby repealed.

Cap. 46:07

(2) Anything done in accordance with the Public Enterprises (Privatization) Act repealed by subsection (1), prior to the commencement of this Act and which may be done in accordance with the provisions of this Act, shall be deemed to have been done in accordance with this Act.



(3) Any subsidiary legislation made or deemed to have been made under Public Enterprises (Privatization) Act repealed by subsection (1) in force immediately before the commencement of this Act— Cap. 46:07

(a) shall remain in force, unless in conflict with this Act, and shall be deemed to be subsidiary legislation made under this Act; and

(b) may be replaced, amended or repealed by subsidiary legislation made under this Act.

(4) All contracts awarded by the Privatization Commission in accordance with Public Enterprises (Privatization) Act repealed by subsection (1), prior to the commencement of this Act, shall be deemed to be contracts awarded by the Commission in accordance with this Act. Cap. 46:07

Passed in Parliament this sixteenth day of November, two thousand and eleven.

M. M. KATOPOLA  
*Clerk of Parliament*