



# THE PUBLIC PRIVATE PARTNERSHIP COMMISSION

## TRANSACTIONS UPDATE

15<sup>th</sup> November 2019

The PPPC is currently working on a number of projects. In trying to keep with our tradition of updating the public, we will include in this press release updates on projects that are currently underway.

### 1. MPATAMANGA HYDROPOWER PROJECT

The Government of Malawi (GoM) through the Ministry of Natural Resources, Energy and Mining is committed to addressing the problem of power deficiency in the country. The Ministry has been working on various initiatives to improve the country's capacity to generate, transmit and distribute power.

The GoM is developing a 350 megawatt hydropower project at Mpatamanga Gorge on the Shire River in southern Malawi. The project will be completed within a period of 4 to 5 years from next year 2020.

The project is being developed as a PPP whereby the private sector contributes unique abilities to develop the Project on behalf of GoM, taking away the need for GoM to fund all of the capital cost up front and also reduce the financial burden from GoM's balance sheet.

### 2. SHIRE VALLEY TRANSFORMATION PROGRAMME

The Government of Malawi, with support from the World Bank and the African Development Bank, is implementing the Shire Valley Transformation Program (SVTP). The programme development objective (PDO) for the Shire Valley Transformation Program is to increase agricultural productivity and commercialization for targeted households in the Shire Valley and to improve the sustainable management and utilization of natural resources.

Phase 1 project for this programme runs from 2018 to 2023. The major focus for this phase includes; irrigation service provision to about 22,000-hectares, land tenure, farmer organization and natural resource management.

Management, operation and maintenance (MOM) of the main irrigation (intake, main canals, secondary canals) and related infrastructure (e.g. roads) is expected to be carried out by a private operator under PPP arrangement. The Public Private Partnership Commission (PPPC) will be responsible for all PPP-related activities under the project.

The project is currently on the Feasibility study stage of the PPP project cycle.

### 3. PROVISION OF STUDENT ACCOMMODATION IN PUBLIC UNIVERSITIES IN MALAWI

The Public Private Partnership Commission (PPPC), on behalf of the Government of Malawi through the Ministry of Education, Science and Technology is working towards providing comprehensive accommodation facilities (hostels) and associated services to students in Public Universities through a Public Private Partnership (PPP) Framework.

In recent times, the student enrollment in Public Universities has increased without a corresponding expansion in decent accommodation facilities, a situation that has forced some University students to find their own private accommodation. Unfortunately, such accommodation has in most cases tended to be substandard and typically located very far from the University.

#### Project Status

The procurement process has been done in two phases. The two investors in the first phase namely; M&M Consortium and Old Mutual are committed to be on site by December 2019.

M&M Consortium signed agreements for the provision of students' accommodation in the following units LUANAR (NRC), MZUNI, MUST and University of Malawi (Chancellor College and Polytechnic.) where as Old Mutual Signed agreements for College of Medicine and LUANAR (Bunda Campus)

The second phase was for Kamuzu College of Nursing, which was the only unit left out in the initial process. The PPPC negotiated with the preferred bidder, NICO Asset Managers, what is remaining is to translate what was agreed into the main PPP Agreement and process it for signing.

### 4. DIGITAL MALAWI PROJECT

Information and Communication Technology (ICT) is now globally recognized as an essential tool in promoting competitiveness, job creation, sustainable development, and overall poverty reduction. In recognition of this fact, the Government of Malawi is preparing a new project in the realm of ICT – the Digital Malawi Project. The Project aims at extending and improving access to critical ICT infrastructure for the public and private sectors; improve ICT governance; improve access to government services; and reduce infrastructure costs by providing reliable, fast and adaptive government digital systems.

#### Progress Update

#### Institutional Reforms

The Digital Government Strategy, the National Broadband Strategy, the Cybersecurity Strategy and the E-Waste Strategy were approved by Government. The approval means that, Government has a basis to commence the institutional restructuring at the Department of e-Government that is required to sustain the project outcomes and national digital development objectives in the long run.

#### Malawi Research And Education Network (MAREN)

With the commercialization of the internet and consequently the coming of the digital age, the research and education communities – just like all other sectors of the economy – have seen opportunities that increase their competitiveness and efficiency in the areas of research, teaching and learning. To better organise themselves, elsewhere in the world, these communities have come together at national level to establish national research and education networks (NRENs),

Malawi's NREN, the Malawi Research and Education Network (MAREN) has been around since 2005. Today, membership includes National Commission for Science and Technology (NCST), Lilongwe University of Agriculture and Natural Resources (LUANAR) and Malawi University of Science and Technology (MUST) and all research institutions, universities and colleges.

PPPC is engaged in preparations for the procurement of MAREN establishment and that of international capacity from UbuntuNet.

#### Digital Government

The Project has completed the procurement for the Digital Government Advisor and commenced the process for the recruitment of the Malawi Enterprise Architecture and Interoperability Framework (MEAIF) implementer. The MEAIF implementer activities will cover the establishment of the national enterprise service bus, application cybersecurity, electronic Government payment platform, digital signatures and some aspects of identity management especially for log-in services.

### 5. ONE UNITED NATIONS HOUSE TRANSACTION

PPPC is pursuing the transaction of One United Nations House following communication from the Ministry of Lands, Housing and Urban Development (MLHUD) on a need for private finance to develop an office complex in the city of Lilongwe. The property, the One UN House, would be used to provide office accommodation for all UN Agencies active in Lilongwe.

In view of the above, the Government of Malawi through the Ministry of Lands, Housing and Urban Development (MLHUD), decided to procure an office complex for the purposes of accommodating all United Nations (UN) Agencies operating in the Capital City, Lilongwe. The transaction will be delivered as a public private partnership (PPP) arrangement under the PPP Act of 2011 in order to optimise efficient delivery of service and to leverage the private sector's expertise, finance, and efficiency, among several advantages. A PPP will also address the lack of an initial huge capital outlay for Government to undertake the transaction as a traditional procurement.

#### Progress Update

A draft Detailed PPP Feasibility Study was completed by SMEC in August, 2019 and the report was submitted for review.

### 6. PPPC HEAD OFFICE COMPLEX PROJECT

Since the establishment of the Commission in 1996, the Secretariat has operated from rented premises. A decision was made in 2008 to construct a purpose-built office complex. One of the major factors that motivated the decision to construct and own a purpose-built office was the fact that rented premises are quite expensive especially if one is looking at properties in the Central Business District.

As a PPP procurement entity, the PPPC needs to have adequate space for holding conferences, be it investor forums, bid conferences, negotiations and even capacity building. Hence a further need to have a purpose-built office complex.

Currently, The PPPC is in the process of procuring a private partner to invest in the construction of an office building and provide associated services.

The Request for Proposal (RFP) document was finalized and sent to the potential investors. The investors are expected to submit their proposals by the end of the year.

### 7. BLANTYRE CITY COUNCIL PROJECTS

The City Council approached PPPC to undertake projects using the PPP framework, the role of the PPPC will be to bring in private sector participation. The projects are anticipated to assist the city to achieve the following objectives;

- reduce traffic congestion in Blantyre CBD area.
- improve bus terminal infrastructure.
- ease management of public transport services.
- improve safety / security and comfort of motorists and passengers among others

For the infrastructure development in the city to improve, the council is proposing the following projects;

#### i. Car Parkade

The Council intends to construct a multi-storey parkade with the ground floor accommodating commercial activities and parking space for 500 vehicles. The proposed parkade is located at the junction of Chilembwe and Livingstone Roads near Standard Bank and Malawi Savings Bank (MSB) in downtown Blantyre.

#### ii. Bus Terminal

The City Council currently is also faced with a challenge of providing a proper central bus terminal. Due to an influx of economic activities in the city there is demand for travel. In order to meet the travel demand needs of a city, the need for a well-organized transport infrastructure such as bus terminals and bus stops cannot be overemphasized. A bus terminal is therefore a must for the city which is the commercial capital of Malawi.

#### iii. Theme Parks

Residents of Blantyre City face serious challenges in lack of space for entertainment. Likewise, artists lack space for the development and nurturing of their talent since they are confined to too small venues which have failed to create a hub for the development of creative practices, but also a space to reflect global artistic practices and explore how they impact upon Malawian history and culture. Development of amusement parks will provide this space.

#### iv. Car Park Automation and Management System.

Car Parking management is considered as a viable commercial activity that can help increase the revenue base of the Council. The need for an automated car park management system was further supported by the revenue leakages experienced in the manual collection of parking fees. Blantyre and Limbe minibus terminals as well as Blantyre market will benefit from this initiative.

The PPPC has identified a reputable Kenyan Based organization, Web Tribe, to design, build, finance, operate and maintain Car Park Automation facilities on a revenue sharing basis.

### 8. PPP HIGH LEVEL CONFERENCE

As one way of ensuring PPP awareness amongst the members of the public, the PPPC plans to hold a three-day high-level conference on PPPs in February 2020. Experts on PPPs from around the world will be invited to provide training to the participants during the conference.

This press release includes briefs for projects that are on-going at the PPP Commission. The PPPC is currently working with several ministries to see if the PPP framework can be utilized to procure private sector investment in their different projects.

For further questions, please contact:  
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