

Instructions for the Technical Committee of Fiscal Commitments
Issued pursuant to the provisions of Article (10) of the Public Private Partnership Projects Law
No. 17 of 2020

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Article 1

These Instructions shall be called (Instructions for the Technical Committee of Fiscal Commitments of 2020), and shall come into inforce from the date of their publication in the Official Gazette.

Article 2

A- The following words and expressions wherever mentioned in these Instructions shall have the meanings assigned to them below, unless the context indicates otherwise:

The Law: The PPP Projects Law No. 17 of 2020.

The Minister: Minister of Finance.

The Ministry: Ministry of Finance.

The Secretary General: Secretary General of the Ministry.

The Technical Committee: The Technical Committee of Fiscal Commitments formed pursuant to the provisions of Article (10) of the Law.

Fiscal Commitments Unit: The regulatory unit established in the Ministry and specialized in Fiscal Commitments, which provides the necessary support to the Technical Committee.

The Chairman: chairman of the Technical Committee.

Fiscal Commitments: The long-term financial impact of the PPP Project, on the general budget whether directly or indirectly.

Fiscal Commitments Report: The report prepared by the Technical Committee in consultation with the Public Authority, which identifies the long-term impact and Fiscal Commitments which will be borne by the Contracting Authority.

Public Revenue in the PPP Project: The general budget revenues that arise from the implementation and operation of the PPP Project over the life cycle of the PPP Project.

Cost of the PPP Project phases on the Government: the estimated cost of direct and indirect obligations during all phases of the PPP Project.

B- The definitions set out in the Law shall be adopted wherever they are stated in these Instructions, unless the context indicates otherwise.

Article 3

- A- A committee called (Technical Committee of Fiscal Commitments) shall be established in the Ministry by a decision of the Minister based on the recommendation of the Secretary General.
- B- The Technical Committee consists of at least:
- Head of the Fiscal Commitments Unit.
 - Representative of the General Budget Department.
 - Representative of the Public Debt Directorate.
 - Representative of the General Treasury Directorate.
 - Representative of the Directorate of Economic Studies and Policies.
 - Representative of the Legal Affairs Directorate.
- C- The Minister, upon the recommendation of the Secretary-General, shall designate a head and rapporteur of the Committee.
- D- The Technical Committee meets periodically or whenever needed by an invitation from its Chairman, and the meeting shall be legal in the presence of no less than three members. The resolutions and recommendations of the Committee shall be executed unanimously or by the majority of votes of the members thereof and in case of a tie in vote, the side of which the Chairman has voted for shall prevail.
- E- The Technical Committee shall be entitled to invite experts and technical people to be guided by their opinion on the issues presented to it without having the right to participate in the voting
- F- The representative of the Public Authority shall be invited to attend the Committee's meetings when discussing the PPP Project related to it, to be guided by his opinion without having the right to participate in the voting
- G- It is not permissible for any member of the Technical Committee to abstain from voting on any issue, and he must write a dissenting decision.
- H- The Committee's rapporteur shall undertake the following tasks:
1. Organizing the schedule of the Technical Committee's meetings and invitations for the

meetings, recording the session's minutes, keeping the records and any documents related to the Technical Committee or its members.

2. Preparing the meeting agenda and distributing it to the members of the Technical Committee.
 3. Follow up signing of the minutes of the Technical Committee meetings, documenting and keeping them properly.
 4. Any other tasks assigned to him by the Chairman.
- I- The Minister may determine a financial reward for the members of the Technical Committee and its rapporteur.

Article 4

The Technical Committee, in accordance with the provisions of Article 10 of the Law, shall assume the following duties and powers:

- A. Evaluating, following up and monitoring the Fiscal Commitments of each PPP Project and any updates to it, and monitoring any government support provided and providing the same to the Unit with them for listing in the Registry.
- B. Monitoring the impact of any contingent liabilities on public finances and public debt, updating their financial effect on Fiscal Commitments, and proposing suggestions to avoid their potentially negative effects.
- C. Ensuring the inclusion of financial resources necessary for the development and implementation of PPP Projects when preparing the general budget, including the medium-term expenditures framework.
- D. Following-up on the allocations in the general budget for the instalments which are directly due and Fiscal Commitments realized during the implementation of PPP Projects and the government support needed for such projects.
- E. Ensuring that any instalment to be made by the Contracting Authority is consistent with the allocated resources to such Contracting Authority in the general budget.
- F. Reviewing any proposed government support PPP Project for whether direct or indirect and aligning such support with the government's ability to sustain it.
- G. Conducting a comparison between the PPP Contracts that have been agreed upon and the amendments that made to them after execution to ensure that there has been no material change to allocation of risk, Fiscal Commitments, or the proposed government support.

Article 5

After the issuance of the Feasibility Report, the Public Authority shall collect and analyze information on Fiscal Commitments, including direct liabilities and contingent liabilities, during all phases of the PPP Project, and prepare a report on this and submit it to the PPP Unit for referral to the Technical Committee.

Article 6

A- The Technical Committee shall prepare the Fiscal Commitments Report in consultation with the Public Authority, provided that it includes, as a minimum, the following:

1. Brief description of the PPP Project.
2. Review and analysis of the sensitivity indicator of the PPP Project cash flows to demonstrate the extent of its capacity to fulfill its direct and indirect financial obligations in the Feasibility Report.
3. Evaluation of contingent financial liabilities.
4. Review the value for money analysis in the Feasibility Report.
5. Financial risk matrix of the PPP Project for the quantitative and qualitative assessment of the main financial risks.
6. Review of the financial assumptions included in the Feasibility Report of the PPP Project.
7. Recommending a ceiling for the Fiscal Commitments of each Project.
8. Following up the budgetary allocations for the PPP Project.

B- The Technical Committee shall submit the Fiscal Commitments Report, including its recommendations, to the Minister within (60) days from the date of receiving the referral from the Unit.

C- The Minister shall submit his recommendations on the Technical Committee's Report and its recommendations to the High Committee.

Article 7

After preparing the PPP Contract draft, the Public Authority, shall send it to the Unit to refer it to the Technical Committee for preparing the Fiscal Commitments Report in consultation with the Public Authority.

- A. The Technical Committee shall submit its Report and recommendations to the Minister within (60) days from the date of receiving the referral from the Unit.
- B. In light of the review of the Fiscal Commitments Report and the recommendations of the Technical Committee, the Minister shall submit his recommendations on the Report to the High Committee.

Article 8

- A. When any amendments are proposed to the PPP Contract after signing it, these proposed amendments shall be referred by the Unit to the Technical Committee.
- B. The Technical Committee shall review the proposed amendments and shall compare between the PPP Contract and the amendments that will be made to it to insure that there is no material in risk allocation or/and Fiscal Commitments and review the quantitative and qualitative risks in consultation with the Contracting Authority.
 1. The Technical Committee shall submit the Fiscal Commitments Report and its recommendations to the Minister within (60) days from the date of receiving the referral from the Unit.
 2. In light of the review of the Fiscal Commitments Report and the recommendations of the Technical Committee, the Minister shall submit his recommendations on the Report to the High Committee.

Article 9

At the beginning of each financial year, upon the Committee's recommendation, the Minister issues a decision setting a ceiling for the overall Fiscal Commitments that the Ministry of Finance can allocate to cover any Fiscal Commitments arising from PPP Projects, in accordance with any of the following:

- A. A percentage of the gross domestic product.
- B. A percentage of the public revenues.
- C. Any other method that the Minister decides upon the Committee's Recommendation.

Article 10

The Technical Committee shall decide on any matter that is not covered in these Instructions.

Article 11

The Minister issues the necessary resolutions to implement these Instructions.

Minister of Finance

Dr. Mohammed Mahmoud Al-Aiss'eis