

**Law No. 14 of 2009 Amending
Egyptian Tender Law No. 89 of 1998
April 2009**

New amendment to the Tender Law to address Public Private Partnership (PPP)

Projects Concerns:

PPP projects are not subject to separate tender regulation. Indeed, these projects are subject to the general provisions of the Egyptian Tender Law, Law no. 89 of 1998.

This application raises a lot of the concerns in the Infrastructure projects industry due to the fact that these projects are different in nature and basis for valuation of the typical construction or supply contracts. The Egyptian Tender Law no. 14 recognized part of the problem. Law no. 14 has added a new proviso which lowers the final security bond for PPP and projects to a minimum of 2% and maximum of 5% instead of a minimum of 5% respectively under the current Tender Law.

To qualify for Law no. 14, and thus the project benefits from law final Security, the project must be tendered under the supervision of the Ministry of Finance, and must satisfy three conditions:

1. The subject matter of the project should include the implementation of integrated services and construction activities.
2. The term of the project must not be less than 3 years;
3. No payment should be made to the project company prior to the commercial operation of the project.

Although the above amendment is a step forward to recognize the peculiarities of PPP projects; but it is not a complete reform in any respect. The Minister of Finance is preparing for a draft Law for the PPP tender process. However, this draft has not yet been released.