LAW ON INVESTMENT IN THE FORM OF PUBLIC PRIVATE PARTNERSHIP (PPP)

No. 64/2020/QH14 dated June 18, 2020)
Who we are

Ministry of Planning and Investment

Public Procurement Agency

Procurement Law 2013

PPP Law 2020
COVID-19 Vietnam situation

April
Social distancing

May – Removal of social distancing
**PPP Investment sectors (Article 4)**

**New points:**
1. Segregating sectors
2. Concentrating resources to implement certain sectors; avoiding rampant investments that pose risks at the national level
3. Promoting the socio-economic development of the country and improving the quality of life of the people
Types of PPP contracts (Article 45)

Two “families” according to UNCITRAL’s guidance

- BOT
- BTO
- BOO
- O&M
- BTL
- BLT

A mixed contract: ✔️
State capital in PPP projects

State contribution to PPP project

Law on PPP

1. Contributed capital of the State
   - To support the construction of works to ensure financial feasibility
   - Arranged from public investment capital or public assets
   - Not apply to BT contracts

2. State capital paid to PPP project enterprises which provide public products and services used in BLT and BTL contracts on the basis of the quality of public products and services allocated from the state capital in the PPP projects and other lawful capital sources as prescribed by law.

3. State capital for compensation, ground clearance, support and resettlement; support construction of temporary works is allocated from public investment as prescribed by the Law on Public Investment.
The sharing mechanism of the revenue increase and decrease

(i) The Government commits to share not more than 50% of the revenue decrease between the actual revenue and the revenue committed in the contract with investors, project enterprises;
(ii) The investor, the project enterprise commits to share not less than 50% of the revenue increase between the actual revenue and the committed revenue in the contract with the Government.
Article 47. Basic contents of PPP project contracts

e) Responsibilities in operation and business of infrastructure facilities and systems for public products and services to be provided continuously and stably; conditions, procedures, process transfer of infrastructure facilities and systems;

A must: contract continuation / continuity of service delivery
Article 50. Revision of PPP project contracts

1. Revision of PPP project contract shall be stipulated in the contract and considered by parties in the following cases:

a) The project is affected by force majeure events or substantial change of circumstances or change in plans and relevant regulations that lead to significant impact on technical and financial plans of the projects, tariff and fee of public products and services provided by the project enterprises;

Contract revision is regulated in hardship situation
Article 39. Direct appointment

1. Direct appointment shall be applied in the following cases:

   a) Projects that must be ensured the national defense and security, State confidential;

   b) Projects that must be selected immediately alternative investor as specified in Point a, Clause 4, Article 52 of this Law to ensure continuity in the project implementation.

Direct appointment is possible for the continuation of project implementation.
BEST REGARDS!