



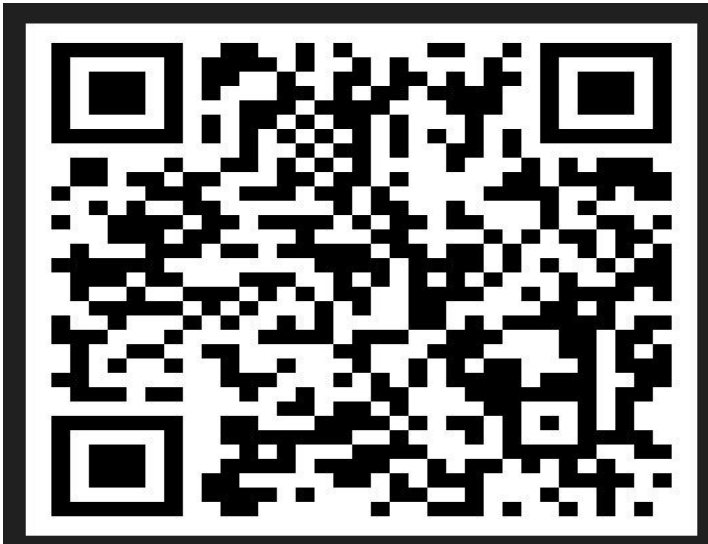
THE LEGAL FRAMEWORK GOVERNING PPPS IN TANZANIA AND PPP PIPELINES.

JULY, 2025



Setting the Foundation for PPPs

Tanzania has laid the foundation for Public-Private Partnerships (PPP) by establishing...



PPP Policy, 2009

Establishes the national vision and strategic objectives for implementing PPPs in Tanzania.

PPP Act, Cap. 103 (R.E. 2023)

Provides the legal basis for PPP framework, institutional arrangement, and project approval processes.

PPP Regulations 2020, (as Amended in 2023)

Provides step by step approval procedures, responsibilities, and compliance mechanism for PPP implementation.

The Government Loans, Grants and Guarantees Act, Cap.134

Empowers the Minister responsible for finance to issue government guarantees and any government financial support (VGF) in PPP projects.



Tanzania's Public-Private Partnership Legal Reforms:

Enhancing Institutional Efficiency and Investment Climate



First Amendment, 2014

Est..PPP Centre as
“One stop Centre “under
the Office of the Prime
Minister.

Second Amendment, 2018

Relocate PPP Centre
from the Office of the
Prime Minister to the
Ministry of Finance and
Planning

Laying the Foundation and Positioning the
PPP Centre

Third Amendments, 2023

- Streamline PPP approval processes to boost private sector confidence.
- Ensure structured project implementation through Special Purpose Vehicles
- Enable the Minister to waive competitive bidding process
- Introduce International Arbitration
- Allow up to 25% shares in the SPV by the public sector
- Provide tax and non – tax incentives to attract private sector participation.

Shaping the future of PPPs in Tanzania



The PPP Centre



The objectives of setting up the PPP Centre as a “one-stop centre” include:

- To streamline the promotion and coordination of all matters relating to implementing the PPP program in the country.
- To make timely approvals hence minimizing processing time and eliminating duplication;
- To provide the right direction to the contracting authorities and investors through the creation of a one-stop PPP shop;
- To strengthen the PPP management and oversight role, to speed up implementation of development projects.





Functions of the PPP Centre



The functions of the PPP Centre (As per Section 4 & 5 of PPP Act, Cap. 103) can be divided into three groups;

Promotion function

- 01 Conduct public awareness and publicizing the available PPP incentives and investment opportunities/PPP Pipelines to attract investors to invest through PPPs.

Project Advisory function

- 02 Technical assistance to contracting authorities in the preparation and structuring of PPP projects to ensure value-for-money, affordability and substantial risks transfer to the private sector.

Cross-project functions

Capacity building, development of guidelines and standards, and general communication about the Tanzania PPP Program.





What is PPP?

- **Main features:**

- **1. Contractual Partnerships**

- PPPs are long-term contracts between the public and private sector to implement public projects for a specified period of time
- This framework ensures the sustainability of large-scale infrastructure projects, with risks and responsibilities shared according to each partner's expertise.
- The private sector carries substantial financial, technical and operations risks of the project.
- It reduces the financial burden on the public sector while fostering economic growth and service delivery.

- **2. Performance- based Payment Contracts**

- In PPPs, payment is directly linked to performance milestones, ensuring the private sector delivers high-quality services and infrastructure on time.
- This results-based approach drives efficiency, encourages innovation, and guarantees value for money, while reducing the strain on government budgets by aligning payments with project success.

- **3. Payment Mechanism**

- Private sector is paid by the (Government Pays PPPs) or collect directly from the end users (End Users PPPs) or combination of both.



Ways of Engaging The Private Investor

1. Through the Competitive Bidding Process for Solicited proposal

- ☐ These are proposals initiated by the public sector.
- ☐ The private sector is procured through an *open and competitive* bidding process following the approval of a Detailed Feasibility Study by the PPP Steering Committee (S.15(1) and 7A of the PPP Act, Cap.103).

2. Non – Competitive Bidding Process for Unsolicited Proposals

- ☐ These proposals have been initiated by the private sector.
- ☐ The procurement of unsolicited proposals may be exempt from competition, subject to the fulfilment of some conditions provided under section 15(2).



3. Direct Negotiation for Solicited Proposals



- The Minister, based on recommendations from the PPP Steering Committee, may exempt a solicited project from competitive bidding if specific criteria under section 15(2) are met and one of the following criteria under section 15(3) is met:
 - The project has an urgent need and other impractical procurement methods, provided that the urgency was unforeseeable by the contracting authority; or
 - The project requires key approaches or technologies for which the private party holds intellectual property rights; or
 - The project involves exclusive rights held by a specific private party, with no reasonable alternative or substitute available.





4. Special Arrangement for Strategic Projects

- ☐ Special arrangements are allowed under the PPP Act for certain large-scale or strategic projects that are critical to national priorities.
- ☐ The Draft PPP Agreement negotiated by both parties shall be Vetted by the Attorney General and thereafter submitted to the Cabinet for approval.
- ☐ This approach enables the government to accelerate essential projects that align with national interests, while ensuring strong oversight and alignment with public sector and National development objectives.



PPP Partnership Models /Structures



- ❑ service and management contracts
- ❑ build, lease and transfer
- ❑ design, build, operate and transfer
- ❑ operation and maintenance
- ❑ design, build, operate and maintain
- ❑ operation, maintenance and management;
- ❑ build, operate and transfer
- ❑ design, build and operate (DBO)
- ❑ lease, develop and operate.
- ❑ design, build, finance, operate and maintain (DBFO/M);



Incentives under the PPP Legal Framework



- ❑ Sovereign guarantees to PPP projects provide comfort to investors.
- ❑ Public funding, including Viability Gap Funding (VGF), supports the financial viability of PPP projects.
- ❑ Disputes settlement modality accommodating international arbitration.
- ❑ Tax and non-tax incentives.
- ❑ Joint Venture PPPs - The public sector may hold shares not exceeding 25 percent (minority shareholder/free carried shares) in the special purpose vehicle (SPV).





PPP Pipelines



□ Tanzania PPP Projects pipeline includes ongoing initiatives across various sectors, including transport, public works, energy, health, defense and security, sports, water, agriculture, fisheries, education, and local government authorities.

- Implementation Stage (IS): 3 projects.
- Negotiation Stage (NS): 4 projects.
- Procurement Stage (PS): 2 projects.
- Feasibility Study Stage (FS): 25 projects.
- Pre-Feasibility Study Stage: 14 projects.
- Concept Note Stage: 35 projects.





Thank You

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