Law Number (31) of 2014
Public-Private Partnership Law
Article 1:

This law shall be called Public-Private Partnership Law 2014, and shall be effective from the date of its publication in the Official Gazette.

Article 2:

In this law, the following words and phrases shall have the following meanings unless otherwise indicated:

Ministry : Ministry of Finance
Minister : Minister of Finance
Council : Public-Private Partnership Council established pursuant to the provisions of this law.
Unit : Public-Private Partnership Unit established pursuant to the provisions of this law.
Government Body : Any ministry, department, state-owned public institution, public institution, entity, council, authority, municipality, or firm that is wholly state-owned or of which the government holds at least 50 percent.
Contract : The partnership agreement concluded between the Government Body and any private-sector entity, which identifies the terms, conditions, procedures, rights, and commitments of both parties, pursuant to the provisions of this law and the regulations issued pursuant thereto.
Sustainability Report : The report that tackles the results and recommendations of the feasibility study.

Article 3:

Public-private partnership projects shall have the following goals:

a. Building, rehabilitating, operating, and maintaining the public infrastructure.
b. Encouraging the private sector to enter investment partnership projects with the Government Body.
c. Finding the necessary funding to support feasible projects presented by the Government Body.
d. Benefiting from up-to-date technical and technological experience and knowledge in building and managing projects.

Article 4:

All economic sectors are fit for public-private partnership projects, except those identified by the Cabinet based on the Council’s recommendations.

Article 5:

a. A Council, called the Public-Private Partnership Council, shall be established under the chairmanship of the Prime Minister and membership of:
   1- The Minister of Finance,
   2- The Minister of Industry, Trade and Supplies,
   3- The Minister of Planning and International Cooperation,
   4- A minister named by the Prime Minister,
   5- The Governor of the Central Bank of Jordan, and
   6- The Public-Private Partnership Unit Director

b. 1- The Council chairman shall name one of the Council members as his deputy.
   2- The Council shall convene upon invitation from the chairman or his deputy whenever necessary. A quorum is formed by the attendance of the majority of members and decisions shall be taken by majority rule.

c. The rules and provisions pertaining to regulating the works and meetings of the Council are indicated pursuant to instructions issued by the Council for that purpose.

Article 6:

a. The Council shall undertake the following tasks:
   1- Draft the general policies governing public-private partnership projects.
   2- Identify priority activities and sectors.
   3- Make decisions regarding the partnership projects proposed to it and submit them to the Cabinet for approval.
   4- Approve the final awarding of partnership tenders and choose the winning offer.
   5- Approve the contract draft.
   6- Endorse the project's cycle of standard phases.
   7- Look into disputes that may arise between Contracting Parties and any private-sector entities.
   8- Discuss the draft laws required to implement the provisions of this law.

b. The concerned minister, chairman, or general director of the concerned Contracting Party shall be invited to attend the Council meeting pertaining to the said project. They shall not be entitled to vote, however.

Article 7:

a. A Unit called the Public-Private Partnership Unit shall be established in the ministry, reporting directly to the Minister of Finance.

b. It shall undertake the following responsibilities:
   1. Identify the technical requirements that must be presented by the Government Body for any partnership project. These requirements shall include the
financial feasibility of the project, the updated sustainability report, and the cost-benefit analysis.

2. Draft applications for partnership projects.
3. Receive and register project applications from Government Bodies.
4. Study partnership project applications according to the application drafted by the Unit.
5. Review the project's feasibility study.
6. Review the negotiated contracts.
7. Approve the standard conditions that will govern the work of advisors who are hired by the Contracting Parties of the partnership project and assist the parties in implementing these measures.
8. Present technical support to the Contracting Parties during the project implementation phases.
9. Participate in the committees formed by the Contracting Parties for every project.
10. Document the feasibility studies, technical reports, and bid evaluation reports, and keep a copy of the contract.
11. Assist the Contracting Parties in obtaining the required licenses and approvals in coordination with the Jordan Investment Commission.
12. Conduct a general consultation regarding the proposed partnership project.
14. Draft exemplary referential guidelines and contractual provisions, based on the standard conditions of partnership agreements, and improve the general principles and practices to encourage development of partnership projects.
15. Identify the standard stages for partnership projects.
16. Assist the Contracting Parties in setting up a periodic performance evaluation after submitting partnership project bids.
17. Draft laws and regulations required to implement provisions of this law and submit them to the Council.
18. Identify the requirements needed to prepare periodic reports for the Contracting Parties with regard to the concluded partnership projects for the purpose of obtaining the Council's approval of them.
19. Receive periodic reports from the Contracting Parties pertaining to implementation of partnership projects and brief the Council on the implementation framework.
20. Assemble and study annual reports submitted by the Contracting Parties and submit them to the Council.
21. Establish a database for partnership projects.
22. Follow up on the implementation of the Council's decisions and coordinate with the Contracting Parties.
23. Adhere to disclosure laws according to the best international practices.
24. Carry out any other tasks assigned to it by the Council or Cabinet.

**Article 8:**

The Minister appoints the Unit director who carries out all the tasks needed to run and supervise the Unit, including the following:

a. Follow up on the implementation of the Council's decisions pertaining to partnership projects in cooperation and coordination with the Contracting Parties.
b. Present studies and recommendations released by the Unit to the Council.
c. Set up the organizational structure and identify the Unit's needs for employees and present them to the Minister.
d. Refer to the Minister when the need emerges for advisors and experts in partnership projects to help the Unit perform its duties and identify the tasks and duties of the advisors and experts pursuant to the laws and regulations issued based on the provisions of this law.
e. Any other tasks assigned to the director pursuant to the laws and regulations issued based on the provisions of this law.

Article 9:

The Contracting Party shall conform to the following:

a. Follow up on the partnership project's priorities.
b. Offer tenders.
c. Negotiate with private-sector bodies to implement the partnership project according to the provisions of this law.
d. Appoint an official representing the Contracting Party for each project.
e. Register the public-private partnership project at the Unit.
f. Draft the partnership project memorandum and prepare the feasibility study, sustainability report, and tender documents for each partnership project according to the provisions of this law.
g. Present proposals and studies to the Unit and Council during the project phases.
h. Appoint advisors, when necessary according to the applicable laws, to be tasked with presenting financial, legal, and technical assistance in each of the partnership projects.
i. Negotiate and sign the contract.
j. Secure the funding sources to supervise the implementation of the partnership project.
k. Oversee the performance of partnership projects after concluding the contract, and submit relevant periodic reports to the Unit.
l. Explain the partnership project's need for financial assistance from the treasury, or any kind of facilities or exemptions, and request this in a special application to be submitted to the Unit.

Article 10:

a. The Government Body wishing to sign a partnership contract, but which needs financial support from treasury, shall present an application supported with the project's cost-benefit analysis, sustainability report, and feasibility study to the Unit for consideration. Notes and recommendations shall be submitted to the Minister accordingly.
b. 1- The Minister shall submit the support application to a financial commitment technical committee formed by delegates from the Public Budget Department, the Public Debt Department, and the Unit.
   2- The technical committee referred to in Item (1) of this Paragraph shall study the request and submit its report and recommendations to the Minister.
c. The Minister shall submit the request to the Council, together with the Unit's recommendations and the report of the technical committee mentioned in Item (1) of Paragraph (b) of this Article.

d. The Council shall study the application and its attachments and may submit them to the higher ministerial committee formed pursuant to the Public Debt Law for consideration regarding the treasury's ability to cover the required financial costs.

Article 11:

a. Any of the private sector bodies may submit a partnership project proposal directly to any Government Body according to the following conditions:
   1. The project may not be listed among the partnership projects under consideration by the Contracting Parties.
   2. The project idea must be a new innovation in designing, developing, or running a project.
   3. The project idea must not be in conflict with government development projects.
   4. The offer must be a new economic project that seeks to present a public service.
   5. The offer must conform to the priorities of the Contracting Party.
   6. Partnership projects that receive direct approval may not benefit from guarantees, assistance, or any other form of government support.

b. The Contracting Party may ask the applicant of the direct offer to prepare a project proposal memorandum to submit with the application to the Unit after the direct offer application is studied and all conditions provided in Paragraph (A) of this Article are met.

c. 1. The Contracting Party may ask the applicant of the direct offer to prepare a feasibility study and a sustainability report after registering the project.
   2. The Contracting Party may send the sustainability report of the direct offer that meets all conditions identified in Paragraph (A) of this Article to the Unit for consideration.
   3. The Unit shall review the direct offer in terms of meeting all the predetermined requirements, in order to identify the project's economic feasibility and sustainability.
   4. The Unit shall submit the project application which meets all conditions along with its own recommendations to the Council which shall consider it and make the necessary decision regarding it.

Article 12:

The private entity party is entitled to charge certain fees according to the prices shown in the partnership agreement.

Article 13:

The contract may not last longer than 35 years.

Article 14:

a. 1. The Cabinet must be contacted for a prior written approval regarding any changes or amendments made to the partnership project in connection with outcomes, price, duration, or any waiver of rights stated therein in a way that significantly affects the
distribution of risks in accordance with the contract or the assumptions stated in the sustainability report.

2- In case the amendment was substantial in a way that increases the partnership project costs by over 20 percent, the project must be finalized and re-offered in tender or additional works can be offered in tender separately. The Cabinet may increase this percentage depending on the nature of the project to a maximum of 50 percent.

3- Any other amendment must be applied based on the prior written approval of the Contracting Body after consulting with the Ministry.

b. No changes shall be made to the partnership project unless the final Contract ensures the following:
   1- Proportion between cost and benefit.
   2- Consumers' ability to cover the costs.
   3- Technical, operational, and financial risks are transferred to the other party.
   4- Effective and efficient service.

Article 15:

The financial institutions providing the funding are entitled to securitize cash flows of the partnership projects they are funding in accordance with Jordanian law.

Article 16:

The law applicable to projects is Jordanian law. The parties may agree to resolve disputes related to project contracts in alternative ways.

Article 17:

Decisions taken by the Council according to the provisions of this law in connection with projects are subject to the approval of the Cabinet.

Article 18:

a. The Cabinet shall issue a law covering the following:
   1- Phases of the projects.
   2- Procedures of tender-offering for projects on basis of equality and transparency.
   3- Simplified measures to be included in projects whose estimated capital spending is less than the financial amount set by the Council.

b. Hiring of advisors is subject to provisions of applicable laws.

Article 19:

a. The provisions of this law are not applicable to project contacts that have been already signed or received final approval before their provisions came into force.

b. Notwithstanding Paragraph (A) of this Article, provisions related to regulating the relationship between the two parties and implementing the contract are effective immediately after signing, including supervision over the Contract in addition to reporting and amendments made to it. Partnership projects that completed their tender offering procedures before the provisions of this law came into force are considered applicable under this law and are required to conform to any provisions or procedures required by this law and the regulations issued pursuant to it for the other phases of the project.
c. The Contracting Parties are required to present a sustainability report and shall conform to all the procedures and provisions stated in this law in connection with projects that have not started their tender procedures.

**Article 20:**

The Partnership Unit shall publish a detailed report for every partnership project on its website and in the official Gazette, including the following information:

a. The name of the public-private partnership project and the procedures related to it.
b. The name of the Government Body with which the project's financial disclosures have been completed or the names and addresses of the beneficiaries and the local agents of said Body.
c. Any other information regarded as significant by the Unit director.

**Article 21:**

a. Council members, employees of the Unit, the Ministry, or the Contracting Party, advisors, and members of any of the steering or technical committees related to the project may not be involved directly or indirectly with the project. This also applies to their spouses, descendants, and up to second-degree relatives.
b. Council members, employees of the Unit, the Ministry, or the Contracting Party, advisors, and members of any of the steering or technical committees related to the project must inform the Minister in writing before implementing any project regarding benefits they or their spouses, descendants, or first-degree relatives might obtain directly or indirectly in return for services presented to sides that are directly or indirectly related to the partnership project.
c. When conditions that might affect the neutrality of any of the persons mentioned in Paragraph (A) of this Article arise, the Minister must ensure that the said member, employee, advisor, or expert is relieved from their duties in the concerned partnership project.

**Article 22:**

The Cabinet shall issue the regulations required to implement the provisions of this law, including the basic information and conditions that must be included in the Contract.

**Article 23:**

The Prime Minister and Ministers are responsible for enforcing the provisions of this law.