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PROVINCIAL ASSEMBLY OF THE PUNJAB

NOTIFICATION

March 24, 2025

No. PAP/Legis-2(27)/2025/316. The Punjab Public Private Partnership Bill 2025, having been passed by the Provincial Assembly of the Punjab on March 14, 2025, and assented to by the Governor of the Punjab on March 21, 2025, is hereby published as an Act of the Provincial Assembly of the Punjab.

THE PUNJAB PUBLIC PRIVATE PARTNERSHIP ACT 2025

Act XVII OF 2025

[First published, after having received the assent of the Governor of the Punjab, in the Gazette of the Punjab (Extraordinary) dated March 24, 2025.]

An

Act

to provide for promotion of Public Private Partnerships in Punjab.

It is necessary to encourage the participation of private sector in the projects of public importance and create an enabling environment for public private partnership in the province and the matters connected therewith or ancillary thereto.

Be it enacted by Provincial Assembly of the Punjab as follows:

CHAPTER I PRELIMINARY

1. Short title, extent, applicability and commencement.— (1) This Act may be cited as the Punjab Public Private Partnership Act 2025.

(2) It extends to whole of the Punjab.

(3) It shall apply to all projects developed and implemented through Public Private Partnership in Province of the Punjab.

(4) It shall come into force at once.

2. Definitions.— In the Act:

(a) “Act” means the Punjab Public Private Partnership Act 2025;

(b) “Administrative Department” means an Administrative Department as defined in the Punjab Government Rules of Business 2011;

(c) “Authority” means the Punjab Public Private Partnership Authority established under the Act;

(d) “Authority Fund” means the Punjab Public Private Partnership Authority Fund established under the Act;

- (e) “bid” means a bid, tender or an offer, in response to an invitation, by a person, consultant, firm, company, consortium or an organization expressing his or its willingness to undertake a specified task and shall include all requisite parts thereof, including the technical proposal and financial bid;
- (f) “Bidder” means a person who submits a bid for a contract in accordance with the Act and rules made thereunder;
- (g) “Bidding Documents” include all such invitations, advertisements, Expression of Interest Documents, Pre-Qualification Documents, Request for Proposal Documents, and other such documents by whatever name they are called including forms, transaction structures, requirements, conditions, specifications, addenda, instructions, criteria, options, draft contracts which are necessary to invite bids for selection of a Transaction Advisor, Consultant or a Private Partner for a PPP project;
- (h) “Chief Executive Officer” means the Chief Executive Officer of the Authority appointed under the Act;
- (i) “company” means a company registered under the Companies Act, 2017 (XIX of 2017) or any other relevant law for the time being in force;
- (j) “concession” means grant of such reasonable rights to the Private Partner over a public property by the Government, Government Agency, Authority or the Implementing Agency or assignment of such functions as are required for undertaking the PPP project and performance of services in accordance with the PPP Contract under the Act;
- (k) “Consortium” means an association of persons who have entered into a legally enforceable contractual arrangement for purposes of entering into a PPP Contract and have a lead member who has an authority to conduct all business for and on behalf of any and all the members of the Consortium and where all the members of the Consortium are jointly and severally liable to the Implementing Agency for the performance of the PPP Contract;
- (l) “construction” includes construction, reconstruction, rehabilitation, renovation, improvement, expansion, addition, alteration, and other related activities;
- (m) “contingent liability” means a potential obligation that may be incurred depending on the outcome of a future event related to a PPP Project;
- (n) “cure period” means such period as is allowed in the PPP Contract to either party to take remedial measures to rectify its default of the contractual obligations upon notice from the other party;
- (o) “Government” means Government of the Punjab;
- (p) “Implementing Agency” means an Administrative Department or an attached department of the Government, a local Government, or an authority, a body corporate, statutory body, or a corporation wholly or majorly owned or controlled by the Government responsible to implement a project under the Act;
- (q) “inflation indexing” means the adjustment of costs and prices to compensate for the inflationary impact in accordance with the PPP Contract;
- (r) “interest rate indexing” means the adjustment of costs and prices to compensate for the impact due to change in interest rate in accordance with the PPP Contract;

- (s) “investment” includes development and pre-operative capital expenditures made or incurred on services, land, construction and equipment;
- (t) “lender” means a financial institution as defined in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001) or an establishment providing loan or financial support to the Private Partner for the implementation of a PPP project with or without security;
- (u) “local Government” means a local Government as defined in the Punjab Local Government Act 2022 (XXXIII of 2022) or any other law for the time being in force;
- (v) “Member” means a Member of the Authority;
- (w) “Parties” when referred collectively include the Implementing Agency and the Private Partner;
- (x) “person” includes a company, statutory body, entity, firm, association of persons, body of individuals, corporation, or a sole proprietor;
- (y) “PPP Contract” means a contract between the Government represented through an Implementing Agency and the Private Partner, whereby, the Private Partner agrees to undertake a project under the Act or provide such services or perform such tasks, as agreed and shall include any other contracts subsidiary or incidental thereto;
- (z) “PPP Node” means a unit, having requisite technical, legal, financial, and such expertise as may be required; established by an Administrative Department or an Implementing Agency, to perform such tasks pertaining to PPP Projects as may be required under the Act;
- (aa) “project” means a public project implemented on Public Private Partnership basis under the Act;
- (bb) “prescribed” means prescribed by the rules or regulations made or framed under the Act;
- (cc) “Private Partner” means the Private Party selected to carry out the project under the Act;
- (dd) “Project Development Facility” means the facility established by the Authority under the Act to finance the structuring of PPP projects including the development of Project Proposals, engagement of transaction advisors and consultants and other ancillary matters for PPP Projects;
- (ee) “Project Proposal” includes feasibilities, estimates, reports, financial, economic and business models, option analyses, technical specifications, drawings, surveys, impact assessments, legal and regulatory framework and risk assessments, likely environmental, social and other impact assessments, data and data projections or like reports by whatever name they are called, etc. required for assessing the viability, sustainability and suitability of a project to be implemented under the Act;
- (ff) “Public Private Partnership” means a contractual relationship between the Implementing Agency and a Private Partner to undertake a project under the Act or provide such services or perform such tasks, as agreed whereby the Private Partner:
 - (i) performs part of an Implementing Agency’s functions on behalf of it; or

- (ii) assumes the responsible use of public property for a project; or
- (iii) assumes substantial financial, technical and operational risks in connection with performance of certain functions of the Implementing Agency or the responsible use of public property; or
- (iv) receives a benefit for performing the Implementing Agency's functions or from utilizing the public property, either by way of:
 - (a) consideration to be paid by the Implementing Agency from its budget or revenue; or
 - (b) charges or fees to be collected by the Private Partner from users or customers of a service provided to them; or
 - (c) a combination of such consideration and such charges or fees;
- (gg) "regulations" means the regulations framed under the Act;
- (hh) "risk" means any event or circumstance affecting or likely to affect the project adversely in performance, costs and fulfillment of any contractual obligation related thereto including but not limited to design, construction, financing, operation or maintenance;
- (ii) "Risk Management" means the process of identifying, assessing, and prioritizing risks followed by coordinated efforts to minimize, monitor, and control the probability and impact of risks;
- (jj) "rules" means the rules made under the Act;
- (kk) "Secretary" means Secretary of the Authority;
- (ll) "Standby Letter of Credit" means the legal instrument guaranteeing payments to the Private Partner in accordance with the PPP Contract;
- (mm) "Transaction Advisor" means a person or association of persons appointed to provide technical, financial, and legal advisory services for the structuring of PPP Projects, development of Project Proposal, preparation of Bidding Documents and other ancillary matters;
- (nn) "Unsolicited Proposal" means a proposal for a PPP project that is initiated by a Private Party without a formal request from the Government or a Government Agency;
- (oo) "Value for Money" means the optimal combination of quality, cost, and efficiency to meet the project objectives; and
- (pp) "Viability Gap Fund" means the fund established by the Authority under the Act to support the Private Partner in undertaking the project including but not limited to funds for covering revenue shortfalls by means of grants, subsidies, guarantees, or any other mode approved by the Authority.

CHAPTER II INSTITUTIONAL ARRANGEMENTS

3. Authority.– (1) There shall be an Authority to be known as the Punjab Public Private Partnership Authority for carrying out the purposes of the Act.

(2) The Authority shall be a body corporate having perpetual succession and common seal with power to enter into contracts, to acquire and hold property both movable and immovable, and shall, by its name, sue and be sued.

(3) The headquarters of the Authority shall be at Lahore and it may establish its offices at such other place or places as it may consider appropriate.

4. Composition of the Authority.– (1) The Authority shall comprise the following:

(a) Chief Minister, Punjab.	Chairperson
(b) Minister for Planning and Development or any other Minister nominated by the Chief Minister.	Vice Chairperson
(c) Chairman, Planning and Development Board or his nominee not below the rank of Additional Secretary.	Member
(d) Secretary to the Government, Finance Department or his nominee not below the rank of Additional Secretary.	Member
(e) Secretary to the Government, Law and Parliamentary Affairs Department or his nominee not below the rank of Additional Secretary.	Member
(f) Two members of Provincial Assembly of the Punjab, including one female member to be nominated by the Speaker, of the Assembly.	Members
(g) three experts from private sector such as from the field of public private partnership, finance, law, engineering or environment.	Member
(h) Chief Executive Officer.	Member/Secretary

(2) The Members at clause (g) of sub-section (1) shall be appointed by the Government for a period of two years who may be eligible for re-appointment for one additional term and they shall:

- (a) have relevant educational qualification;
- (b) be of known integrity and repute; and
- (c) possess relevant experience.

(3) The Members at clause (g):

- (a) shall hold office during the pleasure of the Government;
- (b) may, on the direction of the Government, continue to perform his functions even after expiry of his term till his successor is appointed;
- (c) may, at any time, resign from his office by a written notice addressed to the Chairperson; and
- (d) shall not be appointed for more than two consecutive terms.

5. Meetings of the Authority.- (1) The Chairperson and, in his absence, the Vice Chairperson shall preside over a meeting of the Authority and in absence of both, the meeting shall be presided over by a Member nominated for the purpose by the Chairperson.

(2) The Authority shall meet once in every four months and otherwise as often as may be necessary for implementation of the provisions of the Act.

(3) Five Members shall constitute the quorum for the meeting of the Authority.

(4) The meeting of the Authority, where a Project Proposal or matters related to a project pertaining to an Administrative Department, is being considered, shall be attended by the Secretary of such department of the Implementing Agency or his representative not below the rank of Additional Secretary.

(5) The Authority may co-opt any person as an expert in the relevant field, however, such co-opted person shall not have any right to vote.

(6) No act or proceeding of the Authority shall be invalid merely by reason of any vacancy or defect in the constitution of the Authority.

(7) A meeting of the Authority may be called if:

- (a) required by the Chairperson or the Vice Chairperson; or
- (b) requisitioned by two-third Members of the Authority; or

- (c) approved by the Chairperson upon the request of the Secretary.
- (8) The agenda of a meeting shall be approved by the Chairperson.
- (9) In case of urgency, the Secretary may seek approval of a proposal through its circulation among the Members and in case no opinion is received from a Member within forty-eight hours of its circulation, it shall be considered that such Member has no objection to its approval.
- (10) The approvals granted through circulation shall be presented before the Authority in its next meeting occurring after the decision for information and ratification.

6. Functions of the Authority.– (1) Subject to the Act, the Authority may take such measures, exercise such powers and perform such functions as may be necessary for the purposes of the Act.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), the Authority may:

- (a) advise the Government on policy matters pertaining to Public Private Partnership to create an enabling environment with regard thereto;
- (b) approve a Project for its implementation under the Act or pass such orders with regard thereto, as it may deem appropriate;
- (c) cause such technical, legal, financial, risk and other appraisals, analyses, assessments and evaluations to be conducted for projects under the Act, as may be necessary;
- (d) prepare its annual budget;
- (e) make payments out of the Authority Fund in the prescribed manner;
- (f) approve Viability Gap Fund and Project Development Facility for PPP projects and project concepts respectively, in the prescribed manner;
- (g) cause such appraisals and evaluations to be conducted as may be necessary to assess a Project Concept for its qualification to receive payments out of Project Development Facility;
- (h) cause such appraisals and evaluations to be conducted as may be necessary to assess a Project under the Act for its qualification to receive payments out of Viability Gap Fund and other project support;
- (i) authorize an Implementing Agency to enter into a PPP Contract with a Private Party, subject to the terms and conditions as it may approve;
- (j) subject to the PPP Contract, approve the transfer of an interest in a Project or part thereof under the Act, to a Private Partner or a nominee thereof by transfer, assignment, conveyance, lease, grant, licensing, authorization or otherwise;
- (k) require such reports to be prepared by Administrative Departments, Implementing Agencies, Transaction Advisors, Consultants and Private Partners, which are required for monitoring and evaluation of the projects under the Act;
- (l) subject to the PPP Contract, approve to take over an interest in a Project or part thereof from the Private Partner or a nominee thereof, by transfer, assignment, conveyance, lease, grant, surrender or otherwise;
- (m) approve regulations and guidelines for carrying out the purposes of the Act;
- (n) appoint such officers and delegate them such powers as may be necessary to achieve the purposes of the Act;
- (o) establish directorates, wings and offices and delegate them functions and powers as are necessary for the purposes of the Act;

- (p) assign such roles, responsibilities and tasks to Government Departments and their attached agencies as may be necessary, to achieve the objectives of the Act;
- (q) appoint Transaction Advisors, technical, professional and other experts, advisors, agents and consultants including but not limited to accountants, auditors, bankers, engineers, lawyers, valuers for the Authority and projects implemented, under the Act;
- (r) enter into and perform such contracts with local and international organizations as may be necessary for carrying out the purposes of the Act;
- (s) levy, collect or cause to be collected tolls, tariffs, rents, user fees or any other charges on the use of the infrastructure developed under the Act;
- (t) impose such penalties on a Private Partner, Transaction Advisor or consultant as it deems appropriate on account of a breach or failure to fulfil his obligations under the contract;
- (u) define permissible uses of the infrastructure developed under the Act;
- (v) acquire or dispose of property or any interest in the property;
- (w) subject to the approval of the Government, raise finances for the projects implemented under the Act, through financial instruments including but not limited to Bonds, Sukuk, T-bills, Securities, Funds and establish Infrastructure Finance Company, if required, subject to applicable laws, establish such other funds, trusts, schemes, companies or facilities as are required for the purpose of carrying out the functions under the Act;
- (x) establish committees and delegate them such functions and powers as are necessary to achieve the objectives of the Act;
- (y) invest amounts out of the Authority Fund, the Viability Gap Fund and the Project Development Facility; and
- (z) perform such other functions as may be conferred on it under the Act, the rules made thereunder and any other law for the time being in force.

7. Chief Executive Officer.– (1) The Government may appoint a person having such qualifications, experience and other requirements, as may be determined by the Authority, as the Chief Executive Officer of the Authority on such terms and conditions as the Authority may determine.

(2) The Chief Executive Officer shall:

- (a) be responsible for implementation of the decisions of the Authority;
- (b) exercise such powers and perform such functions as the Authority may assign or delegate to him;
- (c) be the principal accounting officer of the Authority;
- (d) be the head of the management and office of the Authority;
- (e) be responsible for operations and administration of the Authority; and
- (f) has such powers pertaining to matters of appointment, transfer, promotion, dismissal of staff; budget making, finances, development, technical and other matters affecting the business of the Authority as may be prescribed or as may be delegated to him by the Authority.

(3) Notwithstanding the provisions of sub-section (1), Government may post, by transfer, a civil servant not below the rank of BS 19 as the Chief Executive Officer and the terms and conditions of his appointment shall not be less favourable than those admissible to him immediately before his transferring to the Authority.

8. Appointment of officers and staff of the Authority.— (1) The Authority may appoint such officers, employees, experts, advisors, consultants, members of staff and other persons as it considers necessary for the efficient performance of its functions on such terms and conditions and in such manner as the Authority may prescribe or till such time as determined by the Authority.

(2) The officers, employees, experts, advisors, consultants, members of staff and other persons appointed by the Authority, shall not be the civil servants within the meaning of the Punjab Civil Servants Act, 1974 (VIII of 1974).

(3) The officers, employees, experts, advisors, consultants, members of staff and other persons appointed by the Authority when acting or purporting to act under any of the provisions of the Act or rules made thereunder shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (XLV of 1860).

9. Appointment by transfer.— (1) The Government may transfer the services of a Government employee to the Authority on such terms and conditions as approved by the Authority which shall not be less favourable than those admissible to him immediately before his transfer to the Authority.

(2) An employee transferred under sub-section (1) shall continue to be the employee of the Government and liable to be transferred back as and when required by the Government.

10. Constitution of PPP Working Parties.— The Government may constitute PPP Working Parties at Provincial, Departmental, Divisional and District levels to perform such functions with regard to PPP projects subject to such limitations, as may be prescribed.

11. Risk Management Unit.— (1) There shall be a Risk Management Unit in the Finance Department to act as a fiscal guardian for the projects implemented under the Act.

(2) The Risk Management Unit shall:

- (a) subject to the approval of the Authority, develop risk management guidelines for projects to be implemented under the Act; and
- (b) support and advise the Authority or any Implementing Agency with regard to assessment, evaluation, management and apportionment of risks in a project throughout the project lifecycle.

(3) The Risk Management Unit shall also assist the Authority on a Project with regard to:

- (a) its fiscal and contingent liability exposure;
- (b) its financial and business models;
- (c) its transaction structure and consistency with the Act and rules made thereunder;
- (d) identification, distribution and apportionment of risks between the partners and their mitigation;
- (e) its financial and economic sustainability; and
- (f) inclusion of project support.

(4) The Risk Management Unit shall also:

- (a) watch the interest of the Government and the Authority against potential risks involved in a Project;
- (b) advise the Government on budgetary requirements of Projects implemented under the Act; and
- (c) perform such other functions as may be prescribed or as the Authority may determine.

(5) The Risk Management Unit may require any information from the Implementing Agency, Administrative Department, an Attached Department, a local

Government, Statutory Body or a Body Corporate, owned by the Government, for the said purpose.

12. Functions of an Implementing Agency.– (1) An Implementing Agency shall be responsible to identify, develop and implement a Project under the Act and the rules made thereunder and its role shall include but not be limited to:

- (a) identification of projects;
- (b) preparation of Project Concepts;
- (c) development of Project Proposals;
- (d) collection of data;
- (e) undertaking project feasibilities;
- (f) selection of Transaction Advisors;
- (g) estimation of Project Development Facility and Viability Gap Fund;
- (h) invitation of bids, preparation of draft Bidding Documents, draft Prequalification Documents and draft PPP Contracts;
- (i) procurements related to the projects;
- (j) negotiating and entering into PPP Contracts; and
- (k) implementation of the projects and their monitoring and evaluation.

(2) The Implementing Agency shall also be responsible to take over the project after completion of the PPP Contract period, unless otherwise provided.

(3) Without prejudice to the generality of sub-section (1), the Authority or the PPP Working Party may assign additional responsibilities to an Implementing Agency or the rules may be framed for prescribing its role.

(4) The Authority or the PPP Working Party may assign the role of Implementing Agency for a Project to any Government Department, or an attached department of the Government, a local Government, or an authority, a body corporate, statutory body, or a corporation wholly or majorly owned or controlled by the Government at any stage before the signing of the contract, as it deems appropriate.

(5) The Implementing Agency may establish a PPP Node for undertaking Projects under the Act.

CHAPTER III PROJECT IMPLEMENTATION

13. Transparency, efficiency and economy.– (1) All Projects shall be implemented in a transparent, efficient and an economical manner so as to bring value for money.

(2) All contracts under the Act shall be awarded through a competitive process, in the prescribed manner, unless specifically provided otherwise.

(3) Subject to the Act and the rules made thereunder, the Implementing Agency may enter into PPP Contract with Private Partner on the approved terms and conditions.

14. Publication of annual business plan.– Subject to the approval of the Government, the Authority shall, in consultation with the Administrative Departments, prepare and publish an annual business plan for PPP projects.

15. Powers to approve a Project.– (1) The Authority shall have full powers to approve a Project without any limitation.

(2) Subject to the Act and the rules made thereunder, the approvals granted by the Authority or a PPP Working Party shall be final and the Projects duly approved, shall not require any further approval and concurrence from Government or any other forum.

(3) The approval of the project shall be deemed to include the approval of all matters ancillary thereto, including but not limited to terms and conditions, concessions, Project Proposal, alignment, project support. However, the Implementing Agency shall be responsible to fulfil the legal, procedural and codal requirements, necessary to give effect to the approval.

16. Project support.— Subject to the Act and the rules made thereunder, such project support may be provided for implementation of a Project under the Act, as may be necessary to make the project financially and economically viable and such project support may include, administrative and financial support, exemption from procedural requirements, concessions, licensing and collection rights, tax cuts or exemptions, provision of utilities and land rights, fiscal commitments, funding out of Viability Gap Fund, subsidies, grants, loans, minimum usage or revenue guarantees, Standby Letter of Credit, commitment to take contingent liabilities, protection against revision of tax rates, inflation indexing, exchange rate and interest rate indexing, right to use Government assets, transfer of Government functions and such other support as may be determined under the rules. However, tax cuts or exemptions, protection against revision of tax rates and Standby Letter of Credit shall only be included as a project support subject to the approval of Government. In case of a Federal tax or duty, such exemption shall be subject to the approval of the Federal Government.

17. Unsolicited Proposal.— (1) A Private Party may also submit a proposal for a Project on unsolicited basis to an Implementing Agency.

(2) The award of contract on an Unsolicited Proposal shall be through competitive process in such manner as may be prescribed.

(3) The advantages to the Proponent of an Unsolicited Proposal may also be prescribed through rules to encourage the submission of Unsolicited Proposals.

18. Transfer of rights.— (1) The Project and its movable and immovable properties, physical assets, licenses, goodwill, trademarks, patents, leases, rights including intellectual property rights and interests associated with the project shall be vested in accordance with the PPP Contract, during the tenure of the PPP Contract:

(a) provided that, where such rights have been vested in the Private Partner for the tenure of the PPP Contract, the Private Partner shall not create any lien, charge or encumbrance, in favour of the lenders, over the movable and immovable properties of the project, thus vested, as collateral, unless specifically approved by the Authority or the relevant PPP Working Party; and

(b) provided further that after the expiry of the PPP Contract, all the properties as aforesaid shall stand transferred, without any lien, charge or encumbrance, to the Government or the Implementing Agency or the Authority in accordance with the PPP Contract, unless otherwise provided.

(2) Subject to the PPP Contract, the Project may vest in the Private Partner for a period not exceeding thirty years and on expiry of such period, the project shall vest in the Government or Authority or the Implementing Agency, as the case may be.

19. No compensation for risks not covered.— The Implementing Agency shall, as far as possible, disclose potential risks in a Project in the Bidding Documents. However, the Authority, the PPP Working Party, the Risk Management Unit, Implementing Agency or a person working on their behalf shall not be held liable for any claim for a risk, which is not specified therein.

20. Renegotiation of PPP Contracts.— The Authority, in case of a contract, where circumstances are beyond the control of Implementing Agency and the Private Partners; which could not be foreseen at the time of entering into the PPP Contract, have rendered the implementation of original PPP Contract impossible, may, for reasons to be recorded

in writing, allow re-negotiation of PPP Contract on such terms and conditions, as it considers necessary.

21. Restriction on funding PPP Project through alternate means.— A project, for which funding out of Project Development Facility has been approved or a project which is otherwise, approved by the Authority for its implementation as a PPP project under the Act, shall not be eligible for funding out of public money including Annual Development Program and Public Sector Development Program, unless otherwise decided by the Authority.

22. Compliance with environmental standards.— All Projects implemented under the Act and actions taken with regard thereto, by the Authority, Implementing Agency and the Private Partner shall be compliant to the environmental laws and standards notified from time to time.

CHAPTER IV FINANCE

23. Allocation of budget.— (1) The Government shall place, each year, adequate budget, not less than that allocated during the preceding year, for funds mentioned at sections 24, 25 and 26 at the disposal of the Authority for the projects to be implemented under the Act.

(2) The Authority may re-appropriate budget from one fund to the other on need basis or delegate such powers.

(3) Every year, a certain percentage of the development portfolio of a sector shall be implemented on PPP basis. The Government may, from time to time, determine the said percentage for a sector.

(4) The development projects which are commercially viable and suitable for implementation as a PPP Project shall preferably be implemented on PPP basis instead of Annual Development Program.

24. Authority Fund.— (1) There shall be a fund to be known as the Punjab Public Private Partnership Authority Fund which shall be maintained, managed, controlled and administered by the Authority in the manner as may be prescribed through rules.

(2) The Authority Fund shall consist of:

(a) sums as the Government may from time to time grant or lend, for the purpose;

(b) sums charged from Private Partners in accordance with the PPP Contract, for PPP projects approved by the Authority; in case such sums exceed one percent of the total project cost, the excess amount may be transferred to Viability Gap Fund or Project Development Facility, as the Authority may determine;

(c) income and profit from investments by the Authority;

(d) fees charged for the services rendered by the Authority;

(e) grants or funds provided by International Agencies, subject to the approval of the Government; and

(f) all other sums which may in any manner become payable to or vested in the Authority.

(3) The Authority shall meet its operational expenses from the Authority Fund.

(4) The Authority may suitably invest surplus amount of the Authority Fund in such manner as may be prescribed through rules.

25. Viability Gap Fund.— (1) There shall be a fund to be known as the Viability Gap Fund which shall be maintained, managed, controlled and administered by the Authority in the manner as may be prescribed through rules.

(2) The Viability Gap Fund shall receive sums from:

- (a) budgetary releases, development or non-development, from the Government, for the purpose;
- (b) grants by the Federal, Provincial Governments or any Governmental Agency, for the purpose;
- (c) funds placed by the Government at the disposal of the Authority, for the purpose; and
- (d) loans, grants, funds and contributions received from International Agencies, for the purpose, subject to the approval of the Government.

(3) The Government shall replenish the Viability Gap Fund from time to time.

(4) The Viability Gap Fund shall be utilized, *inter alia*, to provide support to the projects determined by the Authority to be economically or socially justified but not financially viable.

26. Project Development Facility.— (1) There shall be a facility to be known as the Project Development Facility which shall be, maintained, managed, controlled and administered by the Authority in such manners as may be prescribed through rules.

(2) The Project Development Facility shall receive sums from:

- (a) budgetary releases, development or non-development, from the Government, for the purpose;
- (b) grants by the Federal, Provincial Governments or any Governmental agency, for the purpose;
- (c) funds placed by the Government at the disposal of the Authority, for the purpose;
- (d) loans, grants, funds and contributions received from International Agencies, for the purpose, subject to the approval of the Government.

(3) The Project Development Facility shall be utilized, *inter alia*, to support the development of Project Proposals, preparation of Bidding Documents and other ancillary matters for potential PPP projects.

(4) The money spent on the preparation of a proposal, out of the Project Development Facility, shall be reimbursed by the Private Partner to the Project Development Facility before the start of the commercial operations of the project developed thereof.

(5) The Government shall replenish the Project Development Facility from time to time.

27. Budget and accounts.— (1) The Authority shall maintain proper accounts and other records relating to its financial affairs including its income and expenditures, and its assets and liabilities in the manner determined by Finance Department of the Government.

(2) The Authority shall maintain its accounts in such manners as may be prescribed through the rules.

(3) The Authority shall, upon the conclusion of a financial year, cause to be prepared for each financial year, its statements of accounts which shall include a balance sheet and an account of income and expenditure.

(4) No expenditure for which provision has not been made in the approved budget shall be incurred without prior approval of the Authority.

28. Audit.— (1) The Auditor General of Pakistan shall annually audit the accounts of the Authority.

(2) The Authority shall, if required, take appropriate remedial or other actions in the light of the audit reports prepared by the Auditor General of Pakistan.

(3) The Authority, in addition to the audit under sub-section (1), may cause the accounts of the Authority annually audited by a Chartered Accountant or a firm of Chartered Accountants.

(4) The auditor appointed under sub-section (3) shall:

- (a) be provided such access to the books, accounts and other documents as may be considered necessary for the audit of accounts; and
- (b) authenticate balance sheet, income and expenditure statement of the Authority before issuance.

(5) The auditor shall submit the annual or any special audit report to the Authority, and the Authority shall take appropriate remedial or other action in the light of the audit report.

CHAPTER V MISCELLANEOUS

29. Power to exempt from taxation.— The Government, from time to time, may exempt PPP Projects from provincial taxes or grant such waivers as it deems appropriate.

30. Power to make rules.— The Government shall, by notification in the official Gazette, make rules for carrying out the purposes of the Act.

31. Power to frame regulations.— Subject to the Act, the Authority may frame regulations, not inconsistent with the Act and the rules made thereunder, for carrying out the purposes of the Act.

32. Advisory and consulting services.— The Authority may provide advisory and consulting services to other agencies, Governments, local Governments, bodies corporate, statutory bodies, and corporations and charge fees for the services provided.

33. Selection of Private Partners, Transaction Advisors, consultants and experts.— Notwithstanding anything contained in any other law for the time being in force and the rules made thereunder, the Government may prescribe through rules or otherwise determine the manner, method and procedures for:

- (a) selection of Private Partners in connection with PPP Projects or certain classes thereof;
- (b) selection of Transaction Advisors in connection with PPP Projects or certain classes thereof; and
- (c) engagement of International Financial Institutions as Transaction Advisors for certain PPP projects or classes thereof, on such terms and conditions as prescribed therein.

34. Conflict of interest.— (1) A Member shall not, directly or indirectly, receive any profit from his position as a Member except the reasonable expenses incurred by him in the performance of his duties.

(2) The pecuniary interests of immediate family members or close personal or business associates of a Member or an officer working in pursuance of the Act shall also be considered the pecuniary interests of the Member or the officer.

(3) A Member or an officer working in pursuance of the Act or the rules made thereunder, shall be in conflict of interest if, for a PPP Project, he:

- (a) is or has been an employee, or a paid consultant of a Bidder or a Consortium or lender of the Bidder or Consortium; or

- (b) owns, controls, or has or had direct or indirect interest in a business venture of a Bidder or a member of a Consortium; or
 - (c) receives or had received any income from a business venture of a Bidder or a member of a Consortium; or
 - (d) himself, or one or more members of his family, business partners or close personal associates, may personally benefit either directly or indirectly, financially or otherwise, from his position.
- (4) A Member shall disclose a potential, real or perceived conflict of interest as soon as he becomes aware of the conflict to the Authority, through its Secretary.
- (5) If a Member is not certain about the conflict-of-interest situation, he shall bring the matter before the Authority for advice and the decision of the Authority thereon shall be final.
- (6) A Member shall not take part in the proceedings of the Authority in which any question of his conflict of interest is being discussed.
- (7) The disclosure of conflict of interest and the decision of the Authority thereof, shall be recorded in writing.
- (8) A person or an association of persons providing consulting or transaction advisory services for a Project shall be in conflict of interest if for the same Project he is:
- (a) submitting a bid or is a part of a Bidder or a Consortium; or
 - (b) is an employee, or a paid consultant of a Bidder or a Consortium or lender of the Bidder or Consortium.

35. Dispute resolution.– The disputes shall be decided in accordance with the laws of Pakistan and pursuant to the Arbitration Act, 1940 (X of 1940), or any other relevant law for the time being in force or the law as may be specified in the PPP Contract. However, in case of foreign equity or foreign debt investments, the PPP Contract may provide for international commercial arbitration, at a mutually agreed venue subject to approval of the Government.

36. Termination of PPP Contract.– (1) A Public Private Partnership contract shall only be terminated by either party subject to notice of breach, allowing cure period to the other party and a notice of termination in accordance with the PPP Contract.

- (2) A PPP Contract may be terminated:
- (a) by the Private Partner, when the Implementing Agency fails to fulfill the major obligations under the PPP Contract even after the service of notice and passing of cure period provided in the PPP Contract;
 - (b) by the Implementing Agency when the Private Partner fails to fulfill the major obligations under the PPP Contract or fails to perform the contract wholly or in part or comply with the terms of the PPP Contract or fails to achieve the milestones and maintain the standards as set out in the PPP Contract and has failed to take remedial actions beyond the cure period. In such a case, the Implementing Agency may, subject to the approval of the Authority, either takeover the project and assume the related liabilities or allow the lenders of the Private Partner to exercise their rights and interests as specified in the loan agreement and replace the Private Partner with a substitute Private Party subject to the approval of the Authority or takeover the project and auction the remaining term of the PPP Contract in a competitive manner and apply the proceeds to pay the debts of the Private Partner or invoke such other contractual remedies including liquidated damages which fairly cover the loss incurred by the Government or the Authority or the Implementing Agency, as the case may be;

- (c) unilaterally by the Government acting in the Public interest but in such a case the Government shall suitably compensate the Private Partner for its investments made in the project including any debts incurred and a sum which fairly represents the lost profits on such investments; and
 - (d) by the occurrence of a force majeure, subject to consent of both parties. In such case, the rights and liabilities shall be allocated in accordance with risk and compensation formula set forth in the PPP Contract;
- (3) Major obligations on behalf of either party in clause (a) and (b) of sub-section (2) are those obligations which render the implementation of the project impossible by other party.

37. Land acquisition.— The acquisition of any land or any interest in land by the Authority under the Act shall be deemed to be acquisition for a public purpose within the meaning of the Land Acquisition Act, 1894 (I of 1894).

38. Powers to eject unauthorized occupants.— The Authority may, summarily eject any unauthorized occupant of any part of the infrastructure or a proposed project site thereof and remove any structure thereon, and use such force, including police force, as may be necessary for the purpose and recover the cost thereof from such unauthorized occupant.

39. Recovery of costs, dues and fees.— (1) In case of failure by a Private Partner to pay sums including but not limited to costs, dues, fees, rents, profits, charges, interests, payable by the Private Partner, to the Government, Implementing Agency or the Authority, the Authority may recover the sum due from the Private Partner as arrears of land revenue under the Punjab Land Revenue Act, 1967 (XVII of 1967).

(2) The Authority shall designate an officer as Collector to exercise the powers of the Collector under the Punjab Land Revenue Act, 1967 (XVII of 1967) for recovery of arrears under sub-section (1).

40. Reward by the Authority.— The Authority may, in the prescribed manner, make payment of reward out of the Authority Fund to any person who has made an exceptional effort towards accomplishing the objectives of the Act.

41. Obligation to produce documents and provide information.— (1) The Authority or the Chief Executive Officer may require, in writing, any person, Government department, authority, statutory body, company or organization, as the case may be, to provide any information or data held by that person, Government department, authority, statutory body, company or organization, which, in the opinion of the Authority is required for policy making or exercising the powers granted by the Act.

(2) Every person, Government Department, Authority, statutory body, company or organization shall furnish the information requisitioned under sub-section (1), at the earliest.

42. Power to require information from the Private Partner.— (1) The Authority, the PPP Working Party, the Implementing Agency, the Chief Executive Officer or an officer authorized on their behalf may carry out such inspections or conduct such tests or surveys or require the Private Partner to furnish such information including but not limited to reports, data, documents, record, statements which in the opinion of the Authority, the PPP Working Party, the Implementing Agency, the Chief Executive Officer or an officer authorized on their behalf is necessary for quality control, monitoring, evaluation,

assessment, oversight, third Party Validation or audit of the PPP project implemented under the Act.

(2) In case of failure to comply to the requirements or requisitions made under sub-section (1), the Authority, the PPP Working Party, the Implementing Agency, the Chief Executive Officer or the officer authorized on their behalf may proceed with such inspections or tests or procure such information at the cost, expense and risk of the Private Partner and in addition thereof, the Authority, the PPP Working Party, the Implementing Agency or the Chief Executive Officer may also impose such penalty upon the Private Partner as it considered appropriate to compensate for the non-compliance or inaction of the Private Partner.

43. Transparency and public disclosure.— (1) The PPP Contract and the documents ancillary thereto shall be public documents. Any interested person shall be entitled to obtain a copy of it in such manners as may be prescribed.

(2) The Authority may, for reasons to be recorded in writing, declare the whole or part of the document not to be made a public document or impose such restrictions as it deems appropriate.

44. Public servants.— The Chairperson, Vice Chairperson and Members shall, when acting or purporting to act in pursuance of any of the provisions of the Act, be deemed to be public servants within the meanings of section 21 of the Pakistan Penal Code, 1860 (XLV of 1860).

45. Immunity of the Authority and its employees.— No suit, prosecution or any other legal proceeding shall lie against the Authority, the Chairperson, the Chief Executive Officer, Member, officer, employee, expert or consultant of the Authority, exercising any power or performing any function under the Act or the rules or regulations made thereunder for anything done in good faith.

46. Prior consent of the Authority with respect to certain legal actions.— (1) Notwithstanding anything contained in any other law for the time being in force, no legal action shall be initiated against any Member, officer or official by any Government agency for acts of omission or commission in his official capacity, pertaining to the Act, or the rules or regulations made thereunder, unless the said agency obtains prior consent of the Authority in writing and for seeking such consent the Government agency shall provide the list of charges along with the evidence.

(2) The Authority shall, on receipt of the list of charges along with evidence under sub-section (1), constitute an inquiry committee which shall determine whether there is a *prima facie* cause for the legal action or not and the inquiry committee shall give its findings and recommendations to the Authority within such time as may be directed by the Authority and the decision of the Authority on the matter, whether to allow the proposed legal action or not, shall be final.

47. Overriding effect.— Notwithstanding anything contained in any other law, the provisions of the Act shall prevail to the extent of the Public Private Partnership projects.

48. Removal of difficulties.— If any difficulty arises in giving effect to or applying the provisions of the Act, the Government may make such order, not inconsistent with the Act, as may be necessary for removing the difficulty.

49. Repeal and savings.— (1) The Punjab Public Private Partnership Act 2019 (XXX of 2019) is hereby repealed.

(2) Notwithstanding the repeal under sub-section (1):

- (a) anything done or any action taken under the repealed Act shall, so far as it is not inconsistent with the Act, be deemed to have been done or taken under the Act;
- (b) all rules, regulations, guidelines, manuals, notifications, office orders, approvals issued under the repealed Act shall, so far as these are not inconsistent with the Act, be deemed to have been issued under the Act;
- (c) a PPP Contract signed with a Private Party prior to the coming into force of the Act, shall be valid until the end of the term established in such contract;
- (d) the residuary matters of the PPP Projects which are at various stages of implementation and the Agreements with regards thereto have not been signed prior to coming into force of the Act, shall continue to be dealt with the repealed Act till such time the rules are notified under the Act;
- (e) all employees of the Authority and the Risk Management Unit, under the repealed Act, shall be deemed to be the employees of the Authority and Risk Management Unit under the Act on the terms and conditions not less favourable than the terms and conditions, they were subject to immediately before the repeal of Punjab Public Private Partnership Act 2019 (XXX of 2019).

(3) The PPP Cell established under the repealed Act is hereby abolished and the employees, assets and liabilities of the abolished PPP Cell shall stand transferred to the Authority, on such terms and conditions as the Authority may determine.

(4) Nothing in the Act shall affect any action taken by the PPP Cell under the repealed act, if not inconsistent with the Act, and it shall continue to be in force and have effect as if it were taken under the Act.

(5) All agreements and contracts entered into or rights, claims or assets acquired and transferred under the repealed Act shall be deemed to have been acquired and transferred under the Act.

(6) All suits and other legal proceedings instituted by or against the Authority shall be deemed to be suits and proceedings under the Act.

(7) All the Projects implemented under the repealed Act shall be deemed to have been validly implemented under the Act.
