



République Algérienne Démocratique et Populaire  
Ministère des Finances

Caisse Nationale d'Équipement pour le Développement

The left side of the slide features three vertical panels showing a highway stretching into the distance. The panels are framed by a thick yellow border. The background of the slide is a mix of dark grey and yellow geometric shapes, with a grid of small white dots on the right side.

# THE NEW LEGAL AND INSTITUTIONAL FRAMEWORK FOR **PPPS IN ALGERIA** IN LIGHT OF PAST EXPERIENCES

**September 2025**

# INTRODUCTION

For many years Algeria financed infrastructure almost entirely through the state budget.

Public investment climbed from **8 percent** of GDP in 2000 to **14 percent** in 2016, and averaged about 9 percent between 2015 and 2022.

But with fiscal space tightening, depending only on public funds is no longer sustainable.

**PPPs** allow the private sector to bring capital, technology, and efficiency, while government keeps strategic oversight.



# HISTORY OF PPP IN ALGERIA

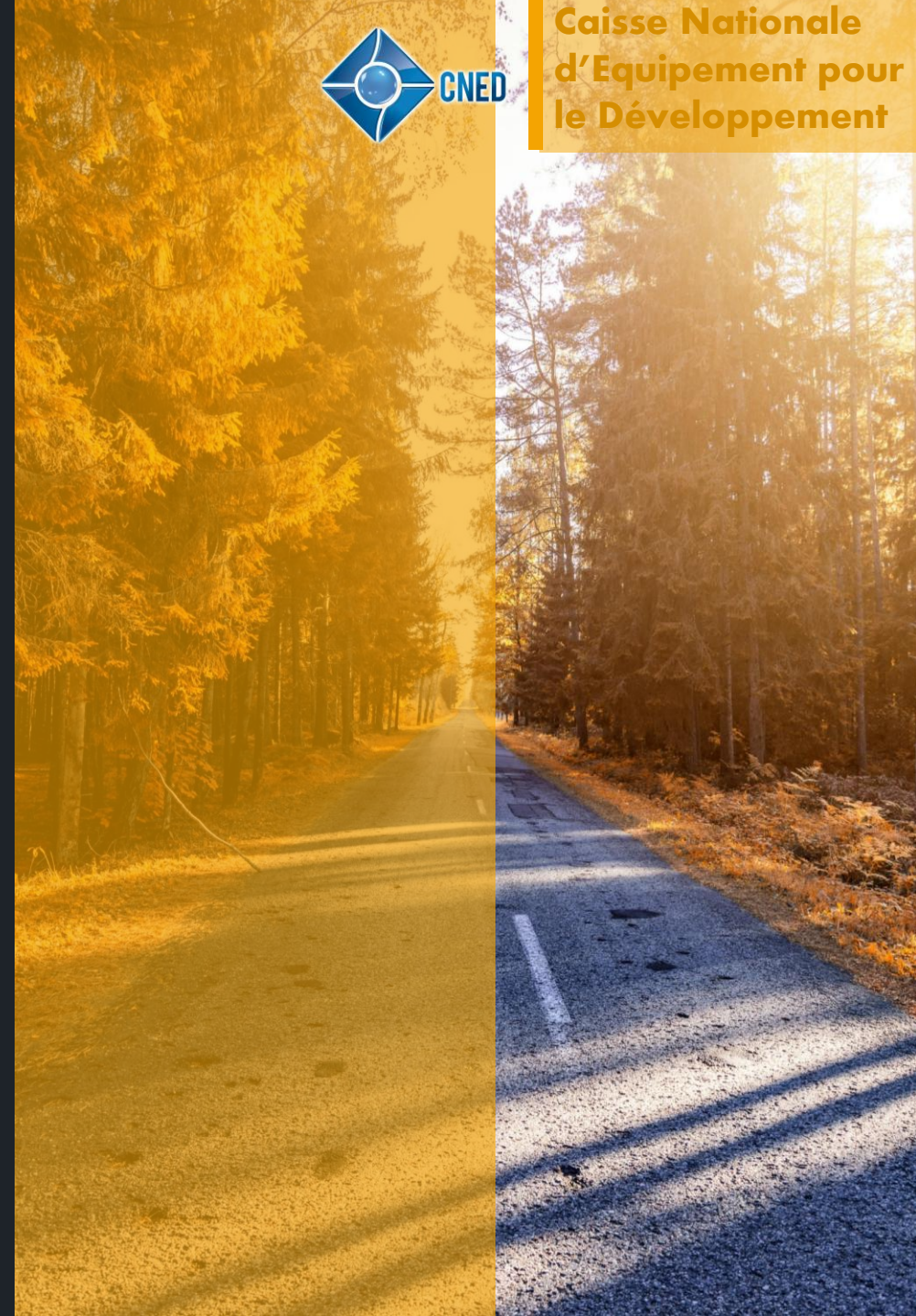
In the early 2000s, PPP projects emerged in water, energy, and transport. Key achievements include:

- 11 desalination plants and 2 power plants (Algerian Energy Company).
- Container terminal concessions in Algiers, Béjaïa, and Djen Djen.
- Delegated water management in Algiers/Tipaza, Oran, Constantine, and Annaba/Tarf.
- Algiers Airport and the **metro/tramway** operated under PPP arrangements.

However, the **lack of a dedicated legal framework** and preference for traditional public procurement limited wider adoption.



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# STRENGTHS AND CHALLENGES

## Strengths

- Strong sectoral experience-desalination, ports, energy.
- The 2022 Investment Law 22-18 offers investor-friendly conditions.
- Access to international private expertise.

## Challenges

- Limited understanding of PPP benefits among some public operators.
- Business-climate improvements still needed.
- Weak monitoring and evaluation practices.

# CURRENT CONTEXT



Today Algeria faces tight fiscal limits and rising infrastructure needs.

Mobilizing private resources is now a strategic necessity.

PPPs let projects proceed faster, with budget discipline and clear value for money.



# DRAFT PPP LAW: OVERVIEW

The new draft law—**15 chapters and 116 articles**—lays out a complete framework.

It applies to projects above financial thresholds and excludes hydrocarbons, mining, and privatizations.

Principles: transparency, equal treatment, continuity of service, and proof that a PPP offers a better cost–benefit outcome than conventional procurement.



# INSTITUTIONAL FRAMEWORK



The law creates three levels of governance:

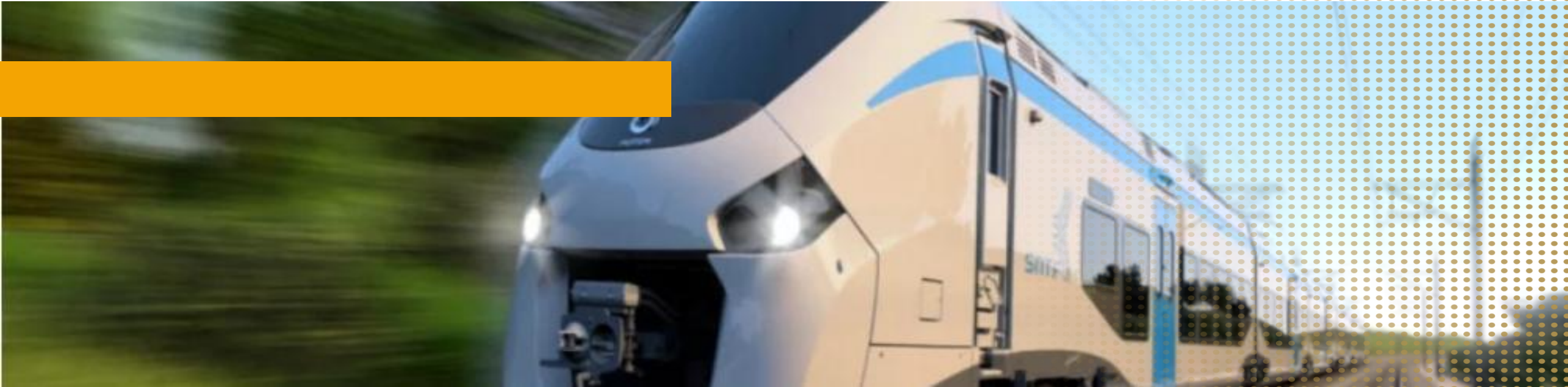
1. **National PPP Committee**, under the Prime Minister, sets strategy, validates the national pipeline, and approves major contracts.
2. **Technical PPP Committee**, under the Finance Minister, evaluates feasibility, prepares model contracts, and provides technical support.
3. **PPP Units** inside every contracting authority prepare, manage, and monitor projects.

# PROJECT IDENTIFICATION & FEASIBILITY

Before a PPP is launched, the public authority must conduct a **pre-feasibility study** demonstrating:

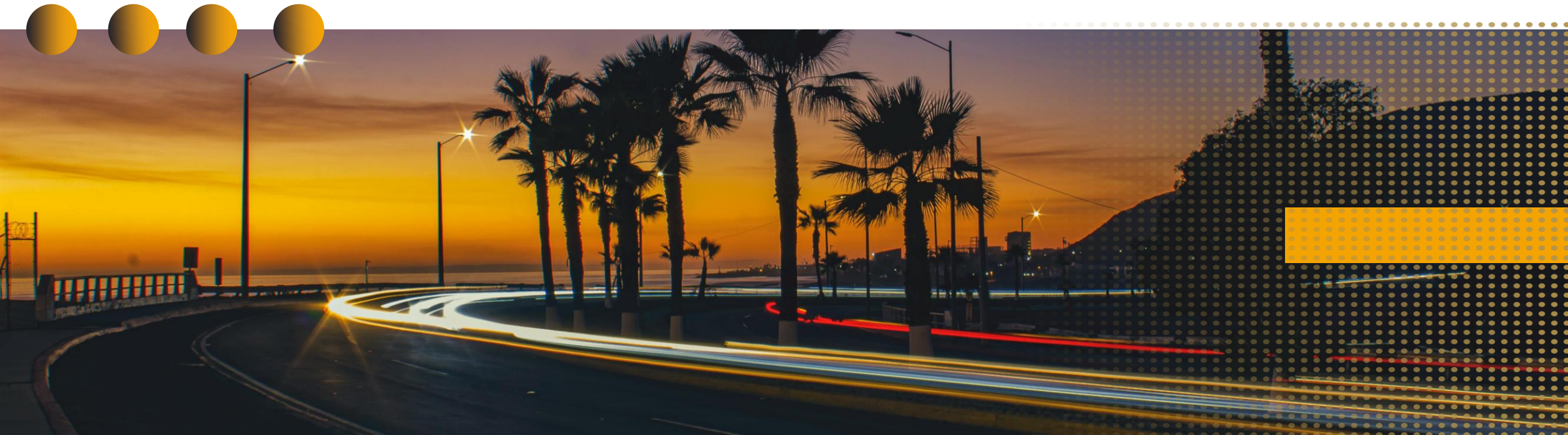
- Strategic relevance,
- Cost–benefit advantage over public procurement,
- Financial sustainability and risk allocation.

Projects are registered in a **National PPP Pipeline**, and **environmental and social impacts** are assessed.



# PROCUREMENT PROCEDURES

- **Public tender** : the default competitive process,
- **Competitive dialogue** : for technically complex projects.
- **Direct negotiation** : for urgent needs, security reasons, or exclusive technologies.
- **Private initiative** : unsolicited proposals evaluated and, if suitable, put to tender or negotiated.



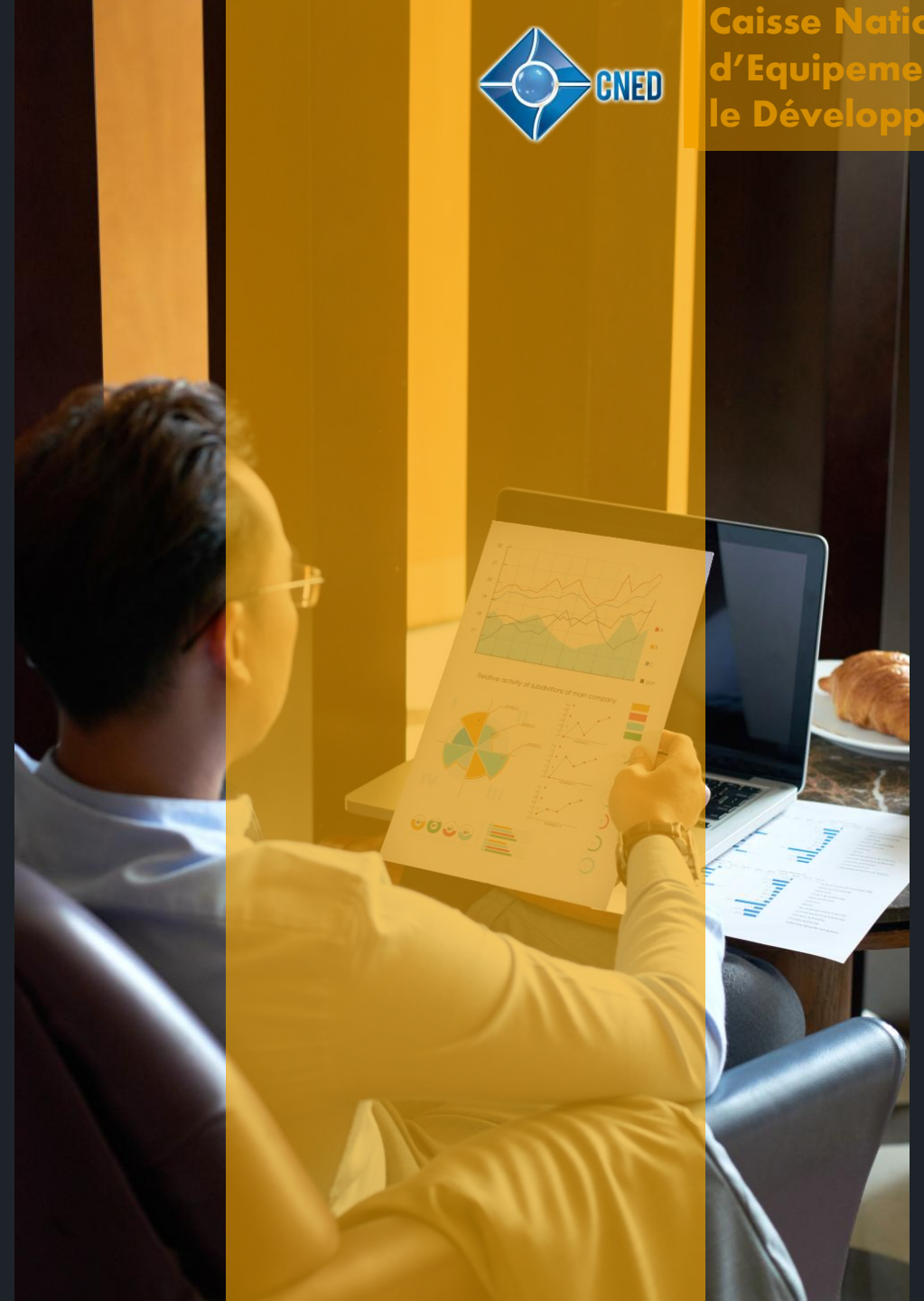
# CONTRACT STRUCTURE & CONTENT



- Typical duration: 5–30 years, matching the economic life of the asset.
- Contracts cover design, construction, financing, operation, and maintenance, with clear performance indicators.
- Remuneration models may include availability payments, user fees such as tolls, or hybrid revenue-sharing.
- Adjustment clauses allow economic rebalancing after force majeure or regulatory changes.

# FINANCIAL PROVISIONS

- Private partners usually form a Special Purpose Vehicle (SPV) under Algerian law.
- Public contributions can include land grants, guarantees, or co-financing.
- PPP liabilities must respect national public-debt rules and international accounting standards.



# MONITORING & REPORTING



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Continuous performance monitoring by the contracting authority.

Annual reports to the Technical Committee and the Court of Accounts.

Audit rights for the Ministry of Finance and independent external auditors.

# DISPUTE RESOLUTION

Three-step mechanism:

**1. Amicable settlement or mediation.**

**2. Arbitration, national or international, if the contract provides.**

**3. Algerian administrative courts as a final resort**

# TRANSPARENCY & ANTI-CORRUPTION

**The law demands:**

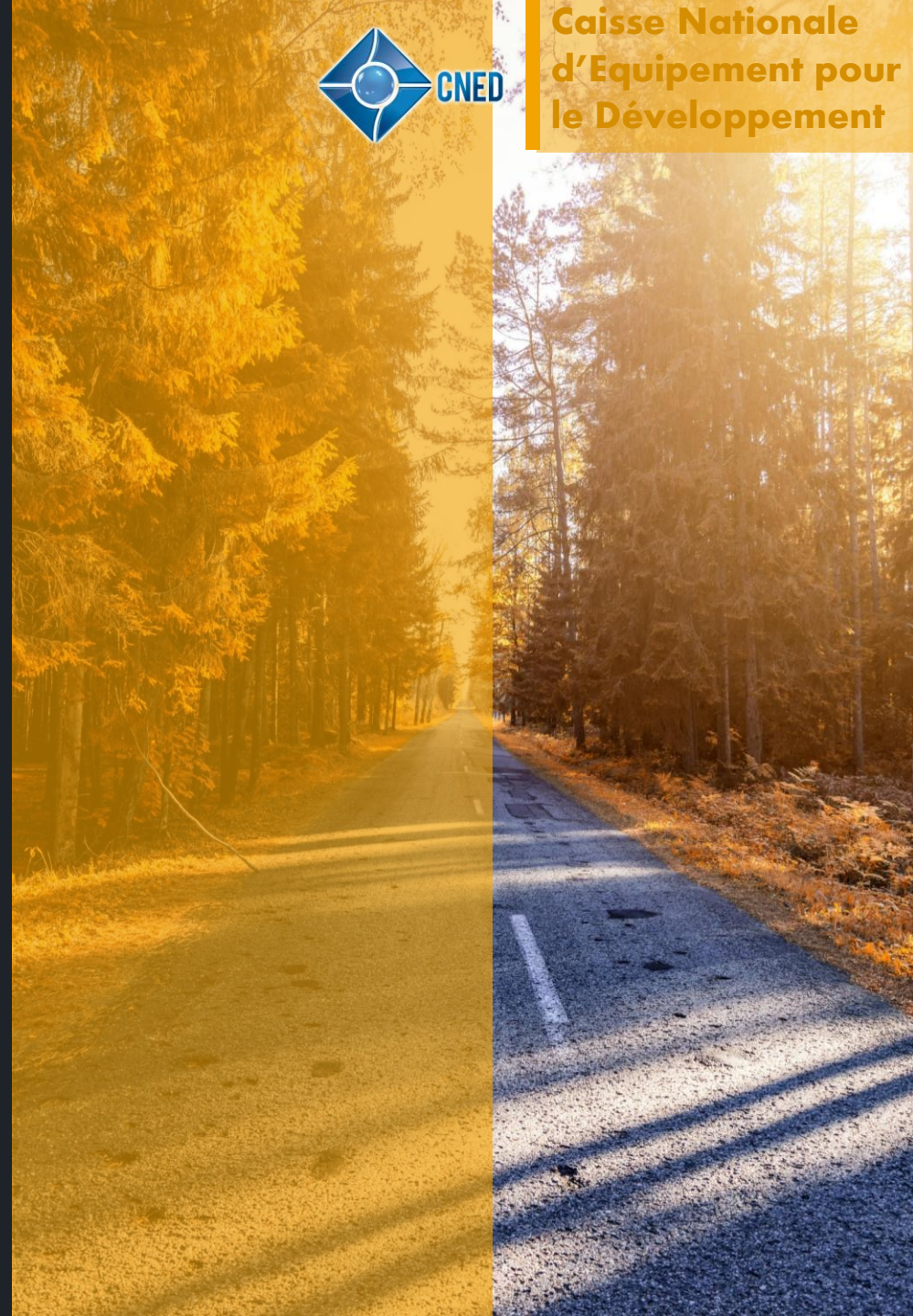
- **Publication of tender notices and results,**
- **Disclosure of key contract terms and amendments,**
- **Annual performance and financial statements.**

**Strict conflict-of-interest rules carry clear penalties.**



# FINAL & TRANSITIONAL PROVISIONS

- Existing concessions remain valid until expiry, with the possibility of conversion to PPPs.
- Implementing decrees will set financial thresholds, detailed financial rules, and standard contract templates.



# KEY INNOVATIONS & IMPLICATIONS



## Innovations

- Multi-tier governance—National and Technical Committees plus PPP Units.
- Mandatory **Value for Money** analysis and optimal risk allocation.
- Acceptance of **unsolicited private proposals**.
- Strong transparency and disclosure obligations.

## Implications

- **Government:** build capacity for feasibility studies and contract management.
- **Investors/Banks:** gain a predictable legal environment and clearer dispute resolution.
- **Citizens:** benefit from better infrastructure and services, with safeguards for affordability.

# FLAGSHIP PPP PROJECTS



Priority projects already identified include:

- 4th Algiers Ring Road, a 260-km toll highway.
- Béjaïa Tramway, expected to carry about 20 million passengers a year by 2030.
- Constantine University Hospital, 500 beds.
- Boudouaou Wastewater Treatment Plant.
- A 15 gigawatts solar photovoltaic mega-project across the southern regions by 2035.



# LESSONS AND RECOMMENDATIONS



## **PPP is a means, not an end.**

Focus on quality, technology transfer, and on-time/on-budget delivery.

Adapt contracts to local conditions, encourage domestic bank financing, and allow public participation in project companies.

Maintain a transparent, investor-friendly climate.

# CONCLUSION



In summary, PPP development is a strategic necessity for Algeria.

The forthcoming law provides the stable, transparent framework needed to attract private investment, diversify financing sources, and accelerate infrastructure delivery—while ensuring high-quality public services.

**THANK YOU**  
**FOR YOUR ATTENTION**

**I WELCOME YOUR QUESTIONS**

