



PUBLIC PRIVATE PARTNERSHIP IN EGYPT

Muhammad Kamel ^{1, 4}, Ali Montaser ^{2, 5}, and Ibrahim Abd El-Rashid ^{3, 6}

^{1, 2, 3} Ain-Shams University, Egypt

⁴ muhammadkamel77@hotmail.com

⁵ structural_ali@yahoo.com

⁶ ibrahim.sama@gmail.com

Abstract: While the development wheel in Egypt is in need of large and immediate investments, the funds provided by the government are not sufficient to face such a challenge. Public-Private Partnership (PPP) is a delivery/financing system that can be a solution to this problem. In this system, the private sector partners with the public sector to provide projects/services, affording the burden of finance and sharing risks. Egypt was one of the countries that witnessed some earlier and most successful (PPP) projects during the nineteenth century, more than a century before the appearance of the term (PPP) itself. This paper displays the Egyptian experience of the PPP history, modern background, and present environment including the determinant legal frame. Semi-Structure interviews were conducted among different PPP participants in order to join the puzzle pieces, which have scattered due to different perspectives and attitudes. The interviewed experts' were a mix of government officials, investor representatives, project managers, and consultants. The Egyptian Government has adopted earnest measures to facilitate execution of PPP projects as a manner among others to overcome its chronic budget deficit. PPP practices haven't yet achieved the anticipated contribution to the Egyptian Economy.

Keywords: Egypt Practice; Public-Private Partnership (PPP); government; financing; Egyptian economy.

INTRODUCTION

The PPP project delivery model forms an important arrangement to development all over the world nowadays. Both developed and developing countries show different degrees of PPP measures of acceptance. The UK and Australia are classified as the most mature markets to host PPP practices. While USA, Canada, France, Spain, Netherlands, and Portugal classified in the second level. According to the same classification; India, South Africa, Mexico, and Brazil were a head of the third level including a lot of world countries (WB 2014). The classification of PPP hosting countries indicates some features of each level. The first level countries have a significant portion of PPP projects in its infrastructure plan, using more sophisticated risk models, adopting remarkable organizational changes in governments to fulfill the growing role of PPP (Gross 2010). The second level countries are trying to expand the PPP share in its markets founding special dedicated PPP units in different agencies. The second level countries also use the PPP arrangements to gain a sort of service innovation, and depend on both equity and loans, as a multilateral support of funds (Chao and Hong 2016). The third level countries have launched a special legal frame work responding to the PPP requirements, and have founded a central

PPP unit in the concerning authority. The decision making in such level depends primarily on the Public Sector Comparator (PSC) model (Eggers and Startup 2006).

Table (1) displays some PPP units in different countries from level two and three, their hosting governmental bodies, and their establishment date. More than one hundred countries around the world possess a legal framework to host PPP arrangements. PPP laws are one of the indicators for the country's preparedness to the PPP protocols. The UK came on the top of the list with 8 general laws, among which the oldest PPP legal framework at the mid of the nineties (EPEC 2012). Papua New Guinea, a country that has got its independence in 1975, may be considered the last country to enact a PPP law up to date by the law 30 for the year 2014 (PNGP 2014).

Table 1: PPP units, hosting governmental body, and year of Establishment

Country	PPP Unit Name	Hosting Ministry or Authority	Establish. Year
Egypt	PPP Central Unit	Ministry of Finance	2006
Kenya	PPP Unit	National Treasury Department	2013
Nigeria	Infrastructure Concession Regulatory Commission	Presidency of Federal Republic of Nigeria	2008
South Africa	PPP Unit (MF)	National Treasury Department	2000
Kuwait	Partnerships Technical Bureau	Ministry of Finance	2008
China	China PPP Center	Ministry of Finance	2014
Papua New Guinea	PPP Center	Ministry OF Treasury	2014
India	PPP Cell	Department of Economic Affairs	2006
Netherlands	The PPP Knowledge Center	Ministry of Finance	1999
Poland	Institute PPP	Ministry of Economy	2013
Russia	PPP Development Center	Ministry of Economic Development	2009
Brazil	Bahia: REDE PPP	Bahia State Finance secretariat	2014
Peru	ProInversión	Ministry of Economy and Finance	2010
Puerto Rico	PPP Authority	Government Development Bank (GDP)	2009
Uruguay	Unidad de Participación Público - Privada	Ministry of Economy and Finance	2011

The Roman Empire thousands years ago has witnessed the first recorded private participation in public services. The Empire municipalities awarded private entities the construction, operation, and maintenance of the postal stations network for five years period (Bezançon 2004). The Roman Empire

collapse caused such an approach to disappear for a long time. The approach reappeared during the twelfth and thirteenth centuries in France, to cover the need of reforming new lands at the south west, newly ruled due to the Andalusian deterioration. The approach continues to grow normally during the next centuries till the nineteenth century, where it experienced vast growth and expansion due to the Industrial Revolution (IRF 2010). The World Wars caused that trend not just to depreciate, but perhaps to reverse. Due to the dire need of repairing the war impact, governments started to fund by itself such projects, where the private sector had its obsessions of losing its wealth; *“capital is a Coward”* (Frye 1882). The stability resulted from using the nuclear bomb which ended the World War II, and the construction of international organizations, as the United Nations and others, encouraged the private sector to participate again in public facilities (Kamel 2015).

The PPP arrangements became a familiar delivery method in a lot of East-European countries, a few years after the failure of Berlin Wall and the Soviet Union in 1989 and 1991 respectively. A lot of the previous Soviet Union states as same as the Yugoslavian ones, have experienced numerous PPP projects under the overseeing of dedicated PPP units. PPP arrangements succeeded to penetrate the most rigid totalitarian regimes which had an ideological hostility against the private sector; Russia and China. In 2005 the Russian Government has passed the federal law of PPP, followed by earnest steps resulted in an incentive environment of PPP. Till 2012, the Russian government has signed 43 PPP projects, aspiring to increase the PPP share in the infrastructure projects plan to above 75% by the year 2020 (Yarmalchuk 2012).

The public sector is frequently responsible for providing finance in public facilities (Kamel 2015). In some cases, financing may be relegated to an outside party's responsibility. In this regard, PPP has imposed itself as a valid delivery/financing system. The system is based on a private body, an individual private entity or a consortium of investors, finances the design, construction, operation, and maintenance of a public project for a determined concession period (Algarni et al. 2007). At the end of the concession period, ownership is transferred to the public sector, probably after regaining the initial costs and achieving profits. Governments widely resort to abnormal financial resources after the critical political or economic events due to the withdrawal of the foreign capital. More and above, governments may have no choice but the untraditional financing resources, particularly in case of budget deficit (Kamel 2015). In the light of these circumstances, PPP appears to be one of the best financial/delivery systems that may be adopted by the Egyptian government. The Egyptian government budget deficit causes the development wheel to be hampered. Many projects are still mere ink on paper due to the insufficient funds provided by consecutive governments.

PPP OVERVIEW in EGYPT

In 1799 the first efforts to excavate a canal between the Mediterranean Sea and the Red Sea came from the French expedition of “Napoleon Bonaparte”, who hoped the project would solve a disturbing trade problem. The idea went through technical, economic, and political problems till the year 1854 (Rathbone 1882), when the Ottoman viceroy of Egypt awarded the concession of Suez Canal excavation. In 1858 La Compagnie Universelle du Canal Maritime de Suez (Universal Company of the Maritime Suez Canal) was formed with authority to build a canal and to operate it for 99 years, after which ownership would transfer to the Egyptian government. On November 17, 1869 the canal was inaugurated for international navigation in a great celebration, and one of the earlier PPP projects in the modern era came into existence; *“The first successful modern BOT project was the Suez Canal, completed in 1869”* (Levy 1996).

The successful French participation in Suez Canal project encouraged the Egyptian government of repeating such model with another French private partner; La Compagnie du Lebon. After his successful lighting projects in Europe, the prominent gas tycoon Charles Lebon has been awarded two important concessions. The first concession was the lighting of Cairo using the illumination gas in 1893; the second was generating electricity for the first time in Egypt at Alexandria governorate in 1895. The Egyptian

government continued to cooperate with the private sector, local or foreign, in different manners during the first half of the twentieth century, till those efforts were devastated by the nationalization laws at the mid of the century. Those laws undermined the private sector participation in the Egyptian economy to unprecedented levels in favour of public sector for about two decades.

By the mid of the seventies and through adopting the open door policies “*Infetah*”, Egypt economic policy compass was redirected to capitalism instead of the socialism, which was adopted entirely at the early sixties. A few years later, the Egyptian economy achieved a remarkable growth till 1986, when Egypt experienced remarkable budget deficit of 14% of the Gross Domestic Product (GDP) (CBE 1987). In 1990 the budget deficit increased to reach 17.2% of the GDP, when the balance of payment deficit was running at a rate of 11.4 billion Egyptian Pounds, and the inflation rate was 15% (CBE 1991). The Egyptian Government commenced discussions with the International Monetary Fund (IMF) since the mid of the seventies, but no tangible actions were taken till the early nineties. In 1991 the government announced the Economic Reform and Structural Adjustment Program, designed with guidance of IMF and the World Bank. The program’s essential targets are increasing Egypt’s creditworthiness (Korayem 1997) and transforming the Egyptian economy to a market-based economy rather than the socialist pattern (IMF 1991).

The privatization of the public sector enterprises was the centerpiece and the most challenging step to execute the program main strategy; the private sector takes the helm. Egypt enacted the law 203 for year 1991 as a legislative frame of the privatization program, started seriously in the same year (EOG 1991). The program was targeting 314 public sector companies with assets of 104 billion EGP and 1.08 million employees (MOP 1992). Figure 1 displays the privatization pace within ten years after the law enactment. Only six companies have been privatized till 1993, which was terribly disappointing. In spite of the noticed progress in the successive years, the total number of privatized companies was still far below the expectations. The government didn’t introduce its program properly to overcome the fears due to the socio-economic mentality prevailed then about the private sector. There were loud voices of opposition to the privatization program, and some workers syndicates warned the government from such a step. The slow pace of privatization propelled the government to a new gray area between the public sector and the private sector, which was the PPP (PCSU 2002).

Year	Majority Privatization(>51% sold)					Partial Privatization/Leases			Yearly Total
	Anchor Investor	Majority IPO	ESA	Liquidation	Majority Total	Minority IPO	Asset Sales	Leases	
1990				1	1				1
1991				3	3				3
1992				1	1				1
1993				1	1				1
1994	3		7	2	12	1			13
1995		1	3	2	6	6			12
1996	3	14		1	18	6	1		25
1997	3	14	3	3	23	2	1	2	28
1998	2	8	12	6	28	1	3		32
1999	9		5	7	21		4	8	33
2000	5	1		3	9		6	8	23
2001	3		2	2	8		3	2	12
2002			2		2		3		5
Total	28	38	34	32	133	16	21	20	189
Majority Privatization Total 132					Partial Privatization/Leases total 57				

Source: PEO

Figure 1: The Privatization Achievements till 30 June 2002 (Source: PEO)

PPP PROJECTS in EGYPT

In 1996 the Egyptian government announced some projects to be accomplished through PPP arrangements, Askar and Gab-Allah (2002) surveyed those projects:

- Tahrir Garage - advertised in June 1996.
- Marsa-Alam International Airport - advertised in June 1996.
- El-Alamain International Airport.
- 2x325 MW Power Plant at Sidi-Krir.
- Alexandria/El-Faum Highway -240 km - advertised in June 1996.
- El-Faum/Aswan Highway - 850 km - advertised in June 1996.
- Dirot/El-Farafra Highway -260 km - advertised in June 1996.
- El-Kharga/Shark El-Oinat Highway -500 km - advertised in June 1996.

In 1995 the Civil Aviation Authority conducted an analytical study to evaluate airports situation in Egypt, the study was funded by the Scientific Research Academy. The main conclusions of the study may be summarized in the following:

- The existing airports form a burden over the state budget, that in most of times their running costs exceed their incomes.
- Egypt is in need of constructing new airports to serve the touristic, industrial, commercial, and social purposes.
- The state budget deficit will cause the new airports construction to be delayed.
- The private sector is recommended to participate in constructing and operating new or already existing airports, particularly those have no impact on the state national security.
- The private sector should be allowed to impose the suitable fees to achieve profits.

This is why two of the PPP aforementioned projects are airports. The airports till the announcement date in June 1996 were subject to the law 28 for year 1981; the law article 17 stipulates: *“Aerodromes and the Civil Aviation facilities shall be Public Funds: Aerodromes and their buildings and facilities as well as the air navigation’s equipment and facilities shall be considered State-owned public funds. They shall also consider being public utilities allocated for public interest and shall not be disposed, seized or owned and no in-kind right thereupon shall be gained by prescription”* (EOG 1981). The government invited the bidders to both airport projects before amending the aforementioned article, promising to take such a step at the quickest possible time. In February and May 1997, law 3 and law 8 for year 1997 were enacted respectively, after the parliament ratification (EOG 1997). Law 3 permitted the private sector to build, prepare, operate, manage, and maintain new airports, or utilization of what already exists, without prejudice to the state sovereignty on its airspace. Law 8 allowed the activity of air transport to be exempted from taxes and customs for a specific period starts from the new fiscal year succeeding the first operation year.

Semi-structure interviews were conducted with officials from both projects of Marsa-Alam Airport and El-Alamain Airport to clear the picture. Both projects were costal area airports, announced on the same date, had the same conditions of bidding, and went through the same difficulties with the same governmental authorities. These two airports are clear case studies of success and failure from the business point of view. Marsa-Alam Airport project is achieving ascending profits that exceeds the feasibility study figures, while El-Alamain Airport project is achieving cumulative losses till its top management was referred to the administrative control authority in 2014. Marsa-Alam project documents included the project location and the project estimated area according to which, the bidders were invited to submit their offers including the feasibility study on the PPP basis. One of the bidders had a different perspective came to mind after his site visit to explore the project location. The bidder rent a helicopter at his expense to transport his multi-task crew to the project location in order to have a realistic objective evaluation. Such behaviour was very difficult and expensive at that time, where the governmental officials themselves considered it so strange. The bidder preliminary feasibility study showed that the airport project itself on the PPP basis is not that feasible, so the bidder submitted a formal memorandum to the ministry of tourism in August 1996. The memorandum main requirements were to change the airport location and to add new areas to the project in order to make it an integrated touristic project. The government responded in September 1996 by

amending the project's location and area; adding 15 million m² to the original project area including 3 million m² on the red sea cost directly. The bidder who owns the initiative, won the tender finally, was always ahead schedule, and running now a successful PPP project. On the other hand, El-Alamain airport project went through systematic tender steps. The bidders accepted the project as it is with the same area, same location, and the same conditions in general. The development of the surrounding area of the airport was a government commitment. The government budget deficit caused the development plan of El-Alamain area to be always behind schedule. The airport income is too low even to cover the construction and running costs.

Tahrir Garage project also went through different obstacles since its announcement in June 1996. Semi-Structure interviews were conducted with different project parties to understand the background of the big delay of such a key important project in the heart of the most strategic crowded area in the Egyptian capital. Before displaying the interviews content, it is important to take a look on the legal environment then. At the time of announcement of Tahrir Garage project, there were two laws organizing awarding public projects to the private sector. The first law was law 147 for year 1962 on the implementation of economic plan works (EOG 1962), and the second one was law 9 for year 1983 on the tenders (EOG 1983). The first law was enacted during the socialist era, whereas the second one was enacted earlier enough before the appearance of the privatization or the PPP ideas in Egypt. The government awarded the project according to the existing laws, but later law 89 for year 1998 was enacted. The new law is concerning the traditional delivery methods, Design-Bid-Build (EOG 1998). Tahrir Garage Project was awarded to a public-private Consortium; El-Tahrir Invested Garages Company (TICO). The consortium consists of Arab Contractors (governmental construction company), National Bank of Egypt (governmental bank), Bank of Cairo (governmental bank), Misr Insurance (governmental insurance company), Arab Consulting Engineers (private consulting bureau), and other smaller stakeholders. The public capital was more than the private one in the consortium.

The project went through major obstacles till 2003 when the project activities were entirely halted due to quarrels between the government and the investor. The government represented in Cairo Governorate made major variations to the original scope of work, decreasing the whole project area to the half, and cancelling main contractual items such as the shopping mall and the cinema owing to national security. The main quarrel point was the expected lack of the cash-in due to the scope variation, the public stakeholders of the consortium didn't find it a big deal while the private stakeholders insisted on the original scope of work to protect their profit margin or to be financially compensated. The dispute continued between the two sides and was transferred to arbitration by the Disputes Settlement Committee; a governmental body pertained to the Cabinet. The dispute was settled by the dissociation of all the private sector from the consortium company in return of cost price for the built constructions only. The consortium continued as a public capital only, spent about six years of financing problems till the year 2009. In 2009 the project activity resumed after a new agreement between Cairo Governorate and the new consortium through a finance lease contract. Tahrir Garage hasn't become a PPP project anymore and has been inaugurated in December 2014.

Sidi-Krir project had no significant problems because of its special nature; an availability payment B.O.T power plant. It's an obligatory to government to buy the plant production, while the investor has a priority of the fuel availability at a privileged price. The road projects were either converted to a traditional delivery method or still mere ink on paper.

PPP CENTRAL UNIT

The first batch of PPP projects passed through different degrees of impediments caused some of them not to exceed the documents or others to fail. The crucial problems confronted such projects, led the government to change its perspective of PPP. It was not enough to announce the projects as a PPP projects to bring success to them. The road should have been paved for those projects and for the future coming ones. So the government decided to create a dedicated governmental body to be responsible for PPP in Egypt. In 2006 the Egyptian government established the Public Private Partnership Central Unit (PPPCU) as a part of the Ministry of Finance and reported directly to the Minister bureau. At that time the

Minister of Finance addressed that the main purpose of establishment such a unit is to coordinate the PPP projects stages across the concerned public authorities or ministries.

In a semi-structured interview with the PPPCU Director Deputy, he summarized the main responsibilities of the unit in the following points; attempting to anchor a clear single PPP policy among the state ministries or authorities, managing the PPP transaction in its early stages, provide technical advisory support to the concerning public bodies, and supervising Tendering Committees Performance to insure compliance with legislative framework. In 2007 the New Urban Communities Authority (NUCA), under the PPPCU supervision, invited bidders for building, operation, and maintenance of New Cairo Wastewater Treatment Plant through a PPP delivery contract for 20 years at the end of which, the ownership will be transferred back to NUCA. No significant impediments appeared through different bidding stages till the step of announcing the winning bidder and signing the contract. The legal frame in Egypt was not complying with the new PPP project nature, so the PPPCU required the government to solve this problem. The government responded by enacting law 14 for year 2009 as an amendment of specific articles in law 89 for year 1998 (EOG 2009). The new amendment was limited to the projects under the supervision of ministry of finance, and that have no payments to the executer before the operation stage.

In May 2010 the parliament enacted law 67 for year 2010 on regulating the partnership with the private sector in infrastructure projects, services and public utilities (EOG 2010). The law executive regulations were enacted in January 2011 consisting of 95 articles covering all the PPP project stages (EOG 2011), tackling the tiny details, and creating a healthier environment for PPP in Egypt. But only two days later, the 25th of January uprising erupted, resulted in ousting the president and his cabinet, disbandment of the parliament, and imposing a status of political instability. The political instability caused the sole PPP working project activities to delay till the mid of 2012, created a market panic that pushed a lot of investors to recoil from PPP or even traditional delivery projects announced by the Egyptian consecutive governments.

By mid of 2012 during a relative political stability, PPPCU succeeded to lead the previously contracted New Cairo Wastewater Plant to the operation stage, and two projects to the contract signature. The two new projects are Mowassat Specialized University Hospital and Smouha Maternity University Hospital, owned by the ministry of higher education. The two projects were planned to commence construction just after the condition precedent, but the turmoil ascended again, resulted in ousting the newly elected president and toppling his regime by the armed forces at the mid of 2013. Later both projects faced an administrative problem caused by the owner, resulted in putting them on-hold till now, and tangible losses to the investor. Earlier in 2013 PPPCU announced Abu Rawash Wastewater Treatment Plant Project, led the project to contract signature in 2015. The project is owned by the ministry of Housing which held up the condition precedent attempting to insert substantial amendments to the contract. The PPPCU have several projects some at the prequalification stage and others still at the preparation stage, table 2 displays PPPCU projects, owners, and their status.

LAW 67 for YEAR 2010

Law 67 for year 2010 has been enacted to create a more convenient legal frame of PPP in Egypt. The law covered many issues related to the PPP arrangements, and tried to bridge many gaps appeared through the previous experiences. On the other hand the law included some disadvantages that resulted in the reluctance from different public authorities. The law is limited to the PPP contracts not less than one hundred million EGP, equals to less than twenty million US Dollars at the date of the law enactment and for the successive three years. Such a condition caused many public authorities that have projects less than that amount to evade the law, either by announcing their projects in traditional project delivery method, or by applying the PPP in their own way. The Central Bank of Egypt made a decision of currency float at the end of 2016 resulted in raising the prices in Egypt in general, making one hundred million EGP not a big deal as before. Law 67 forces the public authority to hire transaction advisors from different specialties such as technical, financial, environmental, or any other specialty, which seems to be important to project transaction. Hiring transaction advisors forms an additional burden on the public

authorities already suffering lack of finance in general. In this regard, the PPPCU or the public authority itself may try to get some kind of financial support from international bodies such as the European Bank for Reconstruction and Development (EBRD) or Middle East and North Africa Transition Fund (EBRD 2017). The law gave the PPPCU great powers against different public authorities in spite of permitting them to establish satellite PPP units whenever needed. The law stipulates the inevitability of the entire supervision by the PPPCU on the PPP project to obtain the approval of the Supreme Committee for PPP affairs, headed by the Prime Minister.

Table 2: PPPCU Projects

Project Name	Owner	Status
New Cairo Wastewater Treatment Plant	Ministry of Housing	Contracted, 2009
Mowassat Specialized University Hospital	Ministry of Higher Education	Contracted, 2012
Smouha Maternity University Hospital	Ministry of Higher Education	Contracted, 2012
Abu Rawash Wastewater Treatment Plant Project	Ministry of Housing	Contracted, 2015
Cairo Contact Centers Park in Ma'adi	Ministry of Communication	Prequalification
Commercial Registry Offices Development and Automation	Ministry of Supply and Internal Trading	Prequalification
Development and Operation of Nile River Bus Ferry in Cairo	Cairo Governorate	Prequalification
Building and Operation of Advanced Language Schools (100 schools in the first stage)	Ministry of Education	Prequalification
Notarization Offices Development and Automation	Ministry of Justice	Prequalification
Safaga Port Development	Ministry of Industry and Foreign Trade	Prefeasibility
Safe Disposal of Medical Waste	Ministry of Health	Prefeasibility

PPP PROJECTS UNRELATED to LAW 67 for YEAR 2010

In August 2009 Cairo governorate announced a project of Roxy Underground Multi-Storey Garage as a PPP project; Build-Operate-Transfer (BOT) type specifically. Law 67 hasn't been enacted yet, so the project announcement and bidding were subject to law 89 for year 1998. Law 67 was enacted in May 2010, which is only four months before the project contract signing in September 2010. The new law in its preface stipulated: *"the attached law provisions apply to partnership contracts with the private sector and related advisory contracts concluded by the Administrative Authorities with the private sector. Such contracts will not be subject to the provisions of Law no. 129 for 1947 concerning concessions of public utilities, and Law no. 61 for 1958 concerning Concessions relating to the investment of natural resources and public utilities, as well as Public Tenders Law no. 89 for 1998 organizing tenders and bids and any specific laws related to granting concessions of public utilities"*. In a semi-structured interview with one of the team, the picture became clearer. According to this article the project will not be a subject to the new law. More and above Cairo governorate project team added the term "Usufruct" in the project title and documents before signing the contract. So, the project is not a pure PPP or BOT arrangement. The law executive regulations were not enacted till the contract signing, date which was an additional catalyst.

The successful transaction steps of Roxy Garage propelled Cairo governorate to follow them later. In January 2012 Cairo governorate announced two projects of underground multi-storey garages under law

89 for year 1998, including the term “usufruct” in the documents but not in the titles. The two projects were similar in many aspects; underground multi-storey garages, same owner, same conditions and same delivery method, which was B.O.T, and even the same area though they were in different crowd places in Cairo. The two projects were announced during a noticeable political instability, less than a year after the 25th of January uprising. Both project documents also were unprofessional, for example the English translation of the project documents in general was weak. The inconvenient date of announcement and the unprofessional documents resulted in the recoil of investors and no one bid was submitted.

CONCLUSION

Egypt suffers a chronic budget deficit since the fifties of previous century; the deficit reached 11.5% for the fiscal year 2015-2016. Egyptian government doing its first steps towards an economic reform due to the huge deficit in the budget, which mandates out of the box solutions to fund public projects. In this regard, the Egyptian government reduced the spending on fuel subsidies two times till now and floated its currency as one of the solutions. However, Public Private Partnership (PPP) could be also an effective solution to finance projects. This paper presents a brief overview about PPP in Egypt and its evolution till the current time, which was gathered through literature review and semi structured interviews. Furthermore, it depicts at glance the past and present PPP projects in Egypt. The first wave of Egypt's PPP projects passed through significant problems caused some of them to achieve tangible losses, go to arbitration, convert to traditional project delivery method, or to be cancelled. The government announced and awarded those PPP projects without an appropriate legal frame, comprehensive planning, sufficient study, and/or a proper awareness of government officials. So, the paper briefly presents the failure and success stories of different Egyptian PPP projects. However, in 2006 the Egyptian government created the Public Private Partnership Central Unit (PPPCU) and enacted the PPP law and its executive regulations in 2010 and 2011 respectively to surge the probability of success for those types of projects. Those earnest steps were undermined by the political instability continued for more than three years, resulted in a significant negative impact on the PPP environment in Egypt. The government must treat the PPP in comprehensive perspective and more professionalism to avoid the previous failure factors. It's too early to judge the government steps to reform the economy but the PPP seems to find a better climate in the future.

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