

INSIDE THIS ISSUE:

PPP Update	1
The New Town Project at Highlands	2
PPIAF Support for PPP Activities in Mauritius	3
PPP Champion of the Year	3
Mixed Use Facility Project at Rose Hill	4
Wind Park Project at Bigara	5
Other PPP News	5
Development Project at Mahebourg Waterfront	6
Workshop at MBBRH	7
PPP Training for Public Officers	8

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PPP Update

Since the publication of the last PPP Newsletter in September 2008, we are pleased to inform our readers that the State Property Development Company (SPDC) Ltd has decided to implement the Development Project at Mahebourg Waterfront using the PPP model. An article has been dedicated to this project. Updates on the other PPP projects are provided on pages 2, 4 and 5.

The SADC Banking Association, which has been actively engaged in developing PPP projects in Mauritius, has been awarded the PPP Champion of the Year for Africa. Page 3 covers this award and an article on the assistance of PPIAF to the PPP Unit.

In December 2008, more than 40 public officers from different sectors have received training on PPP. The training sessions, organized by the PPP Unit in collaboration with CRISIL Infrastructure Advisory, are covered in this Issue.

We hope that you will enjoy reading this newsletter and we welcome your feedback.

PPP Unit

The new town project at Highlands, Mauritius

The Highlands Project is now entering a critical phase—the selection of a master developer. This project considered as the “flagship” for Mauritius has gone through various stages. This article describes briefly these stages and provides the latest news on the status of the project.

Although Halcrow Group Limited prepared an initial master plan for the development of the State Land Development Company (SLDC) Ltd land at Highlands in 2004 and the decision of Government to allocate 920 hectares of land to the project in December 2005, the project really started to take shape in 2007 with a market sounding exercise and an initial feasibility study. The study led by CRISIL Infrastructure Advisory (India) and which was commissioned with the assistance of SADC Banking Association shed light on various aspects of the project, and recommended that the SLDC adopts a PPP model to select a master developer.

The transaction advisor (TA) for the project was appointed in March 2008. Our previous newsletters provided readers with the various deliverables submitted by the TA.

The project is now at the critical phase of procurement. The TA along with the SLDC have conducted road shows and investor presentations in recent months at six key locations across the world.



The global financial crisis which has coincided with this phase of the project has rendered the task more challenging for the transaction advisor. The latter assessed the prevailing real estate market sentiment around the world and assisted the SLDC to issue a Request for Qualification (RFQ) document to some 65 potential developers in November 2008. The deadline for submission is 16th January 2009. All responsive RFQ submissions would be evaluated, short-listed, ranked and requested to proceed to the second stage of the selection process.

PPIAF support for PPP Activities in Mauritius

The Public-Private Infrastructure Advisory Facility (PPIAF) is a multi-donor technical assistance facility created to help governments in developing countries improve the quality of infrastructure through partnerships with the private sector.

The PPIAF has recently approved a grant to support PPP activities in Mauritius. The grant facility will fund the recruitment of Consultants to undertake the following tasks:

- A review of the institutional and legal frameworks for PPPs;
- Assess the PPP unit and associated institutional mechanisms and recommend ways of enhancing their effectiveness;
- Identify mechanisms to improve the flow of information between the PPP Unit and the line ministries;
- Assess the private market response to PPP in Mauritius;
- Identification of potential PPP Projects across sectors; and
- Preparation of project proposals for identified projects.

Some 20 firms have responded to an expression of interest (EOI) exercise for the above consultancy services. An evaluation exercise will shortly be undertaken by PPIAF.

PPP Champion of the Year (2008)

The Africa Investor Infrastructure Awards Ceremony was held in Johannesburg on 11th November 2008. Over 200 attendees involved in Africa's infrastructure development were present at the Gala Ceremony. The SADC Banking Association was awarded the PPP Champion of the Year Award for its tireless work to build capacity for PPP transactions.



The Mauritian PPP Unit congratulates the SADC Banking Association for winning this award.

Over the past few years, the SADC Banking Association has assisted Mauritius in terms of PPP capacity building and for developing several PPP projects.

Mixed Use Facility Project at Rose Hill

CRISIL Ltd, the lead transaction advisor for the Mixed Use Facility Project at Rose Hill , has completed the feasibility study and is currently working on the procurement documentation. Some of the issues covered in the study are highlighted in this article.

Desired Outputs

The existing municipal market would be upgraded, offering better facilities and infrastructure to the tenants of the Municipal and Arab Town Markets.

The citizens of the municipality would experience a higher level of efficiency and a new level of service quality and delivery.

The new market would offer much more than the present market and incorporate new shopping, recreation, and leisure choices for the visitors.

Rose Hill would become increasingly attractive to the tourists offering them a unique experience of tradition and heritage.

Key Highlights

The private developer would be required to

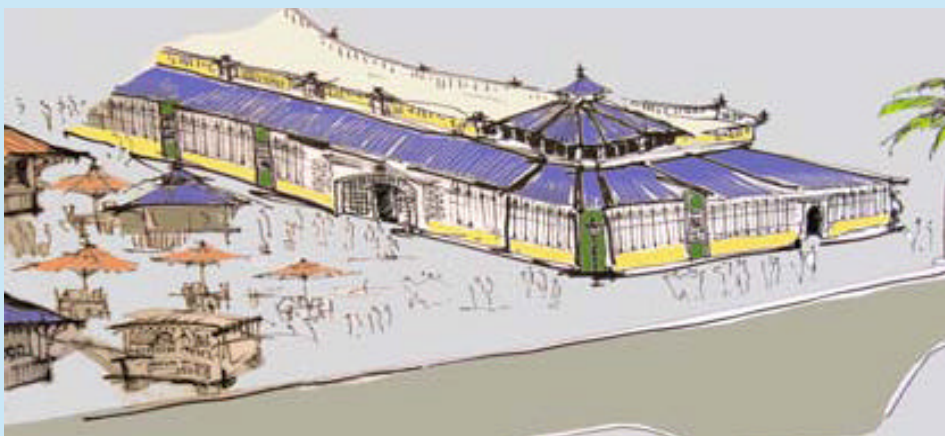


develop, finance, operate, manage and market the Project.

The Municipal Council of Beau Bassin Rose Hill (MBBRH) would provide the land on 'lease' to the developer during the specified concession period.

In addition to the construction of the Rose Hill Municipal and the Arab Town markets, the developer would also put up a modern complex (Rose Hill Mall) to house commercial, recreational and business facilities. The complex would enable the private developer to generate revenue to fund the construction of the markets.

The markets would be transferred to MBBRH immediately after construction. At the end of the concession period, the Rose Hill Mall would revert back to MBBRH at no cost.



Wind Park Project at Bigara

The September 2008 Issue of the PPP Newsletter provided some details on the proposed development of a Wind Park Project at Bigara. The Ministry of Renewable Energy and Public Utilities has now started the process to recruit a transaction advisor for the project.

An expression of interest for the recruitment of a transaction advisor was launched on the 8th of October 2008 with a deadline to respond by 22nd of October 2008. Some 22 firms submitted their offers by the due date. The proposals were assessed by an evaluation committee set up by the Ministry of Renewable Energy and Public Utilities. The six shortlisted firms were requested to submit their bids by 21 January 2009.

The selected transaction advisor would have to deliver, amongst others, the following:

- (i) an inception report;
- (ii) an interim report including the wind energy potential of the site;
- (iii) the feasibility study report;
- (iv) procurement documents; and
- (v) evaluation and selection of a private developer.

Other PPP News in Mauritius—in brief

Ring Road and Harbour Bridge Project: The award of a contract for transaction advisory services is being awaited. Whilst a preferred bidder has already been identified, one bidder for the consultancy services has made an appeal to the Independent Review Panel for a review of the Award of Contract.

The Public Private Partnerships Inaugural Africa Summit by City & Financial (UK): In October 2008, the Government of Mauritius agreed to host the event in 2009. The exact date of the Summit has yet to be finalized.

PPP Leadership Executive Programme: Four officers from the Mauritian public sector participated in an intensive PPP programme in Australia during the first and second week of December 2008. The programme was organized jointly by the Commonwealth Secretariat and the Bond University.

Forthcoming PPP Training in Mauritius by Commonwealth Secretariat: The Mauritian Government has made an official request to the Commonwealth Secretariat for organizing four training sessions on PPP in Mauritius around April 2009. The targeted audience would include amongst others, Ministers, Senior Chief Executives, technical officers of Ministries, Parastatal bodies and local authorities, and the private sector.

Development Project At Mahebourg Waterfront

The State Property Development Company (SPDC) Ltd intends to develop the Mahebourg Waterfront (Phase II) under a PPP arrangement. The process for the recruitment of a transaction advisor has already been initiated. This article provides information on this project

Mahebourg, built on the bay of Grand Port on the south-east coast of Mauritius where the Dutch landed as first settlers, is strategically located 5 Kms from the international airport. It has the potential to become the focal point for extensive socio economic activities in this part of the region. The Waterfront Development Project aims at responding to the need for infrastructural development in Mahebourg.



The Potential Transaction Advisors listening to the presentation by Mr. P. Seetohul

Under the first phase of the Project, a 700 m long Seafront Promenade has been constructed. SPDC Ltd now wishes to embark on the second phase of the project on a portion of land of approximately 35,000 square metres, adjacent to the Seafront Promenade.

SPDC Ltd has initiated the procedure for

the recruitment of a Transaction Advisor to analyze the feasible options and to assist in the selection of a private developer. The transaction advisory team would comprise of suitably qualified and experienced financial, technical and legal advisors. The invitation to bid was launched on 19 November 2008 and the closing date for submission of bids is 2 February 2009.



A pre-bid meeting was held on 4th December 2008 at the SPDC. The Chairman of the SPDC, Mr. D. Ramasamy welcomed the potential transaction advisors to the pre-bid meeting and invited the Chief Executive Officer, Mr. P. Seetohul to make a presentation on the project.

The meeting was quite interactive. The views and suggestions of potential bidders were noted for consideration by the SPDC.

Workshop on Feasibility Study for PPP Projects at the Municipal Council of Beau Bassin Rose Hill 5 December 2008

Organised jointly by the PPP Unit of Mauritius, CRISIL Infrastructure Advisory (India) and the Municipal Council of Beau Bassin Rose Hill



Mrs J. Ramachandran, resource person from CRISIL

- Ministry of Finance and Economic Empowerment
- Ministry of Local Government, Rodrigues & Outer Islands
- Moka Flacq District Council
- Municipal Council of Beau Bassin Rose Hill
- Municipal Council of Curepipe
- Municipal Council of Port Louis
- Municipal Council of Vacoas Phoenix
- The Black River District Council

The feasibility study for the Mixed Use Facility at Rose Hill Project was completed in November 2008 (see article on page 4). In order to disseminate the findings of the study amongst local authorities, a workshop was organised jointly by the Mauritian PPP Unit, CRISIL Infrastructure Advisory (India) (transaction advisor for the project), and the Municipal Council of Beau Bassin Rose Hill (MBBRH). The objective of the training was to provide local authorities with the required skills to develop similar type of projects under PPP.

The workshop took place on the 5th of December 2008 in the Council Room of the MBBRH. Some 20 participants from the following institutions attended the workshop:

- Grand Port Savanne District Council

The resource person was Mrs. J. Ramachandran from CRISIL. She made a power point presentation on the main findings of the feasibility study and answered the queries from the audience.

A similar workshop would be organised after the selection of a private developer for the project.



Participants at the Workshop

PPP Training for Public Officers at the Board of Investment on 3rd and 4th of December 2008

*Organised jointly by the PPP Unit of Mauritius in collaboration with
CRISIL Infrastructure Advisory (India)*



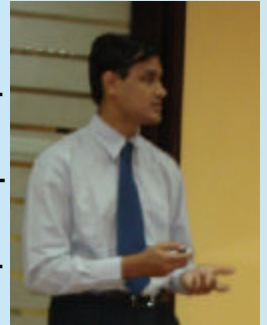
**From left to right: Mrs. Ramachandran,
Mr. Soondram and M. Iyer**

As part of its bid for the Mixed Use Facility Project at Rose Hill, CRISIL Infrastructure Advisory (India) had proposed to conduct a two-day training on PPP. This training was organised on the 3rd and 4th of December 2008. The Board of Investment kindly accepted to provide the venue for conducting the training.

Twenty four participants from the following public sector institutions attended the training:

1. Airports of Mauritius Ltd
2. Attorney General's Office
3. Board of Investment
4. Central Electricity Board
5. Central Water Authority
6. Ministry of Agro Industry, FP & S
7. Ministry of Education, C & HR
8. Ministry of Environment and NDU
9. Ministry of Finance and EE
10. Ministry of Public Infrastructure
11. Ministry of Renewable Energy and PU
12. Ministry of Youth and Sports

13. Municipal Council of BBRH
14. Procurement Policy Office
15. Road Development Authority
16. State Trading Corporation
17. Wastewater Management Authority



**Mr. Vora from
CRISIL**

The resource persons were Mr. R. Iyer, Mrs. J. Ramachandran and Mr. A. Vora from CRISIL and Mr. V. Soondram from the Mauritian PPP Unit.

The modules covered were as follows:

- Overview of PPPs
- Enabling environment for PPPs
- PPP Framework in Mauritius
- Case Study on Mahebourg Waterfront Project
- Project Preparation
- Procurement Process
- Tariff and Regulatory Issues
- Contract Management and Administration
- Contract Management and Administration



Participants at the PPP Training