

Royal Decree No: 54/2019

Establishing the Public Authority for Privatisation & Partnership and promulgating its system

We, Qaboos bin Said, Sultan of Oman

Having viewed the Basic Law of the State, promulgated by royal decree No: 101/96, and

The system for the public authorities and institutions, promulgated by royal decree No. 116/91, and

The royal decree No. 9/2014 establishing the Public Authority for Partnership for Development and promulgating its system, and

For the public interest

Decreed the followings:

- Article 1: A public authority shall be established “The Public Authority for Privatisation & Partnership” (“PAPP”) under the Cabinet of Ministers, and shall operate in accordance with the enclosed system.
- Article 2: PAPP shall have its legal personality, and shall enjoy financial and administrative independence.
- Article 3: The assets and provisions of the Public Authority for Partnership for Development, and the Department of Privatisation, Directorate General of Investment, Ministry of Finance, shall be devolved to PAPP, along with all the employees of both the said parties, with the same financial grades and provisions.
- Article 4: The chairman of PAPP shall issue the bylaws and decisions required to implement the attached system.
- Article 5: The royal decree No. 9/2014 establishing the Public Authority for Partnership for Development and promulgating its system shall be repealed, along with whatever contradicts this decree and the enclosed system, or contradicts with their provisions
- Article 9: This decree shall be published in the official gazette and shall be applicable as from the date of publication.

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Sultan of Oman

The system for the Public Authority for Privatisation & Partnership

Chapter one

Definitions and general provisions

Article 1: While applying this system, the following words and expressions shall have the meaning assigned for it, unless stipulated otherwise within the text:

The Authority

The Public Authority for Privatisation & Partnership (“PAPP”)

The board

PAPP Board of Directors

The chairman

The chairman of the board

The Chief Executive Officer

PAPP Chief Executive Officer (“CEO”)

The authorities concerned

Ministries, public authorities, public establishments and other public legal entities involved with the privatisation project or the partnership project

Strategic framework

Medium or long term plan prepared by PAPP, defining the purposes and methods of implementing the partnership projects and their priority

Public project

Government facilities and structures

Privatisation project

Public project, or company, wholly or partially owned by the government, decided by the Cabinet of Ministers to transfer its ownership, or the management, as the case may be, to a private person.

Privatisation programme

The plan prepared by PAPP pursuant to the provisions of the law, detailing the policies and purposes of the privatisation projects, ways to implement it, and its timeframe.

Partnership project

Project intended to perform public work or services of economic or social importance consistent with Oman's strategy and its development plan, or carry out improvement, or develop or improve existing public service, to be launched pursuant to the provisions of the law.

Tawazun programme

Cooperative approach based on rewarding anticipated achievements, to be applied between the parties within the contracts referred to in article 3 of this system.

Transform to company projects

The public project that the Cabinet of Ministers decides to transform it to an Omani joint stock company wholly owned by the government.

PAPP projects

Privatisation project, partnership project, transform to company project and Tawazun programme.

The law

The privatisation law, or the partnership between the public and private sector law, as the case may be.

Article 2: PAPP shall be in Muscat Governorate, and the board may establish branches in other governorates.

Article 3: The state administrative apparatuses (civil, military and security) and the companies where the government's shareholding exceeds 50% (fifty percent) undertake to include in the infrastructure projects specified by the board, and the military and security weapons and equipment supply contracts of value more than OMR 5,000,000 (Omani Rial five million), an article stipulating the parties' commitment to the feature of dealing with Tawazun Programme, while observing the regulations and standards referred to in article 10.3 herein.

Exempted from the provisions of this article are the privatisation projects, partnership projects and transformation to company projects.

Article 4: Contracts entered into by PAPP within the framework of implementing Tawazun Programme are exempted from the provisions of royal decree No. 48/76 concerning entering into external and internal financial transactions.

Chapter two

PAPP objectives and jurisdictions

Article 5: PAPP aims to achieve the following:

1. Encourage partnership between the public and private sectors, and expand the role of the private sector in investing in PAPP projects.
2. Contribute in the development of the national economy, enhancement of the local added value and the diversification of the sources of income.
3. Contribute in the capacity building of the citizens, and increasing their employment opportunities.
4. Contribute in increasing the market and competitive strength, and the development of the capital market.

Article 6: To achieve its objectives, PAPP shall perform the following jurisdictions:

First: General Jurisdictions

1. Implement the government's policies aiming to promote the national economy by implementing PAPP projects.
2. Regular revision and evaluation of PAPP projects to ensure its sustainability, maintenance, increasing value and consistency with the state's public policy.
3. Propagate the importance of PAPP projects, and promote the level of the human resources and increase its competency to promote these projects.
4. Carry out researches and studies in the sectors and fields within which the PAPP projects are implemented.
5. Represent Oman in the regional and international conferences, seminars and forums related to PAPP jurisdictions.

Second: Privatisation projects, partnership projects and transform to company projects:

1. Set the strategic framework, prepare the plans and procedures required to select and implement the privatisation projects, partnership projects and transform to company projects as appropriate within the priorities of the national economy.
2. Raise the efficiency of exploiting and managing the economic resources and public utilities, and expand the production base in Oman.

3. Reduce the financial burdens of the state public budget in financing the infrastructure and public utilities projects and its development and increasing its efficiency.
4. Provide technical support to the party concerned with the implementation of the privatisation or partnership contracts.
5. Verify the performance of the privatisation, partnership and transformation to company projects, and the achievement of their set objectives, its timeframe, and define aspects for improvement in coordination with the party concerned.
6. Evaluate the impacts resulting from the government transforming or transferring any of its assets or funds, or from any works or activities relating to the privatisation, partnership or transformation projects.

Third: Tawazun Programme

1. Work on Transferring international skills, experience and best practises in all aspects to the state administrative apparatuses (civil, military and security) and companies and individuals.
2. Support the production capacity of the military and security parties, and enhance their knowledge and transfer modern technology to them.
3. Support the economic sectors defined by the board as strategic sectors by working on integrating modern technology, and modify the technologies used by it.
4. Support and encourage the training and qualifications of the Omani manpower in all the civil, military and security sectors.
5. Enhance local added value resulting from the contracts within Tawazun Programme.
6. Manage the negotiations concerning the application of Tawazun programme with the contracted companies, in conjunction with the negotiations concerning technical conditions and specifications and prices that are independent of the parties concerned (civil, military and security) in coordination with these parties, and in accordance with the regulations defined by the board.

Chapter three

The board and its jurisdictions

Article 7: PAPP shall be managed, and its affairs organized by a board of directors consisting of 7 (seven) members, including the chairman, to be appointed by a decision from the Cabinet of Ministers.

Article 8: The board shall convene by an invitation from the chairman at least 4 (four) times per year and may be invited to convene whenever is necessary. The meeting may not be correct unless attended by the majority of members, provided the chairman is amongst them.

The decisions shall be issued by the majority of members present, and in the case of a tie the chairman's vote shall be decisive.

The board may invite any expert assistance, representing the parties concerned or otherwise, to attend the meetings without the right to vote.

Article 9: In its first meeting, the board shall appoint, from amongst its members, deputy chairman to replace the chairman when absent, or in case of any obstacle preventing the chairman from practising his jurisdictions.

Article 10: The board shall have all the authorities required from PAPP to perform its jurisdictions and achieve its objectives, and in particular:

1. Develop the general policy by which PAPP practices its jurisdictions, achieve its objectives, and follow up on its implementation.
2. Adopt the strategic framework required to implement the partnership projects.
3. Develop the regulations and specifications for the application of Tawazun programme, and exemptions thereof. Exemptions shall be decided by the board for each case separately.
4. Adopt the standards and procedures required for approving the partnership projects.
5. In coordination with the Ministry of Finance, prepare the privatisation programme, and consider the projects to be transformed into companies, and forward it to the Cabinet of Ministers for approval.
6. Approve the launch and the announcement of the partnership project.
7. Adopt the documents required to launch the partnership project, and select the winner candidate.

8. Prepare the invitations for the submission of bids for the privatisation and partnership projects, and initiate the tendering procedures, negotiations and evaluation of the privatisation and partnership projects, and supervise it in coordination with the party concerned.
9. Select the best bidder for the privatisation and partnership projects.
10. Adopt the partnership contracts, and approve its modification and termination.
11. Sign the privatisation contract, following the approval of the Cabinet of Ministers.
12. Approve the ideas submitted by individuals concerning the partnership projects.
13. Adopt PAPP administrative and financial bylaws, and governance policy.
14. Adopt and publish the guiding policies for implementing the partnership projects, including the guiding manual for such projects.
15. Contract consultants to provide consultations for the privatisation projects, partnership projects and the transformation to company projects.
16. Approve the acceptance of grants and technical assistance, following coordination with the parties concerned.
17. Determine the fees collected by PAPP against its services, following the approval of the Ministry of Finance.
18. Appoint board secretary and determine his jurisdictions.
19. Adopt PAPP annual budget and closing account and forward it to the Ministry of Finance for approval.
20. Form specialised committees from amongst its members, or others, and determine their jurisdictions and operating system. The recommendations or decisions of such committees shall not be enforced unless approved by the board.
21. Adopt PAPP organizational structure, and create subdivisions and determine their jurisdictions.
22. Enter into agreements and memorandum of understanding relating the PAPP jurisdictions, without prejudice to the laws and regulations applicable in Oman.

23. Adopt the annual report on PAPP activities, and forward it to the Cabinet of Ministers.

Article 11: Without prejudice to the provisions of the law for the protection of public fund and avoidance of conflict of interest, the chairman and directors, having direct or indirect interest in the contracts or agreements entered into by PAPP, should inform the board accordingly, and step aside when the subject of the contract/agreement is under consideration.

The provision of the para above shall apply if the director, or spouse or any of his relatives up to third time removed, are shareholders in the company to be contracted by PAPP, or a member of its board of directors.

Violation of the first and second para above shall result in the annulment of the contract/agreement, without prejudice to the accountability of the violator.

It is prohibited for PAPP chairman, directors and employees to obtain any personal, financial or physical benefit relating the PAPP projects, whether directly or indirectly.

Article 12: PAPP chairman, directors and employees undertake not to violate the confidentiality of documents presented to them, if it was confidential by its nature, or pursuant to instructions issued accordingly. Such prohibition shall continue after the end of membership, or the termination of the employment relation.

Chapter four

CEO and his jurisdictions

Article 13: PAPP shall have a chief executive officer, appointed by the board through contract.

Article 14: The CEO shall represent PAPP before third parties and before the law.

Article 15: The CEO shall have all the authorities decided for unit head pursuant to the laws applicable in the state administrative apparatuses, and in particular:

1. Implement PAPP general policy and board resolutions;
2. Manage PAPP and supervise its employees;

3. Prepare PAPP organizational structure and subdivisions and determine their jurisdictions in coordination with the parties concerned, and present them to the board;
4. Prepare the draft annual budget and closing account and present them to the board;
5. Prepare PAPP business plans and present them to the board;
6. Prepare regular reports and annual reports on PAPP activities and present them to the board;
7. Prepare the draft agreements and memorandum of understanding and present them to the board;
8. Any other function as decided by the board.

Chapter five

PAPP Finance

Article 16: PAPP shall have independent budget to be forwarded to the Ministry of Finance for approval. PAPP financial year shall start from the first of January, and shall end on the thirty first of December of every year, except the first fiscal year which starts from the date of implementing this system if it was after the said date, and shall end on the thirty first December of the same year.

Article 17: PAPP resources shall be from the followings:

1. The provisions allocated to PAPP within the state general budget;
2. The amounts received by PAPP against the services provided;
3. Return on investment of PAPP funds in bank deposits and other fields to be agreed with the Ministry of Finance;
4. Other resources as determined by the board, following the approval of the Cabinet of Ministers.

Article 18: PAPP funds shall be deposited in one bank account, or more, in a locally licensed bank. Such bank accounts shall be opened by a decision from the CEO following coordination with the Ministry of Finance. The rules and regulations for the disposal of such funds shall be decided by the board.

Article 19: PAPP shall be exempted from all taxes and fees, without prejudice to the provisions of the unified customs law for the Arab Gulf Cooperation Council Countries.

Article 20: PAPP shall be qualified to own, manage and dispose of fixed and movable assets, and its funds shall be considered as public funds, and shall enjoy the benefits and rights of the Public Treasury over the debtors' funds. PAPP may protect such funds according to the procedures stipulated in the system for collecting taxes, fees and other amounts due to the state administrative apparatuses.

Article 21: PAPP shall have a licensed and qualified auditor, to be appointed and fees determined by a decision from the board. PAPP business relating to the security and military parties shall be exempted from the State Audit Apparatus.