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**BALOCHISTAN PROVINCIAL ASSEMBLY SECRETARIAT.**

Dated: Quetta, the 19<sup>th</sup> December, 2025.

**NOTIFICATION.**

**No.PAB/Legis: V (38)/2025/7219.** The Balochistan Public Private Partnership Bill, 2025 (Bill No. 38 of 2025), having been passed by the Provincial Assembly of Balochistan on 16<sup>th</sup> December, 2025 and assented to by the Governor Balochistan on 19<sup>th</sup> December 2025, is hereby published as an Act of the Provincial Assembly of Balochistan.

**THE BALOCHISTAN PUBLIC PRIVATE PARTNERSHIP ACT, 2025**  
**(ACT NO. XXXVI OF 2025).**

**AN  
ACT**

to create an enabling environment for private sector participation in the provision of infrastructure projects and delivery of related services in Balochistan through public private partnership projects.

**Preamble.**

**WHEREAS** it is expedient to establish a framework for facilitating and regulating the involvement of the private sector in improving the coverage, quality and affordability of infrastructure, public services and other public-interest projects; to achieve socio-economic development objectives of the Government of Balochistan; to promote cost-effective, sustainable and efficient solutions for bridging gaps in infrastructure and public service delivery; to harness private sector strengths in asset creation, maintenance and operation, and service delivery; to mobilize private sector resources for financing, construction, operations and maintenance of development projects; to encourage innovation and technological improvements in the provision of infrastructure and public services; and to incorporate principles of fairness, competition and transparency in projects executed under public private partnership mode;

It is hereby enacted as follows:

**CHAPTER 1:  
PRELIMINARY**

**Short title, extent, commencement, and application.**

- (1) This Act may be called the Balochistan Public Private Partnership Act, 2025.
- (2) It shall extend to the whole of Balochistan.
- (3) It shall come into force at once.

(4) This Act does not apply to:

- (a) projects undertaken between two or more Government Agencies;
- (b) privatization or disinvestment projects which may be taken over by any private sector entity; and
- (c) mineral exploration projects where the Government is engaged on a free-carried basis.

(5) This Act shall apply to all projects in all sectors conceived, developed, approved and implemented through Public Private Partnership in Balochistan.

(6) This Act shall also apply to any other project as the PPP Board may approve, at their discretion, to undertake via PPP mode.

**Definitions.**

2 (1) In this Act, unless there is anything repugnant in the subject or context; -



- (a) "**Act**" means the Balochistan Public Private Partnership Act, 2025;
- (b) "**Asset**" means an existing or newly-planned infrastructure facility, property or any other tangible or intangible resource that has a financial value and is owned by a Government Agency.
- (c) "**Bid**" means a technical and financial proposal submitted by a bidder in response to a 'Request for Proposal' issued by the Implementing Agency under the provisions of this Act;
- (d) "**Bidder(s)**" means an entity(ies), including a person, groups of persons or a company or a firm or a consortium thereof, that participates in procurement processes undertaken by the Implementing Agency following the provisions of this Act;
- (e) "**Concessionaire**" means the successful Bidder that will enter into PPP Agreement with the Implementing Agency through a formal arrangement and will undertake the project;
- (f) "**Feasibility Study**" means a study undertaken to examine and analyse the technical, financial, economic, legal, social, environmental, and other aspects of a project to determine its viability and practicality;
- (g) "**Government**" means the Government of Balochistan;
- (h) "**Government Agency**" means a department, attached department or autonomous body (Authority) of the Government, a public sector company or any organization or corporation owned or controlled by the Government;
- (i) "**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;



(j) "Lender" means a financial institution as defined in the 'Financial Institutions (Recovery of Finances) Act, 2001(XLVI of 2001) or an establishment providing all kinds of financial support or loan, with or without security;

(k) "Member" means a Member of the Balochistan PPP Board constituted under sub-section (1) of section 3 of this Act;

(l) "Multilateral Financial Institution" means a financial institution that is established by multiple member countries and is governed under international law;

(m) "Negotiation Committee" means a working group created specifically for finalising negotiation of the PPP Agreement with the concessionaire under sub-section (4) of section 15;

(n) "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;

(o) "P&D Department" means the Planning and Development Department of the Government;

(p) "Prescribed" means prescribed by the rules or regulations or guidelines made under this Act;

(q) "PPP Board" means the Public Private Partnership Board constituted under section 3 of this Act;

(r) "PPP Unit" means the Public Private Partnership Unit established in the Finance Department of the Government under section 6 of this Act;

(s) "Project" means a project implemented on PPP mode;

(t) "Province" means the Balochistan Province;

(u) "Public Private Partnership" or "(PPP)" means a commercial transaction between the Implementing Agency and a Concessionaire in terms of which the Concessionaire:

- (i) undertakes to perform a public function, provides a public service, or develop a public property on behalf of a Government Agency; and
- (ii) assumes pre-determined financial, technical, operational, environmental or any other associated risks in connection with the performance of a public function, provision of public service, or responsible use of public property; or
- (iii) receives a benefit for performing a public function, provision of public service, or responsible use of public property either by way of:



- (a) Consideration to be paid by the Implementing Agency from budget or revenue; or
- (b) Charges or fees to be collected by the Concessionaire from users or customers of a service provided to them; or
- (c) A combination of (a) and (b);

(v) "Public Private Partnership Agreements" are written agreements between the Implementing Agency and the Concessionaire for implementation of a PPP project and any other agreement subsidiary or incidental to it;

(w) "Public Private Partnership Authority" means the Balochistan Public Private Partnership Authority established under section 8 of this Act;

(x) "Request for Proposal" means a publicly advertised tender inviting proposals for a PPP project prepared as per the provisions of this Act and the rules and regulations made thereunder;

(y) "Rules" means the rules made under this Act;

(z) "Unsolicited Proposal" means a proposal to undertake a PPP Project submitted by a private party on its own initiative rather than in response to a request for proposal from the Implementing Agency;

## CHAPTER 2

### PPP INSTITUTIONAL ARRANGEMENTS

**Establishment of the Public Private Partnership Board.**

3. (1) A "Balochistan Public Private Partnership Board", referred to as the "PPP Board" or the "Board", shall be constituted by Government through a notification published in the official gazette, to promote, approve and supervise PPP projects in the province. The Board shall comprise the following members:

(i)	Chief Minister, Balochistan	Chairperson
(ii)	Minister, Planning & Development to the Government	Member
(iii)	Minister, Finance to the Government	Member
(iv)	Two Members of the Provincial Assembly of Balochistan to be nominated by the Speaker	Members
(v)	Chief Secretary to the Government	Member
(vi)	Senior Member Board of Revenue to the Government	Member
(vii)	Additional Chief Secretary (Dev.) to the Government	Member/Secretary
(viii)	Secretary Finance to the Government	Member
(ix)	Secretary Law and Parliamentary Affairs to the Government	Member
(x)	Secretary of the concerned Department	Co-opted Member
(xi)	Managing Director, PPP Unit	Member
(xii)	Two members from the private sector to be nominated by the Chairperson on the recommendation of the ACS (Dev.)	Member
(xiii)	CEO, Public Private Partnership Authority	Member



(2) Sector Specialist(s), to be nominated by the Chairperson on the recommendation of the ACS (Dev.), shall be a special invitee(s) of the Board. They shall be nominated on an honorary and project-to-project basis for the project duration, considering the nature or type of projects.

(3) The private sector members shall have expertise in finance, law, engineering, business, or any other relevant field and shall be appointed for two years and may be eligible for re-appointment for two terms only. Members of the private sector shall possess at least sixteen years of education (Master's or equivalent) in the relevant field and must have good integrity and repute. The Members of the Private



Sector shall be nominated after careful consideration of any actual or potential conflict of interest.

- (4) If a conflict of interest arises with respect to a public and/or private member, such member(s) shall, to the extent of that project, not be eligible to participate in any decisions made by the Board. If the conflict of interest is of such nature or degree that it cannot be remedied, such member(s) may be removed. The public member of the PPP Board shall cease to hold membership only to the extent of the duration of the project, which is the source of the conflict of interest.
- (5) The Chairperson may order the removal of 'the member from the private sector' if a case of misconduct is established.
- (6) 'The member from the private sector' may tender resignation to the Chairperson of the PPP Board by mentioning valid reasons for his resignation.

#### **Meetings of the PPP Board.**

- 4 (1) All meetings of the PPP Board shall be convened by the Secretary on the instructions of the Chairperson, on such a day and time as may be determined by the Chairperson. In cases where approval of the PPP Board is required for processing a PPP project, the Secretary of the PPP Board may initiate a request for convening a meeting. The Chairperson shall be bound to convene a meeting of the Board within 30 days after such request has been received.
- (2) The meetings of the PPP Board shall be presided over by the Chairperson. The Chairperson may nominate Minister P&DD or Minister Finance to preside over the meetings in his absence.
- (3) Presence of seven (7) members shall constitute a quorum with the condition that at least one (1) of the private members is in attendance.
- (4) All decisions of the PPP Board shall be expressed in terms of the opinion of the majority of its members present and voting. In the event of an equality of votes, the Chairperson or the member presiding the meeting shall have a casting vote.
- (5) All orders, decisions, and recommendations of the PPP Board shall be recorded in writing and duly signed by the Secretary of the PPP Board, subject to the approval of the Chairperson.

#### **Functions of the Public Private Partnership Board.**

5. (1) The PPP Board shall:
  - (a) formulate and approve policies, bills, rules, regulations, and guidelines related to public private partnerships for the Government;
  - (b) supervise and coordinate the implementation of the policies, Act, rules, regulations, and guidelines;
  - (c) periodically review the PPP framework in the Province including legal, regulatory, institutional, and financial matters;
  - (d) review and approve a medium-term and long-term 'Public Private Partnership Investment Plan' submitted by the PPP Authority;
  - (e) ensure that PPP projects are consistent with the provisions of this Act and aligned with development priorities of the Government as



specified in sectoral plans, public development plans, provincial investment policies, and/or PPP investment plans;

(f) approve, reject or send back for reconsideration the PPP project documents submitted by the Implementing Agency via the PPP Authority;

(g) ensure that the PPP projects approved by the Board shall not be pursued by a Government Agency by availing public funds unless otherwise allowed in writing by the Board;

(h) approve, reject or send back for reconsideration the Implementing Agency's recommendations related to user fee/levy or Government support or VGF funding or any contingent support or availability-based payments for a PPP Project, whichever apply to a particular PPP project;

(i) establish and notify an 'Executive Committee' to supervise the administrative functions of the PPP Authority. The 'Executive Committee' shall, among the others, perform the following functions:

- (i) review and approve 'Project Development Facility' funding requests for the Implementing Agency up to a maximum limit of Pakistani Rupees 100.0 million, and in case a PDF funding request exceeds this limit, the 'Executive Committee' shall seek approval of the PPP Board;
- (ii) approve annual budget of the PPP Authority;
- (iii) monitor budgets and accounts of the PPP Authority;
- (iv) review and approve requests submitted by the CEO, PPP Authority for hiring of new professional, supporting, and technical staff;
- (v) approve the ~~privileges~~ privileges, terms and conditions of the staff of PPP Authority;
- (vi) approve the appointment of transactions advisors and consultants for the PPP Authority;
- (vii) perform such other functions as may be assigned by the PPP Board.

(j) approve PDF funding requests of the PPP Authority exceeding the limit of Pakistani Rupees 100.0 million;

(k) during negotiation of the PPP Agreement, in case of changes to the earlier approved standard terms of the PPP Agreements, the Board may approve, reject or send back for reconsideration the recommendations submitted by the Implementing Agency via the PPP Authority;

(l) be the final deciding authority in case a disagreement or conflict arises between the PPP Authority, PPP Unit and the Implementing Agency on any aspect of PPP projects;

(m) provide general directions, oversight and supervision on the affairs and administration of the PPP Node, PPP Authority and PPP Unit;

(n) supervise the performance and progress of the PPP Node, PPP Authority and the PPP Unit. If required, the Board may constitute Committees / Working Groups to supervise the progress of the PPP Node, PPP Authority and the PPP Unit;

(o) The Board may constitute such number of working groups comprising of its members or other persons, as required, and take all other steps necessary for giving effect to the provisions of this Act.

**Establishment of the Balochistan Public Private Partnership Unit.**



6. (1) A Balochistan Public Private Partnership Unit, hereinafter referred to as the PPP Unit, shall be established in the Finance Department of Government of Balochistan to act as a fiscal guardian for the projects implemented under the Act and perform the functions of project financial appraisal and risk assessment.

(2) All the functions and administration of the PPP Unit shall vest with the Managing Director, PPP Unit. The Managing Director shall report to the Secretary, Finance Department Government of Balochistan.

(3) The Government may appoint a person on competitive basis having such qualifications, experience and other requirements, as may be determined by the PPP Board, as the Managing Director of the PPP Unit on such terms and conditions as the PPP Board may determine.

(4) The PPP Unit will consist of a team of qualified professionals including financial, technical, legal, risk, and other professionals/advisors/specialists and analysts along with the ancillary staff to carry out the functions of the PPP Unit efficiently.

**Functions of the Public Private Partnership Unit.**

7. (1) The PPP Unit shall:

- (a) subject to the Board, develop risk management guidelines for projects to be implemented under the Act;
- (b) employ such persons, as it deems necessary for the performance of functions and duties assigned to it under this Act;
- (c) support and advise the Board or any Implementing Agency with regard to assessment, evaluation, management, apportionment and mitigation of risks in a project throughout the project lifecycle.

(2) The PPP Unit shall also assist the PPP Board 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;
- (f) inclusion of project support through Viability Gap Fund;
- (g) planning for yearly financial support requirements for projects under implementation; and
- (h) pre-funding 'Project Escrow Account' based on financial requirements as per the PPP Contract;

(3) The PPP Unit shall also:

- (a) watch the interest of the Government and the PPP Board 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.

(4) The PPP 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.

(5) Share/submit bi-annual Risk Management Reports for the approved projects under implementation to the PPP Authority, PPP Node and the Board for their perusal and action;

(6) Carry out such other functions as may have conferred on it by the PPP Board under this Act;

8. (1) A Balochistan Public Private Partnership Authority, hereinafter referred to as the 'PPP Authority' shall be established by the Government through a notification published in the official gazette, in the Planning & Development Department of the Government of Balochistan.

(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) All the functions of the PPP Authority including administrative functions, shall vest with the Chief Executive Officer, PPP Authority who shall exercise such powers and perform such functions diligently.

(4) The Government may appoint a person on competitive basis having such qualifications, experience and other requirements, as may be determined by the PPP Board, as the Chief Executive Officer of the PPP Authority on such terms and conditions as the PPP Board may determine.

(5) The PPP Authority shall consist of a team of qualified professionals including financial, technical, legal, and other professionals/advisors/specialists and support staff, hired from the private sector, to carry out the functions of the PPP Authority efficiently.

**Function of the  
Balochistan  
Public Private  
Partnership  
Authority**

9. (1) The PPP Authority shall promote and facilitate the development of Public-Private Partnership projects in the Province, assist an Implementing Agency in preparing and executing such projects, and act as a catalyst for Public Private Partnerships. In the performance of its functions, the PPP Authority may consult the PPP Unit from time to time;

(2) To achieve the objectives in subsection (1), the PPP Authority shall:

- (a) assist the Board in formulating, implementing the Public Private Partnership Policy and provide technical support to the Board and act as its secretariat;



- (b) employ such persons, as it deems necessary for the performance of functions and duties assigned to it under this Act;
- (c) develop operating guidelines, procedures and model documents for projects for approval by the Board;
- (d) develop technical and human resources to support Public Private Partnership initiatives at PPP Node under the Implementing Agencies;
- (e) provide technical support and assistance to the Implementing Agencies throughout the Public Private Partnership process;
- (f) evaluate and prioritize project proposals submitted by the Implementing Agencies. The PPP Authority shall also perform appraisal of the projects submitted by the Implementing Agencies with regards to technical, financial, legal, socio-economic, environmental and other aspects of the proposal.
- (g) submit all project proposals for consideration to PPP Unit for the purpose of financial risk appraisal and value for money analysis;
- (h) review the bid evaluation report submitted by an Implementing Agency;
- (i) prepare and regularly update a pipeline of projects;
- (j) prepare semi-annual review, annual consolidated reports and project completion reports on the Public Private Partnerships in the Province and submit the same to the Board; and
- (k) perform any other functions and duties which may be assigned to it by the Board.

(3) The PPP Authority may procure for consideration or for free, technical and professional assistance and advice which it deems necessary from other governmental authorities, multilateral agencies, professional bodies and private firms. The PPP Authority may also provide technical support and assistance and advisory services to the persons and entities in the Province and elsewhere for consideration or for free, as it deems appropriate.

(4) PPP Authority, however, may assist project structure activities mentioned at section 10 (1), either on the request of an Implementing Agency or if the PPP Board, so assigns this task to PPP Authority.

**Functions of an Implementing Agency.**

**10. (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;

- (c) 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 PPP Board or the PPP Executive Committee may assign additional responsibilities to an Implementing Agency or the rules may be framed for prescribing its role.

(4) The PPP Board or the PPP Executive Committee 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.

**PPP Authority Fund**

11. (1) The Finance Department shall establish a revolving fund, to be called the 'PPP Authority Fund'. The fund shall be administered and managed by the PPP Authority under the direct supervision of the Executive Committee.

(2) The Fund will be used to promote provincial PPP Authority activities as well as support its administrative and operational activities.

(3) The sources of the fund may comprise of the following:

- (a) grants from the Federal Government;
- (b) grants from the Government;
- (c) grants and donations from the international donor agencies;
- (d) revenue share and income from PPP Projects;
- (e) dividend income from PPP Projects;
- (f) Success fee from PPP Projects, as approved by the PPP Board; and
- (g) any other lawful sources approved by the Government.

(4) PPP Authority shall prepare detailed guidelines for sources, utilization and audit of the PPP Authority Fund.



## CHAPTER 3

### PUBLIC PRIVATE PARTNERSHIP PROCESSES

**Project Initiation and Development** 12. The Implementing Agency is mandated to originate, initiate, structure, develop, procure, negotiate, execute and implement PPP Agreements with the concessionaire. The process for projects initiated and implemented by the Implementing Agency is as follows:

- (a) The Implementing Agency shall identify and conceptualize potential projects from development plans, sectoral plans, policies and strategies of the Government.
- (b) The Implementing Agency shall review and screen identified projects and prioritize the most important projects on the basis of 'Value for Money' analysis, readiness for implementation, and expected impact on improving public access to infrastructure and services.
- (c) The Implementing Agency shall prepare or cause to prepare proposals for the prioritized projects and submit the same to the Executive Committee through PPP Authority for review and approval. Detailed guidelines regarding the structure of project proposals shall be prepared separately by the PPP Authority and approved by the PPP Board.
- (d) While the PDF funding requests up to PkR 100.0 million will be approved by the Executive Committee, in case of projects where the PDF funding request exceeds the ceiling of PkR 100.0 million, the Implementing Agency shall seek approval of the PPP Board through the PPP Authority.
- (e) Upon approval of PDF fund request, the Implementing Agency shall prepare or cause to prepare all the required project documents including but not limited to: an analysis of the feasibility and sustainability of the project including technical, financial, and socio-economic viability over the expected duration of the project, environmental impact assessment, analysis of the need for Government support, affordability of the project, determination of the appropriate PPP modality, risk analysis and risk management strategy, bidding documents, a draft PPP Agreement and any other documents that may be required to justify the placement of the case before the PPP Board. However, as a first step, a detailed financial feasibility and market study shall be prepared to ascertain the viability of the project. In case the project meets a certain threshold of financial viability, only then the remaining project documents shall be prepared. The PPP Authority shall assist and extend its support to the Implementing Agency for quality control and assurance of the project documents. Detailed guidelines pertaining to requirements of project documents shall be prepared by the PPP Authority and approved by the PPP Board.
- (f) In case of large and complex projects, the Implementing Agency through PPP Authority may directly hire the services of a



'Multilateral Institution' to provide transaction and financial advisory services, subject to approval of the Executive Committee or the PPP Board, as the case may be. The procedure for such a hiring shall be explained in detail in the PPP Rules.

(g) After the Implementing Agency prepares the project documents, it shall submit the same, including all requests for Government support, to the PPP Authority and PPP Unit for review and financial risk assessment prior submission to the PPP Board for final approval.

**Project Approval**



13 (1) The PPP Authority shall critically evaluate the project documents including draft agreement, assess project risks and submit the same to PPP Unit for further analyses of the fiscal impact as well as the related direct and potential contingent liabilities. The PPP Unit may make recommendations to the Implementing Agency and PPP Authority with regard to the project proposal before submitting it to the PPP Board for approval.

(2) The PPP Unit shall, within reasonable time, make appropriate recommendations to the PPP Board via PPP Authority for approval, rejection or reconsideration of the project documents, especially the request for Government support.

(3) The Board shall review the submitted project documents on the basis of the recommendation of the PPP Authority and may, within 30 days from the receipt of such proposal, approve the proposal with or without modification, or reject it or return it to the Implementing Agency for amendment and resubmission. In case a project is returned by the PPP Board for amendment, the Implementing Agency shall take suitable action to amend the proposal and resubmit the same as per procedure in sub-section (1) and (2).

(4) The PPP Board shall recommend a PPP project to the Provincial Cabinet for final approval where:

- (a) the project cost equals or exceeds PkR 5.0 billion; or
- (b) where VGF contribution equals or exceeds PkR 1000.0 million; or
- (c) where Government is providing the land and the land cost equals or exceeds PkR 500.0 million; or
- (d) where the Government is providing Provincial guarantees that equal or exceed PkR 500 million; or
- (e) where contingent liabilities exceed PkR 500 million.

(5) The frequency and timelines of such matters which are to be referred to the provincial cabinet will be elaborated in the PPP Rules;

**Selection of the Concessionaire**

14. (1) After approval of the project documents, including bidding documents and a draft PPP Agreement, by the PPP Board or the Provincial Cabinet, as the case maybe, the Implementing Agency shall take all the steps for selecting the Concessionaire through open competitive bidding. The advertisement shall be made within 30 days of the approval of project documents by the Board. Subject to sub-



**Negotiation of  
Public Private  
Partnership  
Agreement**

section (3), the Implementing Agency shall not enter into direct negotiations with any party without open competitive bidding.

(2) Upon conclusion of the bidding process, the Implementing Agency shall share results with the 'Executive Committee' via PPP Authority for review and approval and announce results of the bidding and enter into formal negotiations with the Concessionaire.

(3) Subject to approval of the PPP Board and the Cabinet and any other approvals required by the law, the requirement related to open competitive bidding set forth in sub-section (1) of this section may be waived in case a project is undertaken as a result of a direct arrangement or Agreement of the Government with a foreign state or states.

(4) Details regarding the procurement process shall be elaborated in the PPP Rules to be made under this Act.

**15.** (1) The draft PPP Agreement which forms part of the bidding documents shall clearly define the legal relationship between the Implementing Agency and the concessionaire, their rights and responsibilities including the specific Government support for the project, if any. Once the applicable approvals have been obtained in accordance with the provisions of this Act, the Implementing Agency shall invite the successful bidder for negotiation of the PPP Agreement.

(2) The draft PPP Agreement shall include, but not limited to, the following provisions, as applicable:

- (a) Type of project;
- (b) General terms and conditions of the PPP Agreement;
- (c) Scope of work and services to be provided under the project;
- (d) Key technical parameters and specifications;
- (e) Implementation milestones and completion date of the project;
- (f) Performance standards and indicators to monitor project progress;
- (g) Environmental and safety requirements;
- (h) Type and amounts/size of Government support;
- (i) Cost recovery scheme (including a mechanism for periodic adjustment);
- (j) Performance bond for construction works and operations;
- (k) Minimum insurance coverage;
- (l) Acceptance tests and procedures;
- (m) Rights and obligations of the parties including risk sharing matrix;
- (n) Amount of availability-based payments (on annuity basis);

- (o) Transfer of assets, if any, at the conclusion of the term of PPP Agreement;
- (p) Warranty periods and procedures after transfer;
- (q) Requirements and procedures for amendments in the PPP Agreement;
- (r) Grounds for and effects of termination of PPP Agreement including force majeure;
- (s) Applicable law and dispute resolution mechanism;
- (t) Financial reporting by the concessionaire;
- (u) Supervision mechanism of the Implementing Agency.

(3) The Implementing Agency shall not enter into a Public Private Partnership Agreement unless the procedure specified in this Act has been followed.

(4) Contract negotiations for the conclusion of a PPP Agreement shall be completed between the Implementing Agency-led Negotiation Committee and the Concessionaire within three months after the approval for the award of the contract. In case the PPP Agreement is not concluded within three months after the contract award, the Negotiation Committee may request for extension in duration of the project conclusion, on plausible grounds, from the PPP Board. Negotiation Committee shall be led by the Implementing Agency and have a member from the PPP Authority and the other Government Departments.

(5) If post-bid changes are made in the terms and conditions of the Agreement as a consequence of negotiations, then the Implementing Agency shall resubmit the revised PPP Agreement to the PPP Unit via PPP Authority for financial risk review and onward submission to the PPP Board for approval. In case the terms and conditions of the Agreement remain unchanged at the end of the negotiations, the Implementing Agency may sign and execute the PPP Agreement.

**Project implementation and operation.**

16. (1) The PPP Agreement shall be executed by the Implementing Agency with the Concessionaire through a formal arrangement as laid down in the PPP Agreement. This arrangement may take the form of a 'Special Purpose Vehicle' or any other arrangement as the case may be. The Concessionaire sponsors shall be required to maintain their respective shareholding in a PPP project. The specific conditions under which a change in shareholding may be allowed shall be prescribed in the PPP Rules made under this Act.

(2) The concessionaire shall prepare a detailed design, development, implementation, and monitoring plan in accordance with the provisions and technical specifications contained in the PPP Agreement and shall submit the same to the Implementing Agency for approval prior to the start of the work.

(3) The concessionaire shall provide all performance bonds and/or bank guarantees in accordance with the terms and conditions of the bidding documents to secure its rights and obligations under the PPP Agreement in respect of the PPP project and additionally shall procure at its own cost all types of insurances for works and project assets during the term of PPP Agreement.





**Transfer of rights.**

(4) Within 12 months of the signing of the PPP Agreement, the concessionaire shall achieve financial closure for the project or as the case may be in the PPP Agreement.

(5) The Implementing Agency shall supervise and monitor the project throughout the implementation phase and ensure conformity with the plans, specifications, performance standards and user levies agreed in the PPP Agreement. The Implementing Agency shall also assess and evaluate the actual outcomes of the project. The PPP Authority shall be responsible for the overall Monitoring and Evaluation of the project and report the Board for corrective action.

(6) The Implementing Agency shall submit bi-annual reports on PPP project progress and performance to the PPP Board via the PPP Authority. The same shall be provided to PPP Unit to update the project risk matrix and risk management report.

**17. (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.

**No compensation for risks not covered.**

**18.** The Implementing Agency shall, as far as possible, disclose potential risks in a Project in the Bidding Documents. However, the PPP Board, the PPP Working Party, the PPP 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.

**Renegotiation of PPP Contracts.**

**19.** The PPP Board, 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.

**Restriction on funding PPP Project through alternate means.**

**20.** A project, for which funding out of Project Development Facility has been approved or a project which is otherwise, approved by the PPP Board 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 PPP Board.

**Unsolicited  
Proposals.**

21. (1) A person or an entity may submit a PPP project proposal to the Implementing Agency on its own initiative. An unsolicited proposal shall be accompanied by project documents, including detailed feasibility study, environmental impact assessment, and a draft PPP Agreement. The feasibility study shall contain all the information as defined in clause (c) of section 12 of this Act.

(2) The Implementing Agency shall review and evaluate an unsolicited proposal, especially the technical, financial, legal, and environmental aspects of the proposal with assistance of PPP Authority, and may endorse or reject the unsolicited proposal or return to the private party for amendment and resubmission. In case of endorsement of the unsolicited proposal, the Implementing Agency shall submit the project to PPP Authority for review and appraisal. The PPP Authority shall seek financial review and appraisal of the proposal by the PPP Unit prior to the submission to the PPP Board.

(3) Open and competitive procurement procedure shall be followed for unsolicited proposals.

(4) Detailed guidelines for dealing with unsolicited proposals, including process for appraisal and approval of such projects, shall be covered in PPP Rules.

**Government  
Support**

22. (1) The Government support for the PPP project may take the following forms:

- (a) Administrative support to the concessionaire in obtaining licenses and other statutory and non-statutory clearances from the Government or the Federal Government, any public sector organizations or a Government Agency or Authority for purposes of the project on such terms and conditions as may be prescribed.
- (b) Provision of utility connections for power, gas, telephone, water, and internet facility at project site; clearance of right of way or acquisition of land necessary for the project; rehabilitation and resettlement necessitated because of the execution of the project; and any other administrative responsibility;
- (c) Asset-based support such as leasing, licensing or grant of right to use land and / or infrastructure facilities owned by the Government or the Federal Government or a Government Agency. The need for this type of support shall be determined on a case-by-case basis;
- (d) Government equity, in the form of land or infrastructure facilities owned by the Federal Government, Government or a Government Agency or Implementing Agency, value of which is to be calculated with reference to the prevalent market value of land or infrastructure or future value of discounted cash flows accruing or arising from assets being offered. In cases where the project requires creation of security over the land in favour of the lender, the same would be allowed only after due approval of the PPP Board, as prescribed in the PPP Rules;
- (e) Compensation of actions under the Government's control such as changes in the law, delay of agreed user levy adjustments, early





termination of the PPP Agreement owing to no fault of the concessionaire. Such support shall be available for all projects;

- (f) Government guarantees along with facilitation in arranging guarantees provided by the Multilateral Development Banks, Multilateral Financial Institutions and lenders for enhancing a project's overall creditworthiness. The need for this type of support shall be determined on case-to-case basis as part of the risk sharing analysis undertaken during project preparation and negotiations. Detailed guidelines and procedures for such arrangements shall be covered in the PPP Rules;
- (g) Direct financial assistance through the Viability Gap Fund for projects which are economically and socially viable but may not be viable financially, subject to due approvals from the competent forums as specified in this Act. The Government shall ensure that adequate resources are annually allocated to the VGF so that annual obligations can be effectively met with regards to the projects approved for such funding by the PPP Board;
- (h) In case of availability-based payments, subject to approval by the competent forum, the Implementing Agency shall ensure payments to the concessionaire through budgetary allocations made by the Government during lifecycle of a PPP project (by means of annuity payments) to cover the approved bid cost of provision of infrastructure and/or services, fully or partially, in accordance with the approved terms and conditions of the PPP Agreement.
- (i) Government guarantees for other risks such as force majeure, demand risk, and default by an Implementing Agency on payments for works and services delivered by the concessionaire (off-take risk); the need for this type of support shall be determined on a case-by-case basis.
- (j) A PPP project may be eligible for provincial tax exemptions and reduction of or exemption from various appropriation charges as prescribed on case-to-case basis. However, such exemptions shall not be extended beyond the period of debt service period of the project

(2) Government support for a project shall be indicated clearly in the bidding documents as well as in the draft PPP Agreement.

## CHAPTER 4 FINANCING

### Project Financing

**23. (1)** Financing of a PPP project may be in such amounts and upon such terms and conditions as may be determined by the parties to the PPP Agreement. The concessionaire or the implementing Agency may utilize any financial resources which may be available to them, including but not limited to:

- (a) Debt financing from commercial banks;
- (b) Financing through capital markets;
- (c) Equity funds;
- (d) Development Financial Institutions;

- (e) Bilateral and Multilateral Development Banks and agencies;
- (f) Sovereign wealth funds;
- (g) Financing by way of Grants available.

(2) The concessionaire or the Implementing Agency, as the case may be, with prior approval of the competent forum, and as mutually agreed upon in the PPP Agreement, may secure financing with a pledge or assignment of, security interest in, or lien on, any or all of its property, including all of its property interests in the facility.

**Viability Gap Fund**

**24.** (1) At any time after the commencement of this Act, the Finance Department shall establish a Viability Gap Fund to support PPP projects, which shall be administered by the PPP Unit.

(2) The VGF shall be established by an amount specified by the PPP Board as prescribed.

(3) The Balochistan VGF shall be a revolving fund replenished by the Government from time to time or as may be prescribed. The other sources of the fund may comprise of the following:

- (a) grants from the Federal Government;
- (b) grants and donations from international donor agencies;
- (c) grants from Multilateral Institutions;
- (d) income from investments; and
- (e) any other lawful sources approved by the Government.

(4) VGF shall be used for PPP projects that have a strong economic and social justification but fall short of financial viability. VGF shall not be used for projects that are purely commercial in nature and have limited socio-economic benefits. Detailed guidelines and procedures for processing VGF funds shall be elaborated in the VGF guidelines/policy to be prepared by the PPP Unit and approved by the PPP Board.

**Project Development Facility**

**25.** (1) The Finance Department shall establish a revolving fund, to be called Project Development Facility, which will be available to pay for consulting services / transaction advisory services required for the preparation of project documents and execution of PPP projects. The cost incurred on the preparation of project documents may be funded from PDF and shall be recovered from the Concessionaire.

(2) The PPP Authority will administer PDF under the direct supervision of the Executive Committee.

(3) The PPP Authority shall prepare guidelines for utilization of PDF and submit to the PPP Board for approval.

**Infrastructure Project Financing Facility (IPFF)**

**26.** (1) The Finance Department with the approval of the Government may establish an 'Infrastructure Project Financing Facility', a non-banking financial institution, if financial markets' position so demands. The PPP Board will recommend to the Government, with justification, for establishing the IPFF. The purpose of establishing such an institution will be to provide financial assistance in shape of



loan to the Concessionaire. The IPFF will be established with the financial assistance of multilateral and bilateral development partners. The IPFF will make equity contributions in the local currency to PPP projects or provide residual for 15-20-year funding at commercial rates through fixed- rate rupee-based loans if the financing needs of the private sponsors cannot be fully met by the market. The IPFF would set minimum quality standards for project proposals. Its day-to-day operations would be independent from the Government, and reporting to the Finance Department would be made through its Board of Directors.

**Setting of User Levies**



27. (1) The Implementing Agency may set the user levies at levels that ensure financial viability of the project by fully covering the capital, operational and maintenance costs plus a reasonable rate of return to the concessionaire or the Implementing Agency or both. Notwithstanding the foregoing, if the Implementing Agency elects to maintain the user fees at levels below those that would ensure financial viability of the PPP project as described herein, then it shall compensate the concessionaire for the difference through VGF.

(2) The Government may exempt, through notification in the official gazette, certain classes of users from payment of user fee.

(3) Unless specified otherwise in the bidding documents, the Implementing Agency shall adjust user levies periodically during the term of the PPP Agreement in accordance with the terms and conditions of the PPP Agreement.

(4) Notwithstanding anything contained in any other law, the concessionaire shall have the right to receive or collect tariffs or payments in accordance with and at the rates set forth in the PPP Agreement.

**CHAPTER 5**  
**MISCELLANEOUS**

**Complaint Redressal Mechanism**

28. A complaint redressal mechanism will be developed to enable the Bidders and the Concessionaire to raise any concerns or complaints pertaining to the public private partnership process or projects. The constitution of the complaint redressal body and the procedure to be followed for such complaint redressal will be prescribed through guidelines by the PPP Board.

**Dispute Resolution Mechanism**

29. (1) If a dispute arises out of or relates to the PPP Agreement, or the breach thereof, and if that dispute cannot be settled through direct discussions, the parties shall first endeavor to settle the dispute in an amicable manner by mediation administered by an independent and impartial person appointed by the Board, before resorting to arbitration. Thereafter, any unresolved controversy or claim arising out of or relating to the PPP Agreement, or breach thereof, shall be settled by arbitration in a place as specified in the PPP Agreement. The award rendered by the arbitrator(s) may be entered in relevant courts having jurisdiction thereof as defined in the PPP Agreement.

(2) Further procedure to be followed for such dispute resolution will be prescribed through guidelines by the PPP Board.

**Indemnity by the Concessionaire**

30. The concessionaire shall indemnify the Implementing Agency, PPP Authority and PPP Unit against any defect in design, construction, maintenance or operation of the project and be liable to reimburse all costs, charges, expenses, losses and

**Termination of  
Public Private  
Partnership  
Agreement**

damages suffered by the Implementing Agency or an end user due to any such defect.

**31.** A party to the PPP Agreement may terminate the Agreement in the following cases:

- (a) Upon completion of the term of the PPP Agreement, the concessionaire will hand back any public property to the Implementing Agency, free and clear of all encumbrances and in satisfactory condition as determined by the Implementing Agency following an inspection. The procedures for the hand back and indemnities, if any shall be set forth in the PPP Agreement.
- (b) If the Implementing Agency fails to comply with any major obligation in the PPP Agreement, and such failure is not remediable or, if remediable, remains un-remedied for an unreasonable period of time, the concessionaire may terminate the Agreement with written notice to the Implementing Agency as provided in the PPP Agreement and, in the event of such termination, the project shall be transferred to the Implementing Agency and the concessionaire shall be entitled to compensation by the Implementing Agency as provided in the PPP Agreement;
- (c) Unilateral termination of the PPP Agreement by the Implementing Agency acting in the public interest. Following notice and subject to the procedures set forth in the PPP Agreement, the Implementing Agency shall compensate the concessionaire for any investments made in the project, including any debts incurred and a sum which fairly represents the lost profit on such investments;
- (d) If the concessionaire fails to perform the Agreement, or fails to achieve the prescribed technical and performance standards, or fails to comply with any major obligations in the PPP Agreement, and such failure is not remediable or, if remediable, remains un-remedied for an unreasonable period of time, the Implementing Agency may terminate the agreement with written notice to the concessionaire as provided in the PPP Agreement and, in such a case the Implementing Agency may take over the project and claim compensation from the Concessionaire as provided in the PPP Agreement.
- (e) In case of termination due to force majeure, the allocation of the risk and compensation formulae to be applied in such instance shall be set forth in the PPP Agreement.

**Prescribing and  
enforcing  
standards**

**32.** The Implementing Agency may:

- (a) prescribe and enforce performance standards for a project including standards or performance of the concessionaire with regard to the services to be rendered by it to the end users;
- (b) prescribe quality standards including standards of materials, equipment and other resources or processes relevant to infrastructure projects including planning criteria, construction





**Protection of actions taken in good faith**

**Power to make Rules**

**Power to make Regulations and Guidelines**

**Applicability to Government Agencies**

**Public Servants**

**Prior consent of the Authority with respect to certain legal actions.**

practices and standards of such facilities operating standards and maintenance schedules for regulating the working of the concessionaire to ensure efficiency and adherence to the prescribed quality standards;

- (c) link entitlement to support from the VGF, subsidy, annuity and other compensation and benefits with meeting certain performance standards as it may deem fit;
- (d) prescribe the mode of output-based contracting, performance-based payment system and output-based procurement procedures; and
- (e) prescribe any other standards for regulating the PPP Project.

**33.** No suit, claim or other legal proceedings shall lie against the PPP Board or the Implementing Agency, PPP Authority, PPP Unit or the Executive Committee or any member, officer, servant, adviser or a representative of the Board or Implementing Agency or Executive Committee in respect of anything done or intended to be done in good faith under this Act or under any rules or regulation made under the Act.

**34.** The Government may, by notification in official Gazette and with the recommendation of the PPP Board, make rules for carrying out the purposes of this Act.

**35.** Subject to this Act and the rules made thereunder, the PPP Board may, by notification in the official Gazette, make regulations, procedures and guidelines to give effect to the provisions of this Act.

**36.** (1) With the approval of PPP Board, the Implementing Agency and the PPP Authority may involve a Government Agency either directly or through a designated committee for participation in or support of a project, as needed. In such cases, the Government Agency will be required to provide the necessary assistance as required by the Implementing Agency and PPP Authority.

(2) The provisions of this Act shall apply to a project if the estimated total cost of such project exceeds PkR. 300 million.

(3) The Implementing Agency may request the Board to process a project with an estimated total cost PkR 300 million or less, and the Board shall proceed with the project in the manner as if it falls within its jurisdiction.

**37.** The Chairperson, Members, Directors and Employees of the PPP Authority 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).

**38.** (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 PPP Board in writing and for seeking such consent the Government agency shall provide the list of charges along with the evidence.

(2) The PPP Board 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 PPP Board within such time as may be directed by the PPP Board and the decision of the PPP Board on the matter, whether to allow the proposed legal action or not, shall be final.

**Overriding provision**

**39.** Notwithstanding anything contained in any other law, the provisions in this Act shall have overriding effect to the extent of the project under this Act.

**Repeal and Savings**

**40.** (1) The Balochistan Public Private Partnership (Act No. XXV of 2021) 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 PPP Authority and the PPP Unit, under the repealed Act, shall be deemed to be the employees of the PPP Authority and PPP 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 Balochistan Public Private Partnership Act 2021 (XXV of 2021).

(3) 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.

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

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



*19/12/25*  
(TAHIR SHAH KAKAR)  
Secretary.

No.PAB/Legis: V (38)/2025/7219.

Dated: Quetta, the 19<sup>th</sup> December, 2025

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(ABDUL REHMAN)  
Special Secretary (Legis:)

No.PAB/Legis: V (38)/2025/7219.

Dated: Quetta, the 19<sup>th</sup> December, 2025.

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3. The Secretary, Government of Balochistan, Finance Department, Quetta.
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6. The System Analyst, Balochistan Provincial Assembly.
7. The Secretary to Speaker, Balochistan Provincial Assembly.
8. The P.S to Secretary, Balochistan Provincial Assembly.

  
SPECIAL SECRETARY (LEGIS:)  
