

2ND EDITION

# Middle East PPP Legal Report 2025

---

An overview of PPP legislative frameworks and pipeline activities  
throughout the Middle East

Tim Burbury, Almiro Clere, Sam Muir, Sam Anastasiou

August 2025



## Overview

This report acts as a reference guide when considering public-private partnership (PPP) projects in the Gulf Cooperation Council region. This updates a previous report prepared by King & Spalding in 2017, describes the legislative frameworks governing PPP projects in the GCC region and identifies upcoming PPPs based on publicly available information.

*Middle East PPP Legal Report 2025* is a publication of King & Spalding LLP and should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only. You are urged to consult your own lawyer concerning your own situation and any specific legal questions you may have.

© 2025 by King & Spalding LLP. All rights reserved.

# Foreword

We are pleased to provide this updated report as a reference guide to all participants considering public-private partnership (**PPP**) projects in the Gulf Cooperation Council (**GCC**) region. This is the second edition of the report that was first prepared by King & Spalding in 2017. The report provides further insights into the development of PPP legislative frameworks over the past eight years and potential PPP projects in the GCC region.

Since 2017, governments across the GCC region have identified a number of potential infrastructure projects suitable for the PPP model. This follows further development of legal frameworks (all GCC states have now promulgated a specific PPP law) and the implementation of national economic strategies requiring the delivery of large amounts of infrastructure (e.g., Saudi Arabia's Vision 2030 initiative and Abu Dhabi's Vision 2030 and 2045 initiatives).

PPPs are fundamentally different from traditional procurement models. Under the latter, government finances all infrastructure development and also performs all core and non-core services. Under a PPP model, the private sector finances all infrastructure development and performs either or both core and non-core services.<sup>1</sup>

Understanding the PPP legal landscape in the GCC is critical for those participating in PPP projects. The GCC is not a single market, and while all GCC states now have PPP laws, we are seeing a diverse approach from governments on how they plan to procure infrastructure assets and related services.

Practices differ not only by country but, in some cases, also by sector. For example, power and water projects have,

in some countries, been carved out of the scope of new PPP laws. In other cases, new PPP laws are horizontal (i.e., they apply across multiple sectors) but must be read together with existing sector laws. In some countries, in the event of inconsistencies or where legislation is silent on a particular issue, the provisions of the new PPP laws apply. Accordingly, it is important that the new PPP laws are not read in isolation.

The report summarizes and compares the current PPP legislative frameworks in each GCC country as of August 2025. It highlights cross-sector differences and provides high-level comments on what proponents, sponsors and financiers will need to consider as they prepare bids for PPP projects in the GCC region.

Given the complexities of PPP projects, participants should engage experienced PPP advisers to assist with each stage of the process. Each project implemented using the PPP model will face unique challenges, risks and issues. However, each of these issues can be overcome with careful planning and expert advice.

King & Spalding has extensive experience advising both public sector procurers and private sector participants on the procurement and delivery of infrastructure projects, including under PPP models. Our lawyers have advised on more than 80 PPPs throughout the Middle East and internationally. We would be pleased to discuss the contents of this report further with parties interested in developing such projects.

Please visit [www.kslaw.com](http://www.kslaw.com) for more information or contact [PPP@kslaw.com](mailto:PPP@kslaw.com).

---

1. Please refer to King & Spalding's other recent thought leadership pieces, "[Delivering Infrastructure Projects under a Public-Private-Partnership Model](#)", "[Third Wave of PPPs in the GCC: Expanding Horizons in Social & Economic Infrastructure](#)", and "[PPP Projects: Challenges and Opportunities](#)" (2025) for further details on PPPs (including structuring considerations, potential benefits, value for money assessments and payment mechanics).

# Contents

**United Arab Emirates – Federal ..... 1**

**United Arab Emirates – Abu Dhabi ..... 3**

**United Arab Emirates – Dubai ..... 7**

**Kingdom of Saudi Arabia ..... 11**

**Kuwait ..... 16**

**Oman ..... 19**

**Qatar ..... 22**

**Bahrain ..... 25**



# United Arab Emirates – Federal

## Status of the United Arab Emirates' PPP Law

The UAE federal PPP law (Federal Decree-Law No. 12 of 2023) was issued on November 27, 2023, and came into effect on December 1, 2023; the accompanying *Federal Manual on PPP projects, management and execution* was introduced by the Ministry of Finance on June 25, 2024 (together, the Federal PPP Framework). The **Federal PPP Framework** represents the first overarching federal framework for PPP projects in the UAE, and is designed to harmonize approaches across the Emirates and promote private sector participation in federal-level infrastructure and services.

The Federal PPP Framework applies to projects procured by federal entities. It does not apply to:

- projects undertaken by individual Emirates, government-owned companies or local authorities
- outsourcing contracts
- partnership contracts concluded before the effective date of the UAE federal PPP law
- projects with a value below AED 150 million
- procurement contracts related to national security, federal entities, sectors and projects that are expressly excluded by a Cabinet decision
- fully private projects

## Key Features of the Federal PPP Framework

### Procurement Procedures

The Federal PPP Framework outlines structured procurement procedures, emphasizing transparency, equal opportunity and value for money. A competitive, multistage tendering process is the default requirement for PPP projects and includes the following steps:

- prequalification or request for expressions of interest (**RFEI**)
- request for proposals (**RFP**)
- technical and financial evaluation of bids
- negotiation and award of the PPP contract

Direct awards are permitted in narrowly defined circumstances, such as when there is only one capable supplier, for national security reasons or in urgent cases.

### SPV Governance and Ownership

The Federal PPP Framework provides for the establishment of a special purpose vehicle (**SPV**) to implement each PPP project, owned either wholly by the private partner or jointly with a public procurer. It must take a legal form permitted under the UAE Commercial Companies Law.

### Financing and Other Incentives

The SPV may raise financing from domestic or international sources. The Federal PPP Framework supports project finance structures and recognizes lender step-in rights.

Government support (including performance guarantees, letters of comfort and financial guarantees) is permitted, subject to Ministry of Finance approval.

### The PPP Contract

The PPP contract governs the rights and obligations of the public procurer and private sector participants. It covers construction, operation, financing, maintenance, asset ownership and termination. Mandatory clauses are imposed relating to asset transfer, insurance, dispute resolution and intellectual property (IP) rights.

The maximum term of a PPP contract is 35 years unless otherwise approved by the Cabinet.

UAE law must govern the PPP contract. Arbitration is permitted as a dispute resolution mechanism if agreed by the parties.

## Central PPP Unit

The UAE Ministry of Finance is the central authority overseeing implementation of the Federal PPP Framework. Its functions include:

- reviewing and approving federal PPP project proposals;
- issuing executive regulations and templates; and
- coordinate with federal entities during the procurement process.

Federal entities must obtain the Ministry's approval before launching PPP tenders or signing project agreements. The Ministry may delegate certain approvals depending on project value and strategic importance. No separate PPP agency or fund has been established at the federal level as at the date of this report, although capacity-building initiatives are ongoing.

## Other Relevant Legislation

Other legislation is also relevant to PPP projects under the Federal PPP Framework, including:

- Federal Decree-Law No. 32 of 2021 on Commercial Companies (where a foreign investor acquires the SPV); and
- sector-specific laws and regulations (e.g., for energy, transport, healthcare).

## Deal Pipeline

As of the date of this report, no PPP projects have been publicly announced under the Federal PPP Framework. However, as discussed above, the UAE Ministry of Finance has been actively laying the groundwork to facilitate future PPP projects.





# United Arab Emirates – Abu Dhabi

## Status of Abu Dhabi's PPP Law

The core legislation making up the Abu Dhabi PPP law comprises of the Abu Dhabi PPP Law (Law No. 2 of 2019), the Administrative Decision No. 179/2020 on the Regulation of the Public-Private Partnership, Law No. 1 of 2019 concerning the establishment of the Abu Dhabi Investment Office (**ADIO**), the Department of Economic Development's administrative resolution pursuant to the PPP Law, ADIO's *Partnership Projects Guidebook* (as amended and updated from time to time) and any other guidance issued by ADIO (together, the **Abu Dhabi PPP Framework**). Together, this establishes a comprehensive legal framework to facilitate and regulate PPP projects in the Emirate of Abu Dhabi.

The Abu Dhabi PPP Framework applies to PPP projects initiated by local government entities and departments in Abu Dhabi. There are other laws that cover specific sectors including water and power projects, for example Abu Dhabi Law No. 2 of 1998.

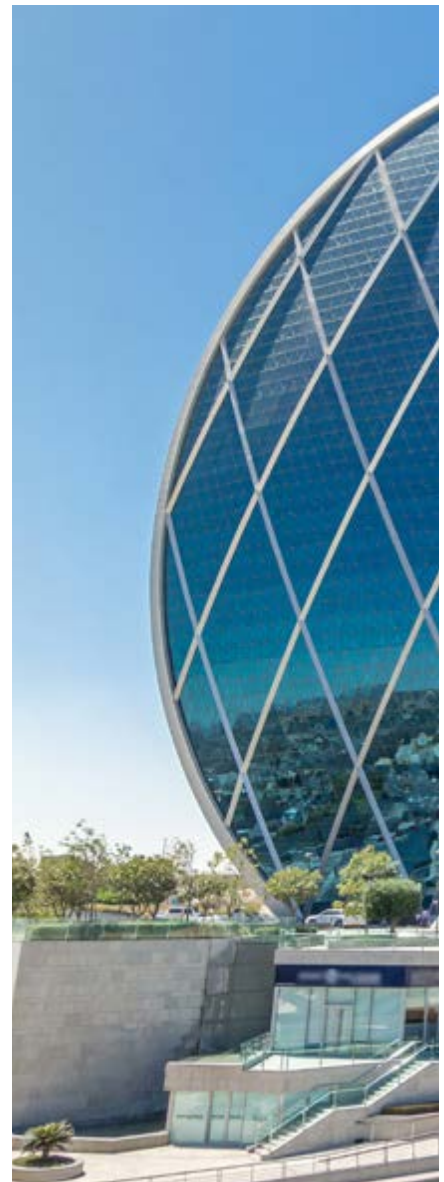
## Key Features of the Abu Dhabi PPP Framework

### Procurement Procedures

The Abu Dhabi PPP Framework outlines structured procurement procedures for PPP projects, and places emphasis on transparency, competition and equal opportunity. A competitive, multistage tendering process is the default requirement for PPP projects and includes the following steps:

- RFEI and request for qualifications (**RFQ**) (if not part of the RFP)
- RFP
- technical and financial evaluation of bids
- negotiation and award of the PPP contract

Direct awards are permitted in narrowly defined circumstances, such as when there is only one qualified bidder or for projects involving innovative proposals





submitted on an unsolicited basis. ADIO has published separate guidance, including the *Supplementary Procurement Procedure: Unsolicited Proposals* (November 2020), that governs unsolicited proposals.

### **SPV Governance and Ownership**

The Abu Dhabi PPP Framework provides for the establishment of an SPV to implement each PPP project. This SPV may be owned solely by the private partner or jointly with the public procurer, depending on the structure of the project.

### **Financing and Other Incentives**

The SPV is permitted to raise debt financing for the project. The Abu Dhabi PPP Framework expressly recognizes the use of project finance and lenders' right to step in and take control of the project company under certain conditions.

Government support measures (such as availability payments, guarantees or subsidies) may be granted, subject to the approval of the Department of Finance.

### **The PPP Contract**

The PPP contract is the core contractual document governing the relationship between the public procurer and the private sector. It covers construction, financing, operation, maintenance, asset ownership, risk allocation, dispute resolution and termination arrangements.

The Abu Dhabi PPP Framework mandates that the PPP contract contain a number of specific provisions, including on asset ownership during and after the concession period, IP rights, insurance, and other customary matters.

Arbitration is permitted as a dispute resolution mechanism, if agreed by the parties.

The maximum term of a PPP contract is 35 years unless otherwise approved by the Executive Council.

## **Central PPP Unit**

ADIO is the designated authority for implementing the Abu Dhabi PPP Framework. ADIO acts as the central PPP unit responsible for evaluating, approving and monitoring PPP projects. It plays a key role in coordinating between government entities, overseeing procurement processes and issuing implementing regulations.

The Department of Finance retains authority over project approvals and financial commitments, especially for projects requiring direct government support or exceeding specified value thresholds. Project-specific approvals may also require the consent of the Abu Dhabi Executive Council.



## Other Relevant Legislation

PPP projects in Abu Dhabi may also need to comply with other applicable laws depending on the specific project, including:

- Federal Law No. 2 of 2015 (UAE Commercial Companies Law), which governs corporate structures and ownership
- sector-specific regulations for power, water and other utilities, which may be governed by alternative regimes (e.g., the EWEC model for energy projects)

## Recent Developments

Since the enactment of the Abu Dhabi PPP Law, ADIO has launched several high-profile PPP projects, including school and student accommodation projects, event arenas and infrastructure developments.

In 2023, Abu Dhabi initiated multiple education and logistics PPP projects, with further sectors (e.g., healthcare and transportation) under consideration. ADIO continues to update the Abu Dhabi PPP Framework through guidance documents and collaboration with international advisers to ensure best practices in procurement, risk allocation and project delivery.

In 2025, Gridora – an infrastructure platform formed through a joint venture between ADQ, International Holding Company and Modon Holding – was launched to accelerate the development of strategic infrastructure projects in Abu Dhabi and beyond. Operated by Modon Holding, Gridora is structured around two complementary business lines: infrastructure projects and infrastructure investments. This dual-focus model is designed to generate returns while addressing the transformative shift required to scale infrastructure implementation nationally, regionally and internationally.

While specific PPP projects to be carried out by Gridora have not been publicly disclosed yet as at the date of this report, the platform's establishment demonstrates Abu Dhabi's strategic commitment to enhancing infrastructure development through collaborations with specialist partners and capital providers.



# Deal Pipeline

Based on publicly available information, select key PPP projects that have been announced as of August 2025 are listed below.

PPP Name	Details
<b>Madinat Al Riyadh and Madinat Zayed Event Arenas</b>	ADIO and the Department of Municipalities and Transport ( <b>DMT</b> ) are procuring premier event arenas under the PPP model through design-build-maintain-operate contracts.
<b>Al Dhafra Highway Services and Rest Areas</b>	ADIO and the DMT have received bids for the enhancement of highway infrastructure and services in Ghayathi and Um Laylah in Al Dhafra.
<b>Abu Dhabi Community Markets</b>	ADIO and the DMT have received bids for the development of seven community multiunit market facilities around Abu Dhabi on sites ranging from 6,800 m <sup>2</sup> to 29,000 m <sup>2</sup> . This process was restricted to bidders that are fully Emirati-owned.
<b>ADIO/ADPIC Strategic Partnership</b>	ADIO and the Abu Dhabi Projects and Infrastructure Centre ( <b>ADPIC</b> ) have signed a strategic partnership agreement to establish a collaborative operating model that supports the planning, structuring and procurement of PPPs for infrastructure across the Emirate.  ADPIC has also announced its intention to enter into around US\$12.8 billion worth of infrastructure projects for various types of assets, including roads, schools, housing and hospitals. It is expected that a significant portion of these projects will be delivered using the PPP model.



# United Arab Emirates – Dubai

## Status of Dubai's PPP Law

The Dubai PPP Law (Law No. 22 of 2015) was passed on September 20, 2015, and became effective on November 19, 2015. It was the first piece of specific overarching PPP legislation in the UAE. The Dubai PPP Law and the PPP Policy and PPP Guidelines (both published by the Department of Finance of the Government of Dubai in 2019) (together, the **Dubai PPP Framework**) establish a comprehensive legal framework to facilitate and regulate PPP projects in the Emirate of Dubai.

The Dubai PPP Framework applies to all public-private agreements entered into by a government agency, with the notable exception of independent power producer projects (**IPPs**), independent water and power projects (**IWPPs**) and contracts for works, materials or services (as set out in Article 4 of the Dubai PPP Law).

## Key Features of the Dubai PPP Law

### Procurement Procedures

The Dubai PPP Framework outlines structured procurement procedures, emphasizing transparency, competition and equal opportunity. A competitive, multistage tendering process is the default requirement for PPP projects and includes the following steps:

- RFEI and RFQ (if not part of the RFP)
- RFP
- technical and financial evaluation of bids
- negotiation of the PPP contract

Competitive bidding is required for all PPP projects, except unsolicited approaches for projects from the private sector, which entitle the procuring agency to make a direct award to the proposer if the project is feasible.



### SPV Governance and Ownership

The Dubai PPP Framework does not supersede foreign ownership restrictions under UAE law. It does, however, address the issue of ownership of the SPV by differentiating between where the public sector takes equity and where it does not. Where it does, the SPV must be constituted as a limited liability company. Any bidder that can demonstrate that it has the requisite technical and financial capabilities (and is also willing to offer financial security to the Dubai government's satisfaction) can undertake the project without the need to establish a separate SPV.

The Dubai PPP Framework requires an ownership lockup period during which no transfer of ownership in the SPV will be permitted. The actual time frame of this period is determined on a project-by-project basis.

### Financing and Other Incentives

The private sector's ability to secure external debt finance is a critical aspect of PPP projects, as most PPPs internationally attract project finance. The Dubai PPP Framework includes an express right on behalf of the project company to seek authorization for debt finance from the public procurer and the Department of Finance.

### The PPP Contract

The PPP contract is the key legal agreement between the public procurer and the private sector, and it regulates all aspects of the partnership. The Dubai PPP Framework provides the Dubai government, and its procuring entities, with a degree of flexibility in the negotiation of the commercial terms of the PPP contract.

The Dubai PPP Framework mandates that the PPP contract include specific provisions including on asset ownership during and after the concession period, IP rights, insurance, and other customary matters.

The laws of the Emirate of Dubai govern the PPP contract. The use of arbitration (conducted within the jurisdiction) is permitted.

The duration of the PPP contract is limited to 30 years. Any longer period requires the approval of the Supreme Committee for Fiscal Policy (**SFC**).

The Dubai PPP Framework envisages the transfer of the project back to the public procurer. The mechanism is often

project dependent. When transfer occurs at the end of the project term, the public procurer will likely use the build-operate-transfer model. When transfer happens earlier, the preference tends to be the build-transfer-operate model. Both models are mentioned in the legislation. To allow future development of a secondary PPP market, the public procurer is also expressly permitted to transfer its interest in an existing project to a private sector entity.

## Central PPP Unit

The Dubai Department of Finance's (**DoF**) dedicated PPP Unit serves as the central coordinating authority for PPP projects in the Emirate.

According to the DoF:

*"[T]he PPP Unit has been established at DOF which is responsible for:*

- *Driving the policy to formulate the objectives and the relevant PPP policies for governmental entities*
- *Developing and distributing guidelines and toolkits to the Contracting Authorities to enable standardised processes*
- *Providing final approval of the business case for projects as defined in the PPP Law No. 22 2015*
- *Supporting the relevant Contracting Authorities during the phases of project identification preparation procurement contract negotiations & awarding, execution (including financial close) and monitoring & evaluation"*<sup>2</sup>

The DoF has issued two documents to further clarify the Emirate's PPP processes. These are:

- The *Public Private Partnership Policy* (First Edition, 2019), which serves as a guidance document articulating the rationale behind the use of PPPs. This document focuses on explaining the Dubai government's policy on PPPs
- The *Public-Private Partnerships Guidelines* (First Edition, 2019), provides a framework to help government entities screen and procure projects as PPPs and to provide information to assist the procuring authority. This is a more process-focused document that outlines the responsibilities of government entities during each step of the procurement life cycle, and should be read together with the Dubai PPP Law and the governing regulations

<sup>2</sup> Public Private Partnerships (PPP), Government of Dubai website, available here: [Public Private Partnerships - DOF-Dubai Government](#).





The SFC also plays a pivotal role in the approval process for PPP projects in Dubai. Article 8 of the Dubai PPP Law states that:

- PPP projects with a total cost to be borne by the government of less than AED 200 million can be approved by the director general of the relevant government entity
- PPP projects with a total cost between AED 200 million and AED 500 million require approval from the DoF
- PPP projects exceeding AED 500 million must be approved by the SFC

In 2023, Decree No. 59 of 2023 reinforced the authority of the SFC, mandating all government entities and companies in Dubai fully cooperate with the SFC and its subcommittees and supporting work teams.

## Other Relevant Legislation

Potential sponsors and funders of PPP projects in Dubai should also be mindful of other relevant legislation depending on the project in question.

The most notable exceptions to the scope of the Dubai PPP Framework are:

- IPPs and IWPPs
- contracts for works, materials or services

which are expressly excluded from the ambit of the Dubai PPP Framework by Article 4 of the Dubai PPP Law.

Federal Law No. 2 on commercial companies may also apply, which covers ownership restrictions for the project companies established for the purpose of delivering projects.

Other sector-specific legislation will also be relevant to the PPP depending on the type of project.

## Recent Developments

Dubai has significantly expanded its PPP program in recent years. In 2021, the DoF announced a new portfolio of PPP projects worth over AED 25 billion (approximately US\$6.8 billion), spanning infrastructure, public transportation and urban development sectors.

In 2023, the Dubai government approved an additional AED 40 billion (approximately US\$10.9 billion) worth of PPP projects across 10 key economic sectors, including healthcare, education and renewable energy.

To help streamline the management of these projects, the DoF launched the Dubai Public-Private Partnership Platform in 2023, a digital platform designed to oversee the entire life cycle of PPP projects, from initial assessment to implementation.

These developments underscore Dubai's commitment to leveraging PPP projects as a strategic tool for sustainable economic growth and infrastructure development.



## Deal Pipeline

The DoF's website hosts Dubai's pipeline of upcoming PPPs. As of August 2025, the pipeline contained 30 leading projects across 10 strategic sectors with a combined value of AED 40 billion (approximately US\$10.8 billion). Significant PPP projects listed on the site include:

PPP Name	Details
<b>Warsan Waste Management Centre</b>	Conversion of 1.9 million metric tons a year of municipal residual solid waste into sustainable energy, the Warsan Waste Management Centre is being billed as the world's largest energy-from-waste facility to be constructed to date. This project is being procured by Dubai Municipality and has an approximate value of US\$1.08 billion.
<b>Jebel Ali STP Phase 3</b>	Expansion of Jebel Ali sewage treatment plant ( <b>STP</b> ) by raising the plant's capacity by 375,000 m <sup>3</sup> /day. The Jebel Ali STP Phase 3 project will cover the design, build, finance, operation, maintenance and transfer of the third phase of the Jebel Ali STP. The project has an approximate value of US\$400 million.
<b>Union 71</b>	Development of a combination of residential and commercial units, including retail stores, above the Union underground metro station to facilitate movement and transportation, thereby aligning with transit-oriented development principles. The project has an approximate value of US\$270 million.
<b>Dubai Deep Sewer Tunnel</b>	Conversion of the current sewage system in Dubai to a gravity-fed, low-energy, sustainable solution with an expected system life of 100 years. The project will comprise three phases over a multiyear period. The successful PPP developer(s) will be responsible for the design, build, finance, operations and maintenance of the assets and will transfer them back to Dubai Municipality. The project has an approximate value of US\$6.8 billion.
<b>Shindagha Security System</b>	Development of a central security control center under the PPP model through a Build-Operate-Transfer contract in the Al Shindagha neighborhood.
<b>Engineered Landfill</b>	Establishment of an engineered landfill, which targets reducing environmental pollution and preventing leachate penetration into the surrounding areas and has an approximate value of US\$136 million.
<b>Medical Waste Incinerator</b>	Development of an integrated facility for the treatment of medical, pharmaceutical and veterinary waste by thermal processing. The facility will be constructed under the PPP model used at the Jebel Ali hazardous waste treatment facility for 20 years. The project has an approximate value of US\$136 million.

# Kingdom of Saudi Arabia

## Status of PPP Law

The Private Sector Participation Law (**PSP Law**) of Saudi Arabia came into force on July 24, 2021, and was promulgated by the Council of Ministers' Resolution No. 436 dated 3/8/1442H (corresponding to March 16, 2021) and Royal Decree M/63 dated 5/8/1442H (corresponding to March 18, 2021).

Saudi Arabia Administrative Decision No. Q/9/2021/1443 approved the PSP Law's implementing regulations (**Implementing Regulations**) and set forth key requirements relating to a privatization plan and principles, implementation priorities and a governance framework, among others.



## Key Features of the PSP Law and Implementing Regulations

### Procurement Procedures

Privatization projects are required to follow a multiphase public tendering process, which would generally include the following steps:

- RFEI
- prequalification
- RFP
- bid submission and evaluation
- contract award and signing

Public tendering is the default process except in certain situations prescribed by law (e.g., under Article 111 of the Implementing Regulations in an emergency, if a sufficient number of capable bidders fail to meet the qualification criteria or their offers fail to meet the bidder selection criteria).

Each stage of the procurement process involves approvals from various stakeholders. Bids are evaluated against predefined technical and financial criteria and are subject to separate technical and financial evaluations, clarification rounds, and final negotiation with the best bidder.

The Grievances Committee handles objections. This process involves a bank guarantee requirement, quick submissions and binding decisions, with rights of appeal.

### **SPV Governance and Ownership**

The winning bidder is required to establish a SPV in Saudi Arabia to implement the project. The SPV must be incorporated before contract signing (or as a condition for contract validity) and have implementation of the project as its sole purpose. The SPV is subject to Saudi Arabia's Companies Law and all other applicable laws and regulations in the country.

Changes in ownership are strictly regulated by the PSP Law which sets out that no changes are allowed:

- to the SPV's legal form, capital, shareholding, mergers or transfers without prior written approval from the competent authority
- in ownership without written approval from the executive authority during the construction or commissioning phase

The public procurer may be allowed to participate in the ownership of the SPV, if such participation is approved by the competent authority.

### **Financing**

The SPV is responsible for securing its own financing, which must be aligned with the approved financial model.

### **Other Government Incentives**

The role of the private sector in Saudi Arabia is being enhanced by the introduction of protections and incentives through the PSP Law and its Implementing Regulations. These measures are intended to boost investor confidence and facilitate sustainable collaboration between public and private entities. Key incentives under the PSP Law include the following:

- **Financial Support**  
The PSP Law (Article 10) allows the Council of Ministers (or its delegated authority) to, on the recommendation of the Ministry of Finance, approve financial and credit support for PPP projects. This approval is subject to specific eligibility criteria and conditions outlined in the PSP Law and its Implementing Regulations.
- **Exemption From Mandatory Dissolution**  
The PSP Law provides an exception to the Saudi Companies Law (Article 15) that, if a PPP project company incurs losses reaching the legal limit at any point during the contract term, it will not be required to increase or decrease its capital, nor will it be subject to mandatory dissolution. This provision offers additional

flexibility and protection for investors in the face of financial challenges.

- **Contract Extension in Case of Delays or Interruptions**

The PSP Law (Article 22) also permits approving authorities to extend or renew a PPP contract in specific situations, including delays in project completion and interruptions in operations (provided these issues arise from circumstances beyond the parties' control). This provision helps protect distressed projects from failing.

- **Compensation for Loss of Profits**

If a PPP contract is terminated by the procuring authority in certain circumstances, the PSP Law (Article 28) permits the PPP contract to dictate the consequences of such a termination, including the payment of compensation to the private sector participant. The exact scope will be set out in the relevant PPP contract. This provision helps provide some certainty for private sector participants about the potential consequences of early termination.

- **Real Estate Rent for Foreign Investors in Makkah and Al-Madinah**

To facilitate PPP projects undertaken in the holy cities of Makkah and Al-Madinah, the PSP Law permits foreign private entities to lease real estate for the duration of the project contract (provided they meet specific government requirements).

- **Arbitration for Dispute Resolution**

The PSP Law (Article 34) permits parties to agree to resolve disputes under a PPP contract through arbitration and to select their own applicable law. This provision provides assurances to international investors that they will be able to access recognized neutral dispute resolution forums.

- **Equal Treatment for Foreign Investors**

The PSP Law (Article 36) provides for the equal treatment of foreign and Saudi investors in relation to all standards, conditions and procedures associated with the tendering and awarding of PSP projects. This equal treatment extends to all procedures, conditions, rights and obligations arising from the law, the main contract or any ancillary agreements.



- **Exemptions to Saudization Requirements and Labor Law**

The PSP Law (Article 33) allows a contracting authority to, in coordination with the National Centre for Privatization & PPP, request that a PPP project be exempted from specific labor regulations such as Saudization requirements, termination provisions by the employer and duration-of-employment contract provisions.

#### **The PPP Contract**

Article 54 of the Implementing Regulations allow various structures for PPP projects including build-operate-transfer, build-own-operate, build-own-operate-transfer, design-build-maintain, design-build-finance-operate-maintain, and design-construct-maintain-finance, among other internationally recognized models. There are detailed study requirements for the preparation of the PPP contract, including a value for money analysis and affordability analysis.

The Implementing Regulations specify several points determined during the detailed study that the proposed PPP contract must reflect, including the proposed term (which the PSP Law restricts to a maximum of 30 years, including renewals), scope of the project, key performance indicators, the ownership structure of project assets and intellectual property, responsibility for preparing and delivering the project site, responsibility for obtaining permits and a regime governing the handover of assets at the conclusion of the project.

The Implementing Regulations also state that any amendments to the approved PPP contract may not

fundamentally alter the nature of the project, and that any amendments of the conditions, or extensions or renewals of the term, require prior approval from the government.

The governing law of the PPP contract may have to be Saudi law, as PPP projects are regulated by Saudi laws and regulations.

## **Central PPP Unit**

The PSP Law designates the National Centre for Privatization & PPP (**NCP**) as the central PPP unit in Saudi Arabia that drives the planning and oversight of PPP projects in the country. The NCP operates under the Ministry of Finance and reports to the Economic and Development Affairs Council.

## **Other Relevant Legislation**

The PSP Law applies to all government ministries, agencies and government-owned companies. Article 34 of the PSP Law suggests that sector-specific laws remain applicable unless they contradict the PSP Law. The Implementing Regulations provide for coordination with sectoral regulators.

## **Recent Developments**

Saudi Arabia has a strong pipeline of over 100 PPP projects in various sectors, like education, housing, airports, seaports and roads.<sup>3</sup> The development of this pipeline is likely to be a strong impetus for projects initiated as part of Saudi Arabia's Vision 2030 initiative.

<sup>3</sup> The NCP's full pipeline of ongoing and upcoming PPP projects is available on its website: <https://investors.ncp.gov.sa/home>.

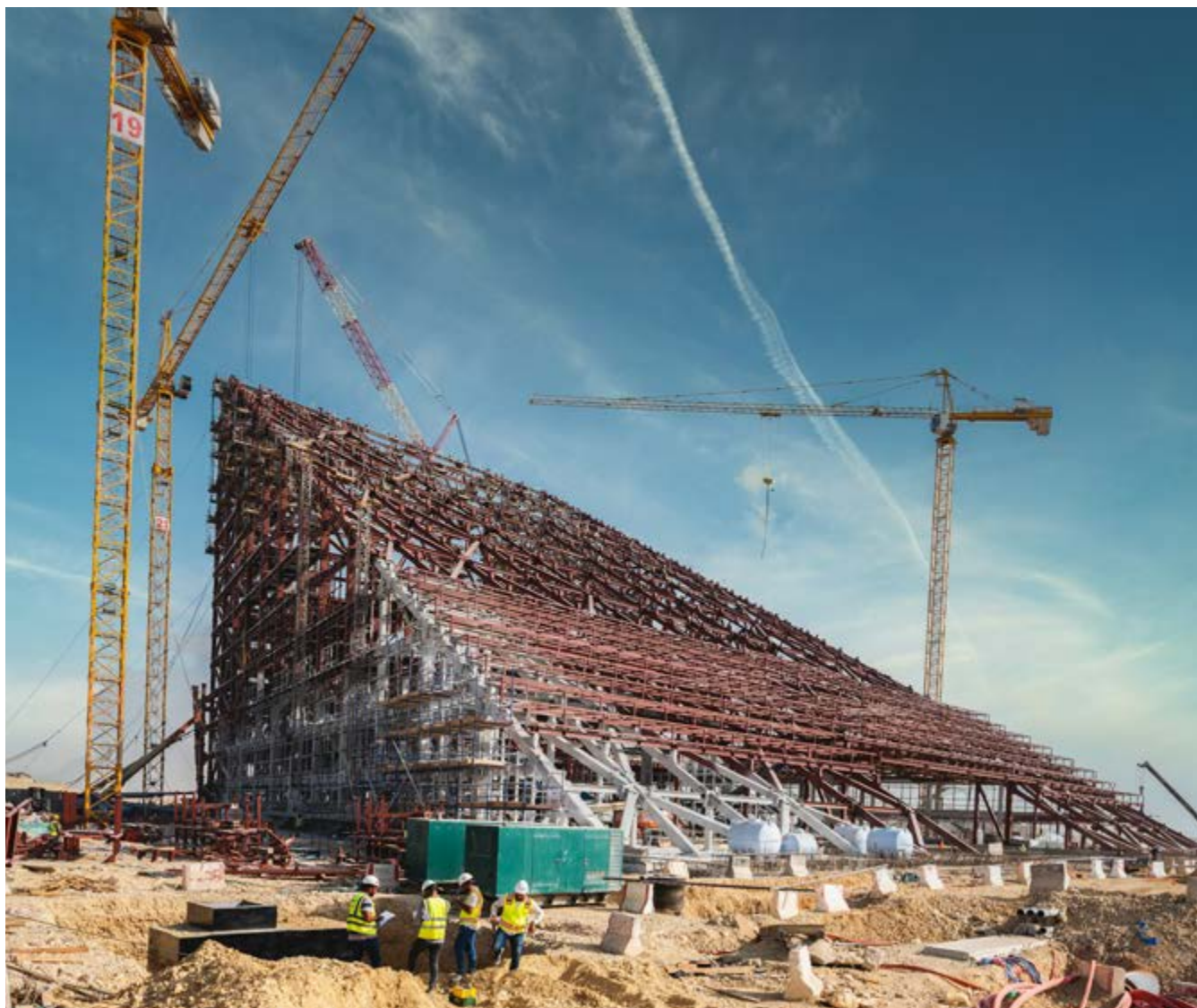
## Deal Pipeline

Based on publicly available information, key PPP projects that have been announced as of August 2025 are listed below.

PPP Name	Details
<b>Healthcare and commercial hub PPP</b>	Development on Prince Sultan bin Abdulaziz Road (Makkah–Alhada). The project aims to convert a 219,416 m <sup>2</sup> government-owned site into a mixed-use healthcare and commercial zone.
<b>King Fahd Suburb Boulevard PPP</b>	Development of King Fahd Suburb Boulevard, a 1,000,000m <sup>2</sup> mixed-use project in the King Fahd Suburb of Dammam. The project aims to transform government-owned land and commercial plots owned by Ashraq Development Company, the development arm of the Eastern Province Municipality, into a mixed-use space featuring parks, recreational areas, retail, hospitality, and office spaces.
<b>One-Stop Station Project</b>	Development of the Roads General Authority's (RGA) "one-stop station" project. The Project includes the development of numerous facilities at several locations within the RGA's 73,600km inter-city network, including refueling stations, commercial facilities, parking and rest areas, vehicle maintenance centres and hospitality amenities.
<b>Riyadh Administrative Office</b>	Development of an administrative complex for Saudi Arabia's Ministry of Defence personnel under the PPP model through a design-build-finance-maintain contract with a term of 27.5 years. The complex is intended to accommodate 4,500 employees and provide 3,200 parking spaces.
<b>Abha Airport</b>	Expansion of Abha Airport's capacity from 1.5 million passengers per year to 13 million. When completed, the airport will handle more than 90,000 flights a year.
<b>Taif Airport</b>	Construction of a new international airport located 21 km southeast of the existing Taif airport, with a capacity to accommodate 2.5 million passengers by 2030.
<b>Asir-Jizan Highway</b>	Construction of the Asir-Jizan Highway, which will be the GCC's first road concession. It is a 136 km road with three lanes in each direction, including six intersections, 57 bridges totaling 18 km and 11 tunnels totaling 9 km, connecting Al Farah in Asir to the Red Sea through Jizan.
<b>Prince Naif International Airport</b>	Development of the airport in Al Qassim in line with International Civil Aviation Organization (ICAO) standards and increase its capacity to 5.3 million passengers per annum. The contract type, duration and launch details have not been disclosed.
<b>NEOM Worker Accommodation Wave 2</b>	Construction of the second phase of NEOM's worker accommodation PPP program, which will involve construction of up to 20 camps, with each camp comprising about 10,000 units, for an overall budget of over US\$8 billion.
<b>Hail International Airport</b>	Development of the airport and service facilities in accordance with the standards approved by the ICAO. The contract type, duration and launch details have not been disclosed, but the targeted increase in capacity for the airport is an additional 3 million passengers per annum.



PPP Name	Details
<b>Sikkah Al Hadid</b>	Development of a real estate project in Al Madinah Al Munawwarah through build-own-operate-transfer contracts with a duration of 30 years. This PPP involves transforming an 84,657 m <sup>2</sup> government-owned site into an integrated mixed-use facility.
<b>Medina Bus Rapid Transit</b>	Implementation of a network of three BRT corridors totaling 64.6 km, with a feeder bus network designed to handle a capacity of 1,800 passengers per hour.
<b>Dhul Hulaifah</b>	Development of a real estate project in Al-Madinah Al-Munawwarah through build-own-operate-transfer contracts with a duration of 30 years. This PPP involves transforming a 30,112 m <sup>2</sup> government-owned site into a mixed-use development.
<b>Logistics Zone Development</b>	Development of a logistics zone PPP project in Dammam 2nd Industrial City under a design-build-finance-operate-maintain-transfer contract with a period of 30 years. The logistics zone will be around 850,000 m <sup>2</sup> in size.



# Kuwait

## Status of PPP Law

Kuwait enacted Law No. 7 of 2008, “Regulation of Build, Operate and Transfer (BOT) Operations and Similar Operations,” accompanied by a PPP guidebook outlining how PPP projects are to be undertaken.

It updated Law No. 7 with Law No 116 of 2014, “Regarding Public Private Partnerships,” and Decree No. 78 of 2015, setting forth related executive regulations (together, the **Kuwait PPP Framework**).

The Kuwait PPP Framework governs the procurement of all PPP projects in Kuwait, including IPPs. This is notably different from the approach taken by some of the other GCC entities that have sought to address power and water projects separately.

## Key Features of the Kuwait PPP Framework

### Procurement Procedures

The procurement procedures within the Kuwait PPP Framework are prescriptive, with the executive regulations detailing a process that includes the following steps:

- RFEI
- invitation to submit qualifications
- prequalification
- submission and evaluation of bids
- final award decision

Unsolicited proposals for projects from the private sector are permitted, but they remain subject to a competitive process; however, the proposer is given an advantage and an underwriting of costs incurred in undertaking feasibility studies.



### SPV Governance and Ownership

The Kuwait PPP Framework provides that:

- for projects valued up to KD 60 million (approximately US\$196 million), the SPV may be fully owned by the consortium members
- for projects exceeding KD 60 million, a public joint stock company must be established and 50% of the shareholdings must be offered to the general Kuwaiti public. The remaining 50% will be jointly held by the successful bidder (with a minimum guarantee of 26% shareholding) and the relevant public procurer

### Financing and Other Incentives

The Kuwait PPP Framework allows lenders to take security over certain assets of the SPV and permits share pledges over the SPV, step-in rights (subject to approval by the Higher Committee for Public-Private Partnerships, or Higher Committee PPP), a charge over the SPV's assets and to book debts and/or income generated. However, sales/mortgages of the land on which the project is established are prohibited. The term of any security must match the project term. The borrowing level is capped at an agreed amount.

The Kuwait PPP Framework envisages certain incentives for the private sector, such as exemptions from tax, duties or fees, which are to be specified by project.

### The PPP Contract

The Kuwait PPP Framework requires PPP contracts to contain certain provisions, including that the laws of Kuwait govern the contract. The use of arbitration (conducted within the jurisdiction) is permitted.

PPP contracts can last up to 50 years from the completion date of construction.

The Kuwait PPP Framework envisages the transfer of the project back to the Kuwaiti government at the end of the project term, which follows the build-operate-transfer model.

## Recent Developments

Kuwait has been actively advancing its PPP projects across various sectors to diversify its economy and enhance infrastructure. The Kuwait Authority for Partnership Projects (**KAPP**), in collaboration with relevant ministries, has spearheaded several key projects, including:

- Fixed Telecommunications Network, a nationwide fiber-optic network PPP project to upgrade Kuwait's broadband infrastructure, which aims to achieve 90% coverage within five years, enhancing internet speeds and connectivity
- Umm Al Hayman Wastewater Project, valued at US\$1.6 billion, which involves the construction of a new sewage treatment plant with an initial capacity of 500,000 m<sup>3</sup> per day, expandable to 700,000 m<sup>3</sup>

## Central PPP Unit

The Kuwait PPP Law created KAPP as the country's central PPP Unit, managing the implementation of PPP projects. It replaces Kuwait's previous PPP Unit, the Partnerships Technical Bureau, and operates under the supervision of the Higher Committee of Public Private Partnerships (**HCPPP**).

KAPP is responsible for establishing project delivery vehicles, developing standardized PPP documentation and conducting feasibility studies for PPP projects. The HCPPP's role is to sanction and oversee KAPP's operations.

## Other Relevant Legislation

The Kuwait PPP law is horizontal, applying across multiple sectors. However, it is important for any parties looking at involvement in the Kuwait PPP market to understand the Kuwait PPP Framework's interaction with the other laws (including the power and water law, Law 39 of 2010 (as amended by Law 28 of 2012 and Law 19 of 2015)) and related executive regulations govern the structure and procurement of power and water projects.



## Deal Pipeline

Based on publicly available information, key PPP projects that have been announced as of August 2025 include:

PPP Name	Details
<b>Al Dabdaba and Al Shagaya Phase III – Zone 2 Solar Photovoltaic IPP</b>	Construction of 500MW of renewable energy capacity, to increase the amount of renewables in Kuwait's total energy generation.
<b>Az Zour North 2 and 3 IWPP</b>	Development of the second and third phases of the Az Zour North power and water plant as an IWPP. It will have a generation capacity of 2,700 MW and a desalination capacity of 120 million imperial gallons a day ( <b>MIGD</b> ). It will export its production to Kuwait's Ministry of Electricity, Water & Renewable Energy ( <b>MEWRE</b> ) for 25 years from the station's date of operations.
<b>Al Khiran 1 IWPP</b>	Development of the Al Khiran 1 water and power plant as an IWPP. The plant will have a power generation capacity of 1,800 MW and a desalination capacity of 33 MIGD. It will export its production to MEWRE for 25 years from the station's date of operations.
<b>Nuwiseeb IWPP</b>	Development of the 3.6 GW Nuwiseeb water and power plant under the IWPP model.
<b>Doha SWRO 2 IWP</b>	Design and construction of the planned second phase of a seawater reverse osmosis plant in Doha. When it was first tendered, the project was expected to have a capacity of 60 MIGD.
<b>“Al Muthanna Complex” and “Waterfront – Phase 3” Real Estate Projects</b>	Development of the Al Muthanna Complex and Waterfront Real Estate PPPs covering sites that are 17,183 m <sup>2</sup> and 384,385 m <sup>2</sup> , respectively. The scope of these projects includes rehabilitation, development, renovation, maintenance, management, operation of the sites under a 15-year usufruct arrangement. Bids are due in September 2025.



# Oman

## Status of PPP Law

The Sultanate of Oman has been long associated with a pipeline of successfully implemented public-private power and water projects, especially IPPs and IWPPs tendered by the Oman Power & Water Procurement Company pursuant to Royal Decree 78/2004 (**Energy Sector Law**) and Royal Decree 36/2008 (**Tenders Law**).

The Oman PPP Law (Decree No. 52/2019 on the Law of Partnership between Public and Private Sectors), issued on July 1, 2019, and its implementing regulations, issued on April 22, 2020 (in Oman Ministerial Decision No. 3/2020) (together, the **Oman PPP Framework**), establish the legal foundation and provide detailed operational guidelines for PPP projects in Oman.



## Key Features of the Privatization Law and Its Implementing Regulations

### Procurement Procedures

A PPP project may originate from a public authority or government agency, or a private party submitting a partnership project idea. The procurement process after this follows these steps:

- prequalification
- tendering (which should include evaluation criteria, draft contract and project details), involving an invitation to qualified bidders to submit their bid within 30 days
- bid evaluation, which is conducted publicly (financial evaluation is done only for technically accepted bids)
- award and contracting based on recommendations, negotiations and final award

Security in the form of bid bonds are mandatory for each bid, and performance bonds are required from the successful bidder.

Special procedures like competitive dialogue are used for complex projects requiring iterative discussions.



### **SPV Governance and Ownership**

The SPV must take the form of a joint stock company under the Commercial Companies Law, and its sole purpose must be to implement the project. The SPV may alternatively be structured as a limited liability company in limited circumstances, including where the SPV does not need to borrow funds, the scope of services is limited or in other cases approved by the authority.

The SPV's constitutional documents must not conflict with the PPP contract, and shareholding proportions must not violate prequalification conditions and the terms of the PPP contract.

The SPV may be wholly owned by non-Omani persons. The shares of the SPV cannot be traded before completion of the construction, processing or development works and commencement of project operations, without written approval from the Ministry of Finance.

### **Financing and Other Incentives**

The feasibility study includes sources of financing for the project and a proposal for customs, tax or other incentives and necessary exemptions. The SPV may mortgage land, equipment and other assets for financing purposes, subject to written approval. Mortgaging for purposes other than financing is allowed with written approval from the Ministry of Finance.

The total cost of the project must include any government-provided assets for the assessment of the value of governmental contributions.

If the SPV fails to meet its obligations, the project may be placed under alternative management, but the original company remains liable for damages.

### **The PPP Contract**

The PPP contract must include specific details, including the term of the contract (restricted to 50 years); risk sharing; acceptance of the obligation to comply with health, safety and environmental laws; financial obligations; types and amounts of insurance; ownership of funds and assets; and dispute settlement methods. During negotiations, non-negotiable terms specified in the tender document cannot be amended, and the PPP contract must include security requirements.

The PPP contract is subject to the laws of Oman, and disputes are to be settled as agreed in the PPP contract (which may include arbitration).

## **Recent Developments**

Oman's pipeline of PPP projects includes multiple projects across sanitation, water and energy to align with Oman's Vision 2040 and net zero ambitions. Nine major future projects were announced by Oman's Authority for Public Services Regulation in February 2025 in the energy, renewables, water and waste sectors. These Projects are aimed at helping Oman achieve its vision 2040 sustainability goals.

## **Central PPP Unit**

The Oman Sultani Decree No. 54/2019, issued on July 1, 2019, established the Public Authority for Privatisation and Partnership (**PAPP**) as the central PPP Unit of Oman. However, Oman Sultani Decree No. 110/2020, issued on August 18, 2020, abolished the PAPP and transferred its functions to the Ministry of Finance due to a government restructuring.

## **Other Relevant Legislation**

Oman's highly successful power and water projects pipeline is regulated by the Energy Sector Law. The majority of non-PPP government projects are likely to continue to be procured under the Tenders Law. The Omani PPP Law provides that PPP projects under its ambit are not governed by the Tenders Law and Decree No. 51/2019 (known as the Privatization Law). Parties interested in undertaking PPPs in Oman should also be aware of Oman Ministerial Decision No. 5/2020, which prescribes fees payable to PAPP by successful partners, based on the value of the proposed PPP project, and the fees that PAPP may charge to obtain documents relating to a PPP project.

# Deal Pipeline

Based on publicly available information, key PPP projects that have been announced as of August 2025 include:

PPP Name	Details
Airport Free Zone Complex	Development of an office complex in the Muscat airport free zone using a design-build-finance-operate-transfer model for a term of 25 years. The office complex will cover an area of 4,925 m².
Business Gateway	Development of the Business Gateway PPP project using a design-finance-build-operate contract. The project includes a new headquarters building for the Ministry of Commerce, Industry & Investment Promotion.
Mahut Wind Power IPP	Development of the 400 MW Mahut wind power IPP project. Implementation is expected by 2027 to help Oman achieve its renewable energy targets.
Dhofar 2 Wind Power IPP	Development of the 132 MW Dhofar 2 wind power IPP project. Implementation is expected by 2027 to help Oman achieve its renewable energy targets.



# Qatar

## Status of PPP Law

Qatar's PPP Law (Law No. 12 of 2020) was issued in May 2020 and became effective a month after its publication in the Official Gazette in June 2020 (the **Qatar PPP Law**). It marks the first comprehensive legal framework for PPP projects in Qatar, introduced to attract private sector investment and expertise in public infrastructure and services in line with Qatar National Vision 2030.

The Qatar PPP Law applies to all government bodies, ministries and other public entities intending to implement PPP projects, unless a project is subject to another specific legislative regime. The law encompasses a wide range of sectors including healthcare, education, transport, logistics, real estate and tourism.

## Key Features of the Qatar PPP Law

### Procurement Procedures

The Qatar PPP Law sets out general principles and procedures for the procurement of PPP projects. Competitive bidding is the default approach, intended to promote transparency, equal opportunity and value for money. The law allows for multiple procurement routes, including:

- public tender
- limited tender
- direct negotiation
- any other method approved by the Council of Ministers, based on the proposal of the Minister of Commerce and Industry

Procurement is managed by the Ministry of Commerce and Industry (**MoCI**) in coordination with the relevant government agency. Prequalification stages, technical and financial evaluation, and negotiation of project documents are standard features of the process.



### SPV Governance and Ownership

The Qatar PPP Law permits the establishment of an SPV by the private partner to implement and operate the project. The SPV may be wholly privately owned or structured as a joint venture with public sector participation.

The SPV must comply with the requirements of Qatar's Commercial Companies Law and be registered locally.

Restrictions on the transfer of ownership are permitted and may be specified in the PPP contract. The MoCI may also require guarantees or performance bonds.

### Financing and Other Incentives

The Qatar PPP Law recognizes the SPV's ability to raise project financing and expressly authorizes the SPV to charge fees to end-customers by selling services authorized under the PPP contract.

### The PPP Contract

The PPP contract governs all aspects of the relationship between the public and private parties, including scope of services, construction, operation, risk allocation, asset ownership and termination. The Qatar PPP Law requires that the agreement include provisions on:

- asset ownership and transfer
- insurance
- unilateral termination by the contracting authority
- quality assurance

The maximum duration of a PPP contract is 30 years, unless otherwise approved by the prime minister.

Qatari law governs the contract, with disputes determined in the Qatari courts. Other dispute resolution forums may be adopted if approved by the prime minister.

## Central PPP Unit

MoCI is designated as the central coordinating authority for all PPP projects. Amongst other duties, it is responsible for:

- issuing PPP guidelines and templates
- coordinating procurement with other public bodies reviewing and approving project proposals and agreements

Final approval for major projects may require endorsement by the Council of Ministers.

## Other Relevant Legislation

Projects under the Qatar PPP Law may also need to comply with the applicable provisions of:

- the Commercial Companies Law (Law No. 11 of 2015), which governs the establishment, operation, and dissolution of various types of companies
- sector-specific regulations for energy, utilities and transport

## Recent Developments

Since the enactment of its PPP Law, Qatar has announced several high-profile PPP projects, particularly in education, healthcare and real estate. In 2021, the Ministry of Education launched a PPP project for the development of public schools. Additional PPP projects have been initiated in logistics, parking infrastructure and hospitality.

In July 2025, MoCI issued a detailed PPP guidebook to assist contracting authorities and key stakeholders in designing and implementing the PPP process across the project life cycle, and to enhance the transparency of the PPP process. The PPP guidebook is a part of Qatar's PPP framework and should be read in conjunction with the Qatar PPP Law.



## Deal Pipeline

Based on publicly available information, key PPP projects that have been announced as of August 2025 include:

PPP Name	Details
<b>National Development Strategy 3</b>	In January 2025, Qatar announced the third iteration of its National Development Strategy which is aimed at facilitating the country's transition from a hydrocarbon-based economy to a more diversified, knowledge based one. The Qatari government has stated that the PPP model will play an integral role in enabling this transition.
<b>Qatari Infrastructure Development Programme</b>	In May 2025, Qatar's public works authority announced a significant infrastructure development programme across transportation, government facilities, water and urban development sectors valued at approximately US\$22.2 billion. The programme spans 2025 to 2029, and PPP projects are expected to play a significant role in its delivery.
<b>West Bay Beaches and Al Safliya Island</b>	Development and operation of 5 beachfront sites in the West Bay and Al Safliya island areas on a 25-year design-build-finance-operate-maintain-transfer basis.
<b>Simaisma</b>	Development of an 8 km <sup>2</sup> beachfront area as a major tourism area including golf courses, hotels and a theme park.
<b>Residential PPP</b>	Development of infrastructure for more than 5,500 residential plots to be delivered through PPP frameworks. This is expected to include internal road networks, connections to main roads, treated water infrastructure, landscaping and lighting systems.
<b>Domestic Solid Waste Management Center</b>	Construction of a second solid waste management center to help reach the goal of zero landfills in Qatar. The proposed centre will be on a site of approximately 300 hectares, and have the capacity to process 960,000 tons of municipal solid waste per year.
<b>Al Wakra and Al Wukair</b>	Development of the second phase of the Al Wakra and Al Wukair wastewater treatment plants as PPPs, as the first phase was, with the PPP contracts signed in 2022.
<b>Health Centers</b>	Development of primary health center PPPs through design-construction-operation-maintenance contracts in Madinat Khalifa and Umm Ghuwailina. The estimated value of these planned investments is around US\$93 million.



# Bahrain

## Status of Bahrain's PPP Law

Bahrain does not have a stand-alone, codified PPP law in the same form as the other GCC countries. However, Bahrain's *Public Private Partnerships Guide* (the **Bahrain PPP Guide**) was issued under Decision No. 30 of 2022, published in the Official Gazette on June 23, 2022, which became effective the following day. It functions as Bahrain's principal framework for structuring and delivering PPP projects. The Bahrain PPP Guide is grounded in broader legal instruments, including Decree-Law No. 36 of 2002 on government tenders and purchases and Decree-Law No. 41 of 2002 on privatization policies.

The Bahrain PPP Guide applies to all PPP Projects other than:

- projects involving wholly state-owned companies
- projects of a military, security or secret nature



## Key Features of the Bahrain PPP Guide

### Procurement Procedures

The Bahrain PPP Guide contains detailed multistage procurement procedures based on transparency, competition and value for money principles. Key stages include:

- RFEI (requires prior approval from the Ministerial Committee, including feasibility and financial documentation)
- RFP (issued only after board approval and includes project scope, performance standards and draft contract terms)
- proposal evaluation (based on preset criteria and thresholds; includes the possibility of final negotiation with short-listed bidders)

Direct negotiation without competitive bidding is allowed in limited cases, including for:

- urgent service continuity needs;
- single-source provision (e.g., involving exclusive IP rights or trade secrets); and
- failed tendering attempts.

### SPV Governance and Ownership

The private sector partner may be required to establish an SPV. This company must comply with Bahraini law, which may include actions prescribed by the Ministerial Committee. The public procurer may, with approval, participate in the SPV's incorporation.

Assignment of the PPP contract or majority share transfers in the SPV require prior approval from the relevant authorities and are subject to specific performance and capability criteria.

### Financing and Other Incentives

The Bahrain PPP Guide allows the SPV to obtain financing for the project and to create security over its rights (i.e., its rights to property, monies due and equity) for the purposes of obtaining financing.

The SPV can impose and collect fees for the use of the facility or its services, and the public procurer may also agree to make direct payments to the SPV in addition to such fees.

### The PPP Contract

The PPP contract governs all aspects of the partnership and must include:

- project scope and service obligations
- asset ownership and handover terms
- revenue mechanisms (e.g., user fees or government payments)
- change-in-law provisions
- compensation clauses and dispute resolution mechanisms

Contract duration is capped at 15 years, with extensions possible upon Ministerial Committee approval in specific cases.

Bahraini law governs all PPP contracts, but foreign law may be used with ministerial approval in justified cases. Arbitration may be approved by the Council of Ministers. However, it must be seated in Bahrain unless otherwise approved.

## Central PPP Unit

There is no stand-alone PPP authority in Bahrain, but the Ministry of Finance and National Economy serves as the central PPP authority. It:

- issues implementing instructions and approvals
- coordinates with the Tender Board and relevant contracting authorities
- verifies compliance with the Bahrain PPP Guide and associated procedures

PPP projects require approvals from both the Ministerial Committee and the Tender Board, particularly at key decision-making stages such as project approval, procurement and award.

## Other Relevant Legislation

Projects under the Bahrain PPP Guide may also need to comply with the applicable provisions of:

- Law No. 36 of 2002 on government tenders and purchases
- Law No. 41 of 2002 on privatization
- any sector-specific regulations (e.g., utilities, transport, real estate)
- Law No. 39 of 2009 on the expropriation of real estate for the public benefit, where land rights are involved

## Recent Developments

Bahrain has implemented several high-profile PPP projects in recent years, including the:

- Bahrain Metro, planned to be developed in two stages, covering 20 stations in key parts of the Kingdom
- Diyar Al Muharraq Housing PPP, Bahrain's first large-scale social housing PPP project
- Muharraq STP and Sewerage Network PPP, one of the region's early wastewater PPP projects
- The Al-Dur 2 Phase 2 IWPP, reflecting the country's commitment to strengthening its energy supply
- King Hamad Hospital PPP and proposed dialysis center PPP, reflecting the growing interest in healthcare partnerships

In 2023, Bahrain reaffirmed its commitment to PPP projects as part of its Fiscal Balance Programme, identifying key sectors such as healthcare, housing and renewable energy for PPP delivery. Updated policy frameworks and pipeline announcements are expected in line with its Vision 2030 objectives.



# Deal Pipeline

Based on publicly available information, key PPP projects that have been announced as of August 2025 include:

PPP Name	Details
Greenfield Airport	Development of a new greenfield international airport that will eventually replace Bahrain International Airport. The approximate value of this PPP project exceeds US\$10 billion.
Sitra IWPP	Development of the Sitra IWPP. The project is expected to have a power capacity of 1200 MW and a desalination capacity of 30 MIGD, and will be awarded on a build-own-operate basis.
Bahrain-Saudi Arabia Causeway	Construction of a second causeway linking Bahrain and Saudi Arabia. It will be 25 km long. The project's approximate value is US\$3.5 billion.





## Contacts

### **Fahad Alarfaj**

Partner, Riyadh  
[farfaj@kslaw.com](mailto:farfaj@kslaw.com)  
+966 11 466 9442

### **Dan Giemajner**

Partner, London  
[dgiemajner@kslaw.com](mailto:dgiemajner@kslaw.com)  
+44 20 3929 5367

### **Amani Al Ali**

Senior Associate, Riyadh  
[AAAlAli@kslaw.com](mailto:AAAlAli@kslaw.com)  
+966 11 466 9431

### **Tim Burbury**

Partner, Abu Dhabi  
[tburbury@kslaw.com](mailto:tburbury@kslaw.com)  
+971 2 596 7001

### **Matt Hardwick**

Partner, London  
[mhardwick@kslaw.com](mailto:mhardwick@kslaw.com)  
+44 20 3929 5368

### **Saud Aldawsari**

Senior Associate, Riyadh  
[saldawsari@kslaw.com](mailto:saldawsari@kslaw.com)  
+966 11 466 9420

### **Almiro Clere**

Partner, Abu Dhabi  
[aclere@kslaw.com](mailto:aclere@kslaw.com)  
+971 2 596 7019

### **Brendan Hundt**

Partner, Dubai  
[bhundt@kslaw.com](mailto:bhundt@kslaw.com)  
+971 4377 9985

### **Sam Muir**

Senior Associate,  
Abu Dhabi  
[smuir@kslaw.com](mailto:smuir@kslaw.com)  
+971 2 596 7011

### **Dan Feldman**

Partner, Abu Dhabi  
[dfeldman@kslaw.com](mailto:dfeldman@kslaw.com)  
+971 2 596 7027

### **Phil Loynes**

Partner, Riyadh  
[ploynes@kslaw.com](mailto:ploynes@kslaw.com)  
+966 11 466 9432

### **Sam Anastasiou**

Associate, Abu Dhabi  
[sanastasiou@kslaw.com](mailto:sanastasiou@kslaw.com)  
+971 2 596 7042

**kslaw.com**

© 2025 King & Spalding. In some jurisdictions, this may be considered "Attorney Advertising." King & Spalding consists of King & Spalding LLP, a Georgia, U.S., limited liability entity, and affiliated limited liability entities in the U.S., England, and Singapore.