



Public Private Partnership In Azerbaijan

March 2024

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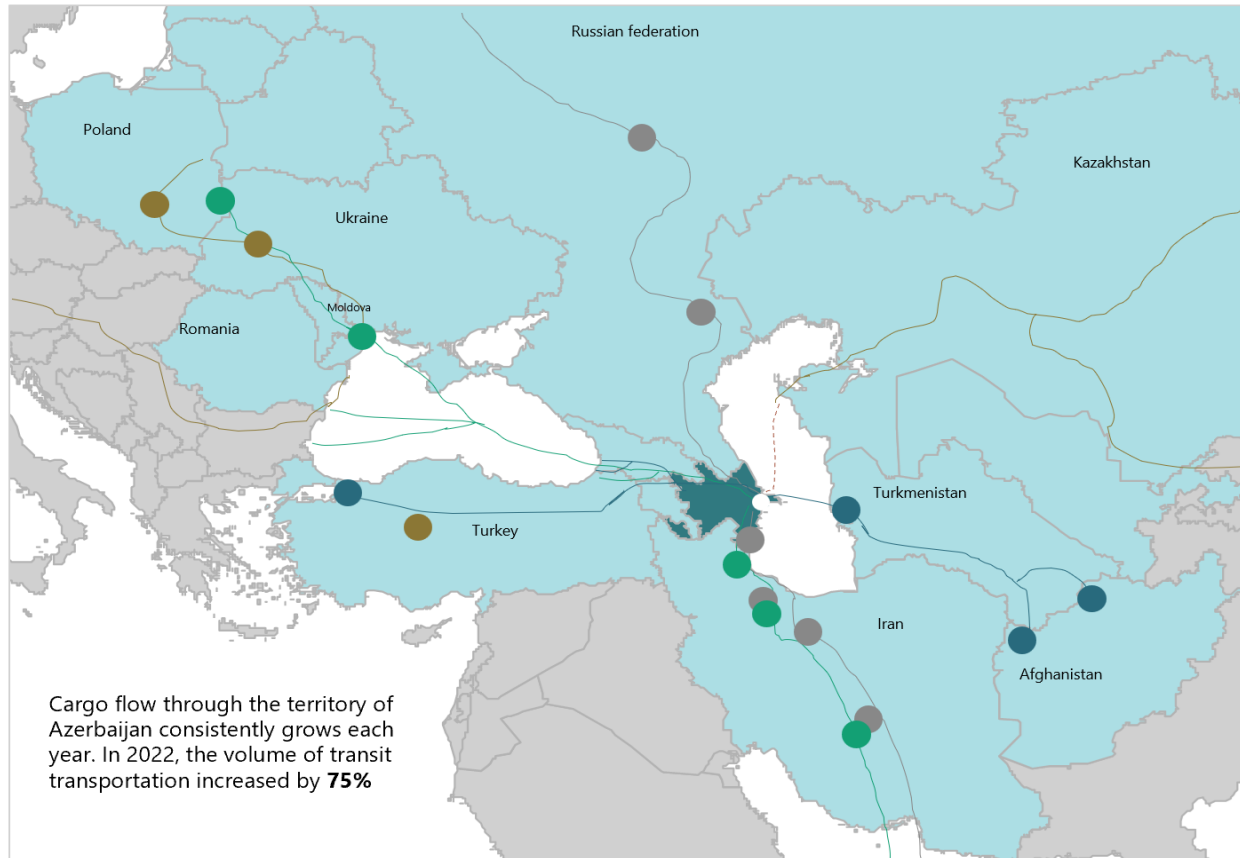


**Challenges &
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About Azerbaijan

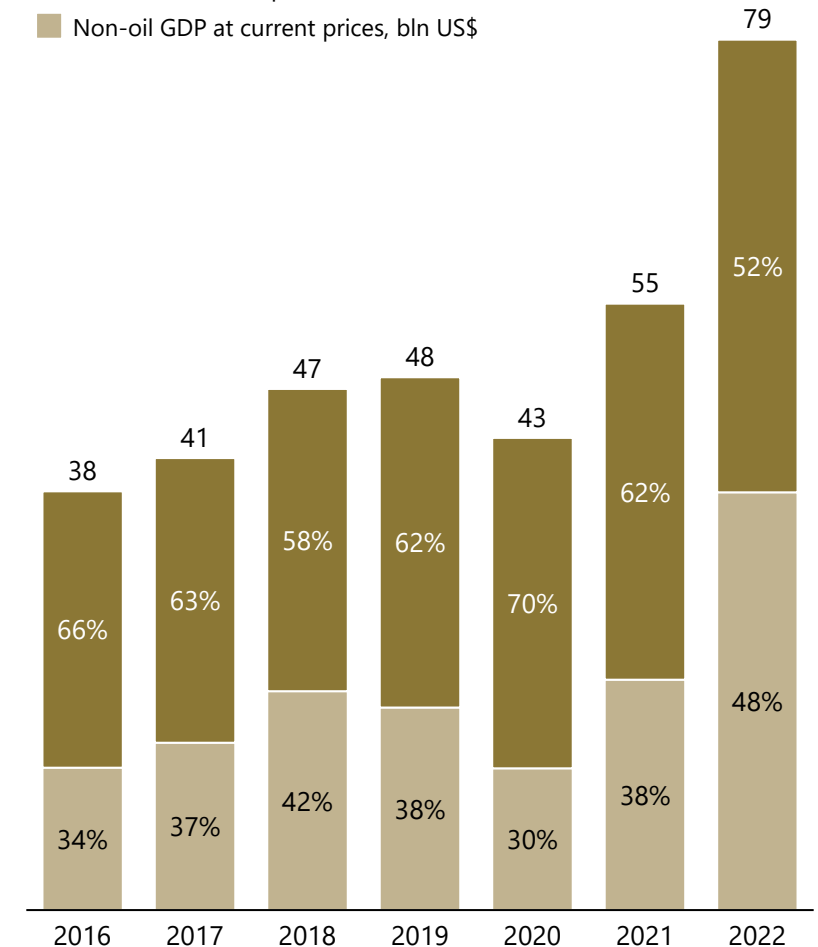
“ ” Strategic Location

Due to its unique location and despite being a landlocked country, Azerbaijan is a part of the numerous transport corridors:



“ ” Economic overview

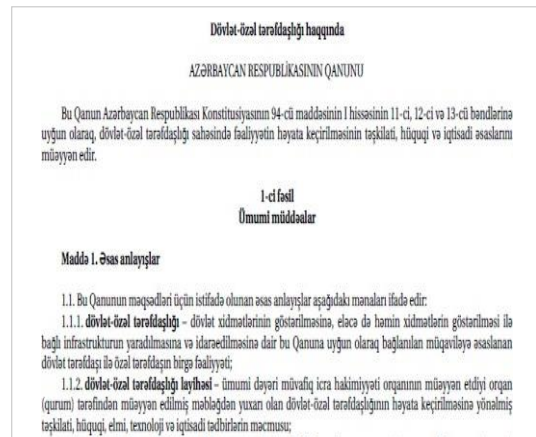
■ Oil GDP at current prices, bln US\$
■ Non-oil GDP at current prices, bln US\$



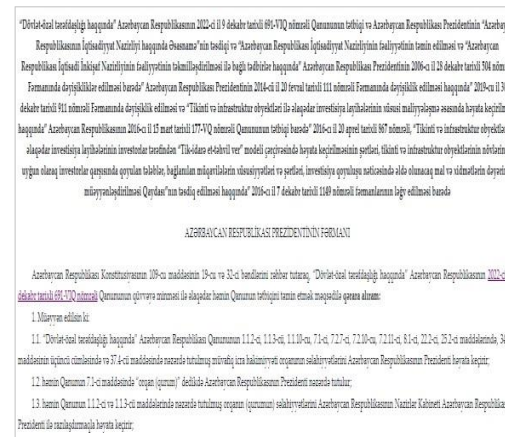
Public-Private Partnership (PPP) in Azerbaijan

PPP Law was enacted in Azerbaijan in December 2022

Law on PPP No. 691-VIQ dated 09.12.2022



Presidential Decree dated 27.12.2022



"Public-Private Partnership" rules In progress



- Defines **Public-Private Partnerships** and **objectives**
- Outlines **institutional framework** including **governance**, etc.
- Defines **oversight roles** of **President** and **Cabinet of Ministers**
- Entails the **adjustment of regulations** for the **Ministry of Economy**
- Details **key activities** across the **PPP life cycle**
- Defines **key decision rights, timelines**

First PPP project in Azerbaijan

Desalination plant



Objective of the project:

- Cover the growing drinking water demand of Baku and the Absheron peninsula
- Diversify the fresh water sources
- Reduce the government's financial and technical burden from the drinking water supply
- Promote best drinking water supply practices and technology transfer to Azerbaijan



Project description:

- Design, build, operation and management of a seawater desalination plant with an annual capacity of 100 mcm in Sumgayit based on the BOT model



Project duration:

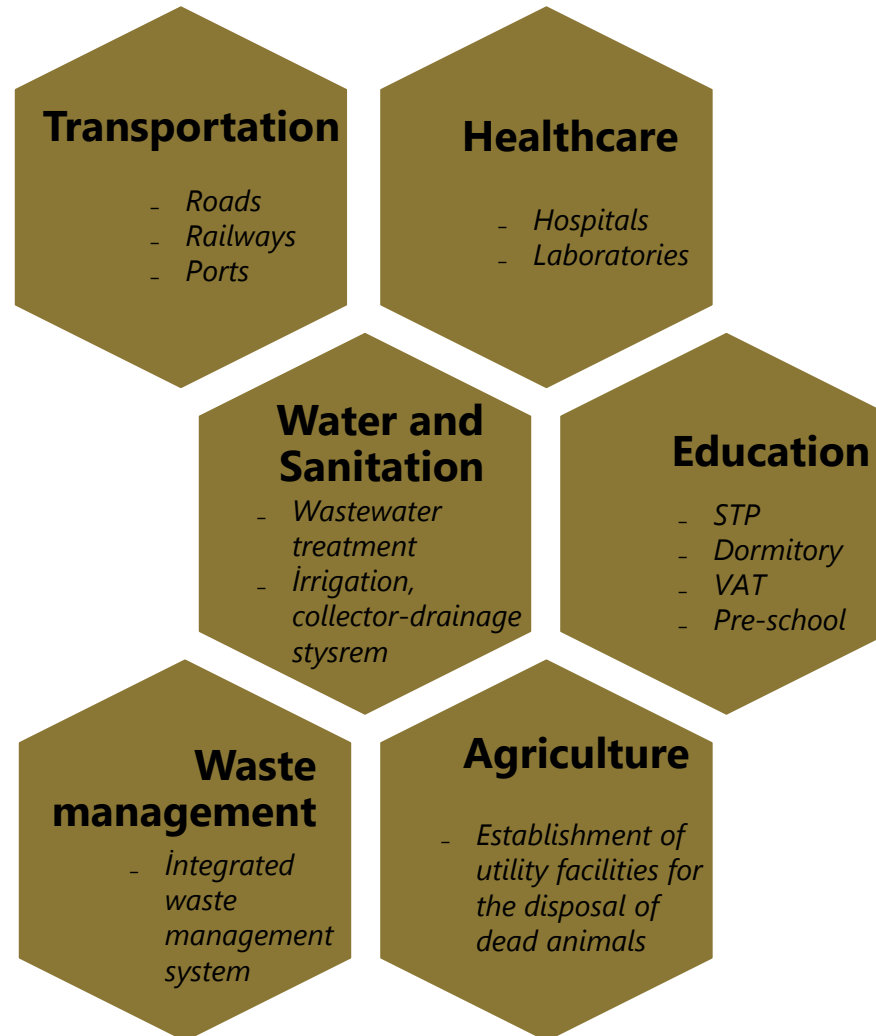
- According to the contract, the duration of the plant construction (including commissioning) is 2.5 years, and after 25 years of operation by the private partner, the plant will be fully transferred to Azerbaijan State Water Resources Agency

Strategic Priorities



Potential sectors for PPP projects


**Compliance with the National
Socio-Economic Strategy and
other strategic documents**



Challenges & Solutions

1

Blurriness on roles and responsibilities



- Developing regulatory framework, guidelines

2

Capability building and Expertise



- Arrangement informative sessions with relevant ministries

3

Small/Medium Project Preparation Costs



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**MINISTRY OF ECONOMY
OF THE REPUBLIC OF AZERBAIJAN**