

FAQs

Frequently Asked Questions



What is the difference between Public Procurement and PPP?

Characteristics ↓	Public Procurement	PPP
Focus	Procuring Assets	Procuring Services
Project Management	Public sector is responsible for all project management roles	Private sector manages overall project - design, construction, operations and maintenance. Focus on project life cycle expected to bring efficiency.
Service Delivery	Public sector delivers services to users	Private sector directly delivers services to users. Public sector remains accountable for the service to users
Financing	Public sector responsible for financing the project. Thus financing impacted by budgetary allocations and then actual disbursements	Private sector may contribute finance through debt and equity issuances
Risk Sharing	Public sector bears all project risks. Risk sharing limited to the extent of warranties.	Risks allocated to parties which can best manage them
Contractual Arrangement	Short term; generally segregated contracts for asset creation (Bill of Quantities based) and maintenance.	Long term contracts; Public sector/users pay for services linked to performance.



PPP Unit
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