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Gulf Affairs: What is KAPP’s mandate? How does it coordinate with the various related ministries?

Mutlaq Al-Sanei: KAPP plays a major role in facilitating the private sector’s participation in the economy. The Kuwaiti government founded the public-private partnership (PPP) program to promote and establish collaboration between the public and private sectors to ensure projects are well-developed and provide effective services for Kuwaiti citizens.

KAPP’s first priority is to assure all projects are operating as planned according to PPP Law 116/2014 and its executive regulations. KAPP receives competitive bids for its current projects, and all bids are thoroughly evaluated. The rapid pace of development in Kuwait means that we have to be especially aware, perceptive and understanding of the scale of projects and their importance to the economy. For this reason, we are putting all our efforts in ensuring that KAPP projects are advancing as planned and delivering high-quality infrastructure services through partnership projects.

IV. Interviews

Gulf Affairs: What regulations control the offerings of PPP projects?

Al-Sanei: KAPP mainly operates in accordance with Law 116/2014 and its executive regulations, which is considered the core regulating reference to full implementation of PPP projects. The Authority also refers to Law 39/2010, known formally as the Promulgating the Incorporation of Kuwaiti Joint Stock Companies to Undertake the Building and Execution of Electricity Power and Water Desalination Stations in Kuwait.

Gulf Affairs: Which financial sectors have benefited from these projects?

Al-Sanei: PPP projects are mainly beneficial to the public entities that initiated these projects. But they're also good for both local and foreign investors, companies and financial institutions.

Gulf Affairs: What are some of the most recent success stories?

Al-Sanei: The Az-Zour North One power and water plant project is living proof of the huge success of PPP and its benefits to the economy. This plant is Kuwait's first independently-owned power and water facility, and it falls under the first phase of the country's Independent Water and Power Project. The project was completed on schedule and on budget.

Az-Zour North One has the capacity to generate 10 percent of Kuwait's power requirements at peak capacity (1,539 megawatts) and 20 percent of its water generation needs (107 million gallons per day). The plant is fueled by a blend of local gas and imported liquefied natural gas. The combined facility of power and water generation is Kuwait's cleanest and most efficient source of electricity.

At the moment, KAPP is in the process of signing a contract with a consortium led by Watani Investment Capital (NBK Capital), which has been awarded the tender of managing the public share sale of 50 percent of Az-Zour North One. Half of the company's shares will be offered to Kuwaitis through an initial public offering.

Gulf Affairs: How has KAPP contributed to private sector development in Kuwait?

Al-Sanei: KAPP has encouraged the private sector to design, build and operate huge infrastructure megaprojects in accordance with Law 116/2014. Our aim is to establish and maintain an image of Kuwait as an international business center that attracts foreign investors and financial institutions to implement and deliver massive projects in the country.

Gulf Affairs: One of KAPP's stated objectives is to create job opportunities for Kuwaiti nationals. How does KAPP contribute to the advancement of the Kuwaiti labor force?

Al-Sanei: Kuwait boasts a large number of qualified and educated youth. Being able to participate, implement and deliver mega-infrastructure projects is by itself a significant achievement for Kuwaiti nationals. Playing a major role in building their country and transforming it into an international business center should be by itself very rewarding. Thus, taking part in these ventures ensures that competitiveness will have an advantageous outcome to both the public and the private sector.

Gulf Affairs: How does KAPP contribute to Kuwait's economic diversification strategy, and what are the longer-term financial benefits of diversification?

Al-Sanei: PPP has become a vital fiscal tool for the Kuwaiti government, enabling it to transfer the financial risks of projects onto the private sector over a long period of time. PPPs allow the treasury to spread the liabilities over the contract's period on an accurate basis.

Kuwait's PPP law offers citizens the opportunity to invest their savings directly into PPP projects. These are well-established mega-projects listed on the stock exchange. The stocks are priced at fair market value and have the added benefit of expanding the Kuwaiti stock market by adding mega-projects with international "know how" to it.

In the near future, PPP will be one of the key reform tools used by the government to attract foreign direct investment and to diversify the country's economy. Doing so will go a long way toward decoupling both Kuwait's economic growth and strength from global oil prices.