



Submission and Review of Private Sector Initiated Proposals

(as per Amendment (No: 2023/R-192) to Public Finance Regulation 2023/R-158)

- Introduction 1. This policy outlines the procedure for submitting and approving Private Sector Initiated Proposals (PSIPs) submitted under section 10.22 of the Public Finance Regulation (Regulation Number 2023/R-158).
- Scope of PSIPs 2. Following are the types of proposals that can be submitted to the Government as PSIPs.
- (a) Proposals that may not conform to a specific project identified by the Government but are in alignment with the broad developmental agenda of the Government. (or)
- (b) Proposals that propose innovative and affordable solutions to the needs of the Government as has been identified in its strategic development plans.
- Circumstances under which PSIPs may not be submitted 3. Under the following circumstances, a proposal cannot be made under section 10.22(c) of the Public Finance Regulation (Regulation Number 2023/R-158)
- (a) If the Government has decided to announce the project in the proposal before the proposal has been submitted
- (b) If the Government has announced the project in the proposal before the proposal has been submitted
- (c) If a project in the proposal has been publicly announced by the Government and any tendering process has been initiated by the Government to find a party to carry out the project.
- Contents of PSIP 4. Proposals submitted under this policy, shall consist of the following:
- (a) The Application Form;
- (b) The Project Proposal, which shall include the following information:
- (1) Name of the Proponent.
- (2) Proposed location of the Project.
- (3) Area required for the Project, if any, (in hectares)
- (4) Project scope and alignment with the Government's strategic priorities.
- (5) Proposed business model of the Project,



including key commercial terms.

- (6) Proposed total investment of the project and how the Proponent plans to raise funds for the investment.
- (7) Details of any support/commitment required from the Government, if any.

- (c) Copies of Business Registration Certificates and Articles and Memorandum of Association of the Proponent or equivalent legal documents (If the Proponent is a Company/Association/Organization).
- (d)
 - (i) Copy of National Identity Card (if Proponent is a Maldivian Individual)
 - (ii) Notarized copy of Passport (if Proponent is a Foreign Individual)
- (e) Documents indicating the technical capacity of the Proponent in the field of project.
- (f) Copies of the most recent audited annual financial statements of the Proponent from the past 3 (three) years.
(notwithstanding this sub-section, depending on the size of the Project, the Ministry has the discretion to request for audited financial statements of more than 3 (three) years).

Proposal Submission 5. (a) Proposals shall be submitted to the following address of the Ministry.

Invest Maldives
Ministry of Economic Development and Trade
11th Floor, Velaanaage
Contact Details: +960 3333183
Email: proposals@trade.gov.mv

- (b) All queries and communications in respect of preparing and submitting a proposal shall be channeled to the address set out above, or as directed by the Ministry.
- (c) All documents submitted by the Proponent as part of the proposal shall become the property of the Government. However, intellectual property rights of the information contained in the proposal submitted by the Proponent shall remain vested in the Proponent.



- (d) The Proponent shall be responsible for all the costs associated with the preparation of the proposal.
- (e) Once a proposal has been submitted, the Ministry shall provide a receipt of the proposal.
- Assessment and decision regarding the Proposal
6. Proposals will be assessed and a decision regarding the Proposal will be taken as follows:
- (a) Stage 1
- (1) Checking whether the proposal meets the basic criteria laid down in the proposal submission requirements and whether the Proponent is competent in the field in which the proposal has been submitted.
 - (2) Carrying out strategic and detailed assessment of the Proposal.
 - (3) Executive Committee to take a decision on referring the proposal to the Cabinet or a sub-committee of the Cabinet.
- (b) Stage 2
- (1) Submitting the proposal to Cabinet or a sub-committee of the Cabinet for a way forward on the Proposal.
 - (2) Negotiation and finalizing terms of the Project.
- (c) Stage 3
- (1) Foreign Investment and/or Business Registration; and
 - (2) Execution of the Agreement
- STAGE 1**
- Initial Assessment
7. (a) The Ministry shall ensure that the initial assessment done upon submission of the proposal meets the following requirement:
- (1) The Proposal meets the submission requirements
 - (2) Competency of the Proponent in the area in which the proposal has been submitted.
- (b) If the requirements outlined in this clause are not met, on the advice of the executive committee, it may be decided to proceed or not proceed with the proposed proposal. And the Ministry shall inform the decision to the Proponent with reasoning.



- Strategic Assessment of the Proposal
8. The Ministry shall prepare a strategic assessment of proposals that meet the requirements outlined in clause 7 of this policy, to determine whether they meet the strategic goals of the Government and its impact to the society.
- Detailed Assessment
9. (a) Along with the strategic assessment outlined in clause 8 of this policy, the Ministry shall prepare a detailed assessment of the proposal, which shall include the following:
- (1) Benefits to the Public from the Project:
 - 1.1. Proposed Project's alignment with the strategic priorities and development plans of the Government.
 - 1.2. Societal need for the project.
 - 1.3. The extent to which the proposed project contributes to the overall development of the country.
 - (2) Project Feasibility:
 - 2.1. Determine the technical feasibility of the project for execution.
 - 2.2. Financing required to start the project.
 - 2.3. Expected social, environmental, and economic impact of the project.
 - (3) Technical and Financial capability
 - 3.1. The competency and experience of the Proponent to carry out similar projects to that submitted by Proponent.
 - 3.2. Financial capability of the Proponent to carry out the proposed Project.
 - (4) Financing arrangement
 - 4.1. Proposed financing arrangement. Such proposed arrangements shall be affordable to the Government.
 - (5) Business Model
 - 5.1. Attractiveness of proposed commercial terms to the Government.
 - (6) Due Diligence
 - 6.1. Ethical standards: The Proponent does not appear on any globally recognized blacklists.
 - 6.2. Insolvency: The Proponent is not insolvent, in receivership, or bankrupt.



- 6.3. Compliance with national legal obligations of the Proponent.
- 6.4. Criminal Record: The Proponent has not, and its directors have not, been convicted of any criminal offence related to professional conduct.
- (b) All relevant Ministries should be involved in the preparation of the strategic assessment and detailed assessment outlined in clause 8 and 9 of the policy. In this regard, as and when the assistance of technical experts is required, the assistance of relevant institutions, including the legal sector, finance and environment, can also be sought.
- (c) The Ministry shall submit, the report prepared by the Ministry based on the initial, strategic, and detailed assessment of the proposal to the Executive Committee.
- (d) When the report is submitted to the Executive Committee, in accordance with clause (c), after examining the report, the Executive Committee shall make a decision regarding the proposal as follows:
- (1) If the Executive Committee unanimously agrees that, for the time being, a proposal is not appropriate to be placed before the Cabinet or a sub-committee of the Cabinet, then it shall be decided that the proposal shall not be submitted to the Cabinet or sub-committee of the Cabinet. If the Executive Committee decides to do so, the Ministry shall inform the decision to the Proponent with reasoning for the decision.
 - (2) If the Executive Committee finds that the proposal is appropriate to be placed before the Cabinet or a sub-committee of the Cabinet, the proposal shall be submitted to the Cabinet or a sub-committee of the Cabinet for a decision regarding the Proposal in one of the following ways:
 - 2.1. Proceed as proposed by the Proponent.
 - 2.2. Proceed to direct negotiations.
 - 2.3. Proceed to competitive bidding.
 - 2.4. Not considered suitable for further consideration.
- (e) Should the Cabinet or a sub-committee of the Cabinet decide to proceed to competitive bidding as per sub-section (d) (2) (2.4) of this clause, the Proponent shall also be given the opportunity to participate in the bidding process. The competitive bidding process shall be carried out by the relevant line Ministries, as per the relevant regulations and applicable legislation.



- (f) If the Cabinet or a sub-committee of the Cabinet decide not to proceed further with the proposal as per sub-section (d) (2) (2.4) of this clause, the Ministry shall inform the decision to the Proponent with reasoning for the decision.

STAGE 2

Negotiation regarding the proposal and finalization of commercial terms

10. (a) As per clause 9 sub-section (d) (2) (2.2) of this Policy, if the Cabinet or sub-committee of the Cabinet decide to go for direct negotiation with the Proponent, negotiation shall be carried out with the Proponent as per the scope, terms and other aspects of the project as advised by the Cabinet or sub-committee of the Cabinet.
- (b) If the Cabinet or sub-committee of the Cabinet decides to proceed to direct negotiations with the Proponent as per subsection (a) of this clause, prior to direct negotiations Government may enter into a memorandum of understanding (MOU) with the Proponent, if either party find it necessary to sign a MOU to facilitate the direct discussion on the terms of the project.
- (c) Subject to the negotiation outcomes as per this section, the Ministry shall present the finalized key commercial terms of the project to the Cabinet or sub-committee of the Cabinet for approval.

STAGE 3

Enter into Agreement

11. (a) At this stage the Government and Proponent will follow formalities to enter into a binding agreement based on the key commercial terms that has been approved by the Cabinet or sub-committee of the Cabinet as stipulated in clause 10(c) of this policy.
- (b) The agreement shall be entered into on behalf of the Government, by the relevant line Ministry/Government agency that the Cabinet or sub-committee of the Cabinet approves to implement the project.

Foreign Investment and/or Business Registration

12. If the Proponent is required to register a foreign investment or a business to carry out the proposed project in the Maldives, the Proponent must complete the legal procedure before signing the agreement as provided in clause 11 of the policy.

ROLES AND RESPONSIBILITIES

Proponent

13. The Proponent is required to undertake the following:
- (a) Prepare and submit proposal as per the requirements outlined in this Policy.
- (b) To provide any additional information sought by the Ministry, as requested by the Ministry.



- (c) Ensure that the information provided along with the Proposal is true and accurate.
- Ministry 14. (a) The Ministry will take the lead role in, receipt of PSIPs and coordination of the review process of the proposals.
- (b) Provide updates to the President's Office on PSIPs received.
- (c) Check whether the submitted Proposals are complete.
- (d) Oversee involvement of relevant Government Ministries during the assessment stages of the Proposal.
- (e) If additional information from the Proponent is required, request for such information.
- (f) Inform Proponent of compliance or non-compliance of the submitted Proposals.
- (g) Assess Proposals as per the assessment criteria outlined in this policy.
- (h) Carry out the initial, strategic, and detailed assessment of the Proposal.
- (i) Provide assistance to carry out the work of the negotiation panel where a proposal/project specific negotiation panel is established.
- Cabinet/sub-committee of the Cabinet 15. (a) Provide a decision on the way forward on proposals that have been progressed to stage 2.
- (b) Provide approval to the key commercial terms of the Project.
- (c) Provide any additional approvals for any changes in the previously agreed commercial terms or Government funding or any important aspect of the project.

OTHER MATTERS

- Disclosure 16. (a) Information on all PSIPs that proceed to a contractual stage shall be published on the Ministry's website.
- (b) The information published as per sub-section (a) of this clause shall include details of the Proponent and scope of the submitted PSIP.
- (c) The Government shall consult with the Proponent before any information is disclosed to ensure that commercially sensitive information remains confidential.



General Clause

17. (a) Relevant laws and regulations of the Maldives shall be followed at all stages of assessment of the Proposals and in entering into a binding agreement.
- (b) In the event a situation arises which is not indicated in the policy, a decision regarding such matter will be taken by the Cabinet or a sub-committee of the Cabinet.

Definitions

18. Unless otherwise specified in this Policy, the following words and terms shall have meanings assigned to them below:
- (a) "Proposal" shall mean Private Sector Initiated Proposals (PSIPs)
- (b) "Ministry" shall mean the Ministry appointed as the recipient of Private Sector Initiated Proposals by the Government of Maldives.
- (c) "Sub-committee of the Cabinet" shall mean the Economic Council, or a concerned committee constituted by the President to advise the President on the economic situation in the Maldives and the measures to be taken to improve the economy.
- (d) "Executive committee" shall mean the committee which consists of the Minister in charge of the Ministry, the Minister in charge of the Ministry related to the project area of the proposal, and the head of the Corporate Development Office at the President's Office.