

Pilot Project demonstration Ministry of Justice Office development PPP

BACKGROUND MOJ PROJECT | BUILDING BLOCKS | FEASIBILITY HIGHLIGHTS | WAY FORWARD

MANILA, THE PHILIPPINES – 7-9 AUGUST 2019

- MINISTRY OF FINANCE, NAMIBIA

Background of MoJ office building

- **MoJ head office building** is located at the heart of the city (Independence Av.); it is a low rise development and has a large open parking space
- **Capacity:** Limited space, ~370 of the 565 are accommodated in the present HO building; rest are dispersed in other rented offices in Windhoek; staff complement likely to grow to 600
- **Financial aspects:** Budget line for office rental ~ N\$ 1 mn per month; the existing building is old and has relatively high maintenance spending

Maintenance spent / budget	2015/16	2016/17	2017/18
	N\$907 thous.	N\$664 thous.	N\$2,1 mn

- **Objectives:** a) To develop a functional, modern head office space for the MoJ to accommodate ~ 600 staff members at a single location
 b) Undertake development through a revenue generating and commercially viable project structure such that private investment is possible while minimizing the draw on budget resources of the ministry



Key highlights

- Cost estimated ~550 mill (NAD)
 - 70:30 capital structure
 - Bankable over a 25 year concession
 - Positive IRR (16%) and NPV (21 mill NAD)



Test	Value Assessment Findings
Is the project affordable to the parties under the procurement method under review?	In terms of the existing budgets for Accommodation and Maintenance, <i>the project is unaffordable.</i>
Does the procurement method allow for the appropriate transfer of risks to the party that is best able to manage them?	Significant risk transfer (up to 49%) is possible under the PPP procurement method
Does the procurement method provide Value for Money?	Yes, the PPP procurement method provides Value for Money

**PPP Unit
NAMIBIA
MINISTRY OF FINANCE**

Thank You

Contact:

Johannes Shipepe

Chief Economist, Public Private Partnerships
Ministry of Finance, Republic of Namibia.

Tel: +264 61 2092975/2803 (O) +264 81 2325 474 (M)

Email: Johannes.Shipepe@mof.gov.na