



Public-Private Partnership in Kazakhstan

Astana, September 12, 2012





What is PPP?

PPP- form of cooperation of public and private sectors in industries that traditionally fall under the responsibility of the public sector on condition of balanced distribution of risks for the designing, financing, renovation, operation and maintenance of infrastructure.









The main features of PPP projects

- ❖ Long-term contract (30 years) for the provision of public services in sphere of health, education, transport, housing, etc.
- ❖ Equal partnership of government and business on the terms of balance of interests and risks
- ❖ Possibility of provision of services by a private sector on behalf of the government (service of a car and railways roads, education, hospitalization of patients, etc.)
- ❖ The Partnership to be presented by both the public and private sectors





Implementation of PPP

Education	✓construction and maintenance of kindergartens, schools and dormitories	  
Healthcare	✓construction and maintenance of versatile hospitals	  
Housing, water/waste water management	✓water supply and sanitation; ✓solid water treatment; ✓reconstruction, maintenance of heating generating equipment and distribution networks;	
Electricity	✓construction of electricity generating plants (renewable energy sources); ✓maintenance of electricity distribution networks;	
Transport	✓construction and maintenance of highways and railways; ✓construction (reconstruction) and operation of train stations, bus stations, airport buildings; ✓construction of parking	





Classification of PPP agreements

Main forms of PPP

- ✓ **Institutional PPP**- joint ventures between public and private sectors
- ✓ **Contractual PPP** - various forms of contractual relationships





Forms of PPP in Kazakhstan

**in Kazakhstan: contractual form of PPP– concession
(form of agreement BTO
«Build-Transfer-Operate»)**



Concession can be used for:

- ✓ existing infrastructure projects;
- ✓ building and operating new infrastructure objects



Introducing types of agreements:

- Operation and Management agreement –O & M ;
- Build-Transfer-Lease;
- Lease;
- Service agreements;
- Management and maintenance agreement;
- Operation and maintenance agreement;
- Design-Build-Finance-Operate.





Benefits for investors

- ✓ Long-term, stable and profitable business
- ✓ Long-term management and the provision of services on completed projects (hospitals, clinics, kindergartens, highways and railways, etc.)
- ✓ New investment opportunities and new sources of income (paid by consumers for concessionaires services and government budget)
- ✓ Debt financing for future income
- ✓ Legal protection of the interests of investors, including the unilateral termination of the concession agreement by the government and in case of changes in legislation
- ✓ The opportunity to participate in the finished projects without developing project documentation (feasibility study, FEO, etc.)





Types of government support

- ✓ Government guarantee on infrastructure bonds
- ✓ transfer of exclusive rights to intellectual property owned by the government
- ✓ land grants in accordance with the laws of the Republic of Kazakhstan;
- ✓ co-financing of concession projects on investment period;
- ✓ guarantee a certain amount of consumption of goods (works, services), in case the main consumer of goods (works, services) produced by the concessionaire, is a government;
- ✓ compensation for a certain amount of investment and operating costs.





Benefits for the government and the population

For the government:

- Budget savings
- accelerated infrastructure development and the ability to provide better services
- not only raising funds, but the experience of private sectors in the field of investment projects
- risks are partially transferred to the private sector

For the population (beneficiaries of services):

- ensuring optimal ratio "price - quality"
- development of infrastructure and better service
- positive multiplier effect





Concession projects implemented

No	Name of the project	Cost of construction (million tenge)	Current status
1	Construction and operation of new railways line “Shar station-Ust-Kamenogorsk”	24 479 (have invested 36 275,04)	The object of concession is in temporary operation
2	Construction of North Kazakhstan-Aktobe oblast interregional electric grid line	17 633 (have invested 22 684,30)	The object of concession is in constant operation
3	Construction and operation of Aktau International Airport passenger terminal	4 650 (have invested 4 650)	The object of concession is in constant operation
4	Construction and operation of gas-turbine power plant in Kandygash , Aktobe oblast	16 586,3 (have invested 350)	The start of construction is defined in 2011, the construction has not begun
5	Construction and operation of railway line “ Eralievo-Kuryk”	8 142,9	Construction start date is not defined
6	Construction and operation of a complex of 11 kindergartens in Karaganda region	6 263,9	Construction start date– April , 2012
Total:		80 111,2	
Total investments:		63 959,34	





Planned concession projects (1)

No	Name of the project	Information about project	Current status
1	Construction and operation of Big Almaty Ring Highway (BAKAD)	Cost of construction: 83 500 million tenge Construction period – 3 years Length - 69,8 km, category 1A, 4 and 6 traffic lanes	At the stage of agreement between Ministry of transport and Communications of RK and IFC on advisory agreement
2	Reconstruction of “Almaty-Kapshagay” highway	Cost of construction: 63 600 million tenge Construction period : 2011-2013 years Length – 104 km, category 1A and 1B, 4 and 6 traffic lanes	At the stage of feasibility study funding adjustments.
3	Construction and operation of the Temirtau kindergarten complex in Karaganda oblast	Cost of construction: 2 096 million tenge Construction period : 2011-2012 years Reduction in the deficit of places in kindergartens to 1240 seats in Temirtau city	At the stage of the competitive procedures (tender bid of participant planned to send to the PPP Center in August of this year).
4	Construction and operation of kindergarten in East-Kazakhstan oblast	Reduction in the deficit of places in kindergartens to 9 840 seats in East-Kazakhstan oblast	At the stage of feasibility study of concession project
5	Construction and operation of kindergarten in Ust-kamenogorsk city, East-Kazakhstan oblast	Reduction in the deficit of places in kindergartens to 9 840 seats in East-Kazakhstan oblast	At the stage of feasibility study of concession project
6	Construction of clinic for 500 visits per shifts in the neighborhood “Kaitpas”, Shymkent city, South Kazakhstan region	Cost of construction: 1 600 million tenge Construction period : 2015-2017 years	At the stage of feasibility study of concession project





Planned concession projects (2)

No	Name of the project	Information about project	Current status
7	Construction of Regional General Hospital with 300 beds at State Enterprise "Kazakh National Medical University named after S. Asfendiyarov "in Almaty	Cost of construction: 16 516 million tenge Construction period : 2014-2016 years	At the stage of feasibility study of concession project
8	Construction of general hospitals with 300 beds in Uralsk	Cost of construction: 8 299 million tenge Construction period :2014-2016 years	At the stage of feasibility study of concession project
9	Construction of a multi-disciplinary hospital with 300 beds at Karaganda State Medical University	Cost of construction: : 15 509,847 million tenge Construction period : 2014-2016 years	At the stage of feasibility study of concession project
10	Construction and operation of thermal power plants in Karaganda (CHP-4)	Cost of construction: : 90 416,1 million tenge Construction period : 2011-2017 years The planned capacity is not specified in concession proposal.	At the stage of feasibility study of concession project
11	Construction and operation of the bath and fitness center with 200 seats in Karaganda	Cost of construction: : 2 113 million tenge Construction period : 2011-2012 years The estimated capacity of the project – 800 people per day	At the stage of feasibility study of concession project
12	Construction and operation of the railway station in the station at Mangyshlak (Tamak),Mangistau region	Cost of construction: : 4500 million tenge Construction period : 2011-2013 years The capacity of the project –1700 passengers per day	At the stage of development of tender documentation





Planned concession projects (3)

No	Name of the project	Information about project	Current status
13	Construction and Operation of the bus station in Aktau	Cost of construction: 3 600 million tenge Construction period : 2011-2013 years Construction period - 1200 passengers per day	At the stage of development of tender documentation
14	Reconstruction and operation of road area " Astana-Temirtau"	Cost of construction: 119 500 million tenge Reconstruction period : 2011-2013 years Length – 238 km, category 1A, 4 traffic lanes	At the stage of funding adjustments of the feasibility study
15	Expansion of Aktau international sea trade port in the north. Dry cargo mooring and related infrastructure	Cost of construction: 120 million USD (17 455,2 million tenge exchange rate of the National Bank of Kazakhstan by 27.04.2011) Reconstruction period : 2013-2015 years Increase the capacity of the port of Aktau	At the stage of feasibility study of concession project
16	The introduction of intellectual-transport and payment system (ITPS) and operation of the "Astana-Schuchinsk" motore way	Cost of construction: 22 548 million tenge Period of creation: 2011-2012 years Introduction of ITSPs, Installation of 84 points of payment	At the stage of development of tender documentation
17	Reconstruction of the road "Oral-Kamenka-Russian border (in Ozinki)"	Cost of construction: 50 000 million tenge Period of creation – 3 years Length – 100 km, category 1B, 4 traffic lanes	At the stage of feasibility study of concession project
18	Transfer of the water supply and sanitation in urban and rural areas to the PPP model	The program "Akbulak" proposed to move the urban water utilities 4 pilot cities - Taraz, Atyrau, Semei, Uralsk	At the stage of feasibility study of concession project





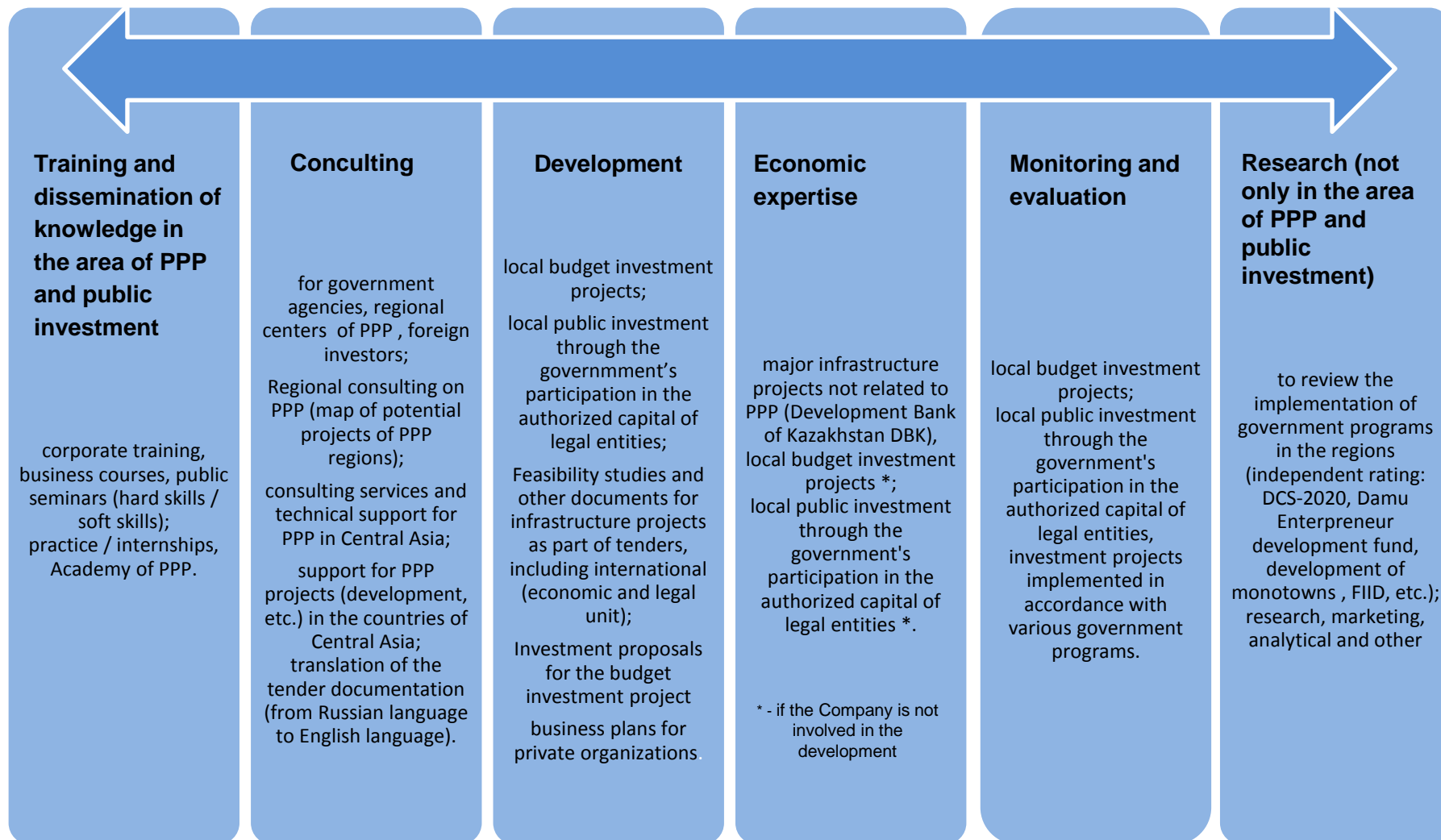
Planned concession projects (4)

No	Name of the project	Information about project	Current status
19	Астана Construction and operation of parking on the land, which is located on the street Dostyk in Astana	Cost of construction: 1925 million tenge Construction period :- 1 year Capacity - 500 cars	At the stage of feasibility study of concession project
20	Construction and operation of parking on the land, which is located on the street Sarayshyk in Astana	Cost of construction: 2 310 million tenge Construction period – 1 years Capacity - 600 cars	At the stage of feasibility study of concession project
21	Construction and operation of parking on the land, which is located on the street Kunaev in Astana	Cost of construction: 2 310 million tenge Construction period – 1 years Capacity - 600 cars	At the stage of feasibility study of concession project
22	Construction and operation of the railway line Zyryanovsk-Maikapchagai	Cost of construction: 186 billion tenge Construction period -2013-2018 years Operation period : 2018-2033 years Length 422 km	At the stage of feasibility study of concession project





The implemented activities in PPP Center





Thank you!

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