



“Kazakhstan Public-Private Partnership Center”, JSC



**Public Private Partnership in
Kazakhstan**

Kazakhstan PPP Center

- Kazakhstan PPP Center (KPPPC) was founded in accordance with the Concession Law of the Republic of Kazakhstan and resolution of the Government on “Setting up a Specialized Organization on Concessions” from 17 July, 2008, № 693
- KPPPC was created in the form of a 100% state-owned joint-stock company
- The sole shareholder is the Government of the Republic of Kazakhstan represented by the Ministry of Economy and Budget Planning

Goal and Objectives of KPPPC

Goal:

- methodological and methodical support to implementation of concession projects

Objectives:

- to provide high-quality evaluation and economic appraisal of concession projects and public investment projects
- to develop recommendations for the authorized state body and interested state bodies on improving institutional system of PPP

Main activities*

1. Economic appraisal of concession projects at each stage of their preparation:

- ✓ Proposals
- ✓ Feasibility studies
- ✓ Bidding documentation
- ✓ Bids submitted by potential concessionaires
- ✓ Concession agreements

2. Economic appraisal and monitoring of public investment projects

3. Development of institutional system:

- ✓ Developing recommendations for state bodies on improving legal and methodological basis for PPPs
- ✓ Organizing seminars, trainings, round tables, conferences and other PPP events
- ✓ Participation in performance evaluation of concession projects

PPP development stages in Kazakhstan

Stage 1: Preparation

- ✓ Development of Government policy in the field of PPP
- ✓ Analysis of legislation
- ✓ Identification of pilot projects
- ✓ Development of key legal acts on PPPs
- ✓ Analysis of prerequisites for applying PPPs

Stage 2: Implementation

- ✓ Legislation development
- ✓ Setting up a specialized organization in the field of PPP
- Development of methodological guidelines
- Improvement of PPP realization models
- Expanding PPP spheres
- Seeking new sources of project financing

Stage 3: Improvement

- Creation of an integral PPP system
- Elimination of legislation barriers
- Development of risk-management system
- Development of project financing system
- Civil servants with high PPP qualification

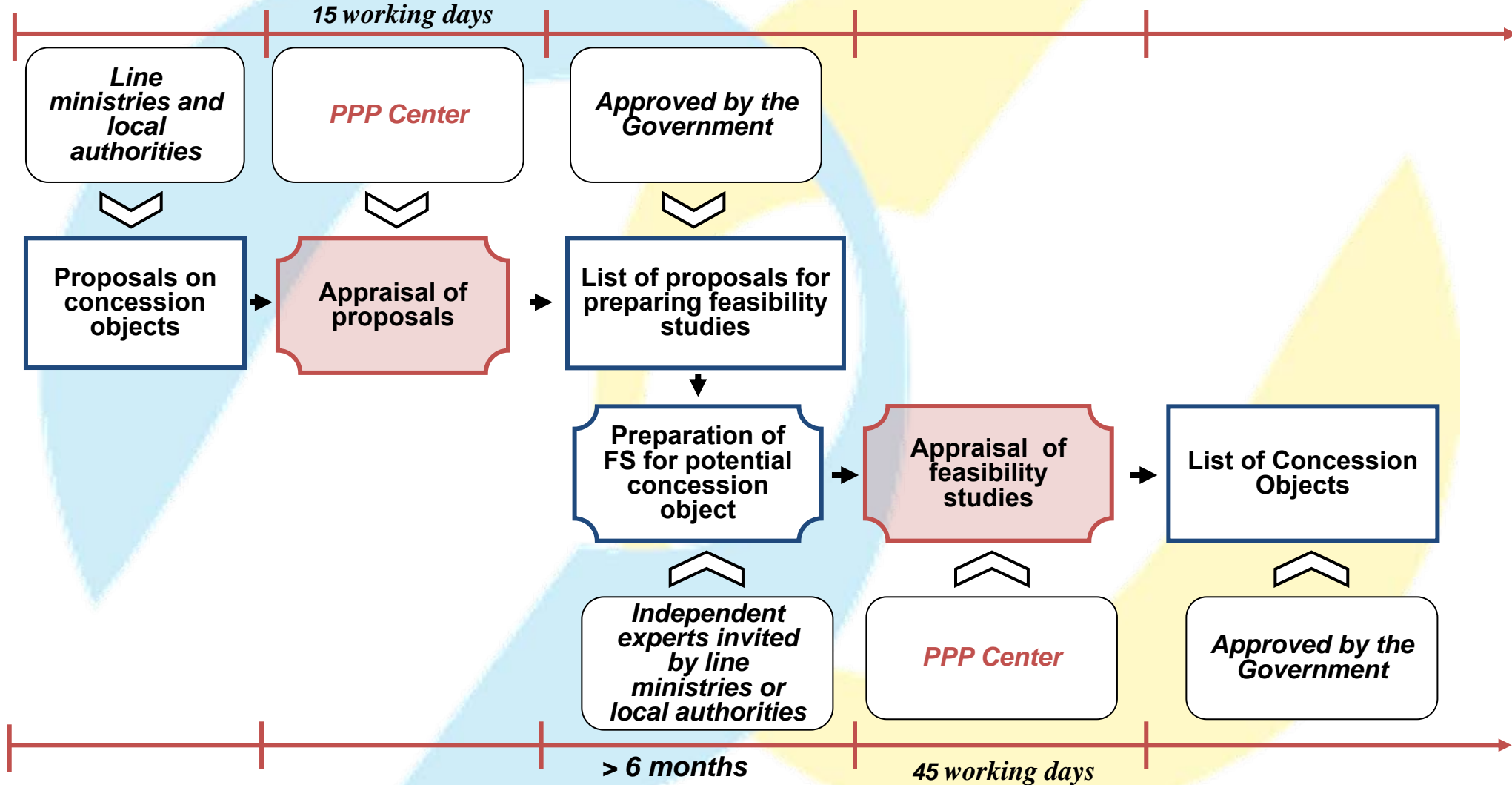
- Completed
- In realization
- In future realization

Milestones of PPP development in Kazakhstan

- July 6, 2005 – signing the first concession agreement on “Construction and Operation of the New Railway “Shar station – Ust-Kamenogorsk”
- December 28, 2005 – signing the concession agreement on “Construction of Interregional Electric Grid Line “North Kazakhstan – Aktobe oblast”
- July 7, 2006 – adoption of the Law on Concessions
- 2007 – signing concession agreements on “Passenger Terminal of International Airport in Aktau City”, “Railway Line Yeraliyevo-Kuryk”, “Electrification of Railway Line Makat-Kandyagash”
- 2008 – signing concession agreements on “Gas Turbine Plant in Kandyagash City of Aktobe Oblast”, “Railway Line Korgas-Zhetygen”
- July 5, 2008 – amending the Law on Concessions and other legislative acts
- July 17, 2008 – adoption of the resolution of the Government on setting up the Kazakhstan Public-Private Partnership Center (PPP Center) in the form of joint-stock company
- August 12, 2008 – legal registration of the Kazakhstan Public-Private Partnership Center

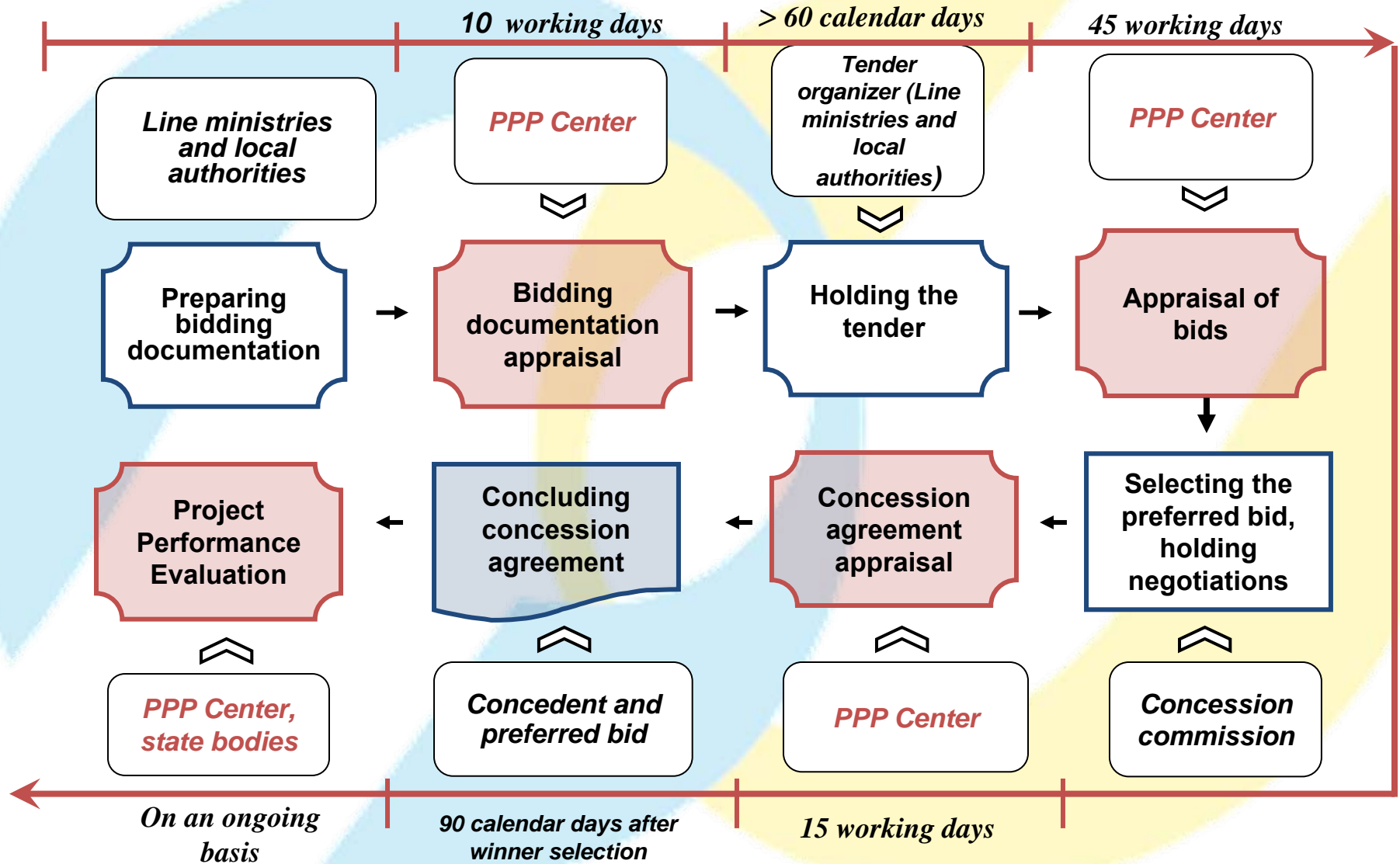
Procedures of selecting and granting concessions (1)

Procedures of I and II stages: preparation and selection of proposals, forming the List



Procedures of selecting and granting concessions (2)

**Procedures of III and IV stages:
bidding process, selecting concessionaire and concluding concession agreement**



Concession agreements signed before the adoption of the Law “On Concessions”

№	Project Name	Concedent	Information about the project
1	Construction and operation of new Shar Station – Ust-Kamenogorsk railway	Ministry of Transport and Communications	Cost of construction – 24 300 mln.tg. (\$161,1 mln*). Term of concession: 2005-2028 Railway is in test regime Length – 151 km
2	Construction of North Kazakhstan – Aktobe oblast interregional electric grid line	Ministry of Energy and Mineral Resources	Cost of construction – 18 467,3 mln.tg. (\$122,5 mln*) Term of concession: 2005-2022 Power line was put into temporary operation Length – 480,66 km Capacity – 500 MW

* - At the rate of the National Bank on 02.09.09: USD / KZT - 150.75

Concession agreements signed after the adoption of the Law “On Concessions”

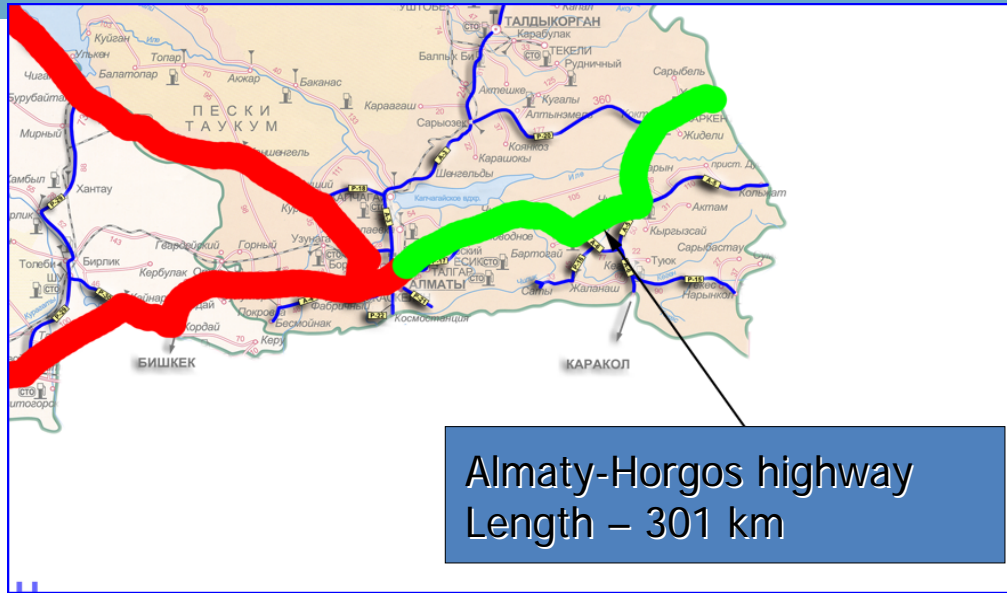
№	Project Name	Concedent	Information about the project
1	Construction of Yeraliyevo-Kuryk railway	Ministry of Transport and Communications	Concession agreement signed with LLP “Astana- AREK”, December 14, 2007 Cost of construction - 7 568 mln.tg. (\$50,1 mln*). Term of concession: 2008-2030 Length – 14,41 km
2	Construction of Korgas-Zhetygen railway	Ministry of Transport and Communications	Concession agreement signed with «ENRC Logistics», April 18, 2008 Cost of construction – 93 047,3 mln.tg. (\$617 mln*). Term of concession: 2008-2036 Length – 298,4 km
3	Electrification of Makat-Kandygash railway	Ministry of Transport and Communications	Concession agreement signed with «Nurzhol Energy», December 14, 2007 Cost of construction – 35 700 mln.tg. (\$236,8 mln*). Term of concession: 2008-2030 Length – 392,4 km
4	Construction and operation of Gas turbine power plant in the Kandygash city in Aktobe oblast	Ministry of Energy and Mineral Resources	Concession agreement signed with «Kandygashskaja GTES-100», April 7, 2008 Total value – 22 000 mln.tg. (\$145,8 mln*). Term of concession: 2008-2028 Capacity – 127 MW
5	Construction and operation of Passenger terminal of international airport in Aktau city	Akimat of Mangystau oblast	Concession agreement signed with «ATM Grup Uluslararası Havalimani Yapım Yatırım ve İşletme Ltd.Sti.», December 10, 2007 Total value – \$31 mln (under the concession agreement) Construction of passenger terminal completed Term of concession: 2007-2037 Capacity – 500 passengers per hour

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Concession projects, which the Ministry of Transport and Communications invited to tender on

№	Project Name	Project capacity
Highways		
1	Reconstruction of Almaty-Horgos highway	301 km, 4-lane highway of category I
2	Reconstruction of Almaty-Kapchagay highway	104 km, 4 and 6-lane highway of category I
3	Construction of Big Almaty Ringroad	69,85 km, 4 and 6-lane highway of category I
4	Reconstruction of Astana-Karagandy highway	238 km, 4-lane highway of category I

Reconstruction of Almaty-Horgos highway



Length – 301 km,
Cost of reconstruction – KZT 169 B
(USD 1,12 B)
Reconstruction period – 3 years
Term of concession – 25 years

Government support measures:

Admissible compensation size of certain volume of concessionaire investment expenses in established terms of Concession Agreement (in nominal value) – **142,896 billion tenge;**

Admissible size of state guarantee under infrastructure bonds – **47,632 billion tenge;**

Admissible size of natural grant – is to be defined, depending on the quality of land in state ownership



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Reconstruction of Almaty-Kapchagay highway



Length – 104 km,
Cost of reconstruction, including ITS – KZT 63,6 B (USD 0,4 B)
Reconstruction period – 3 years
Term of concession – 25 years

Government support measures:

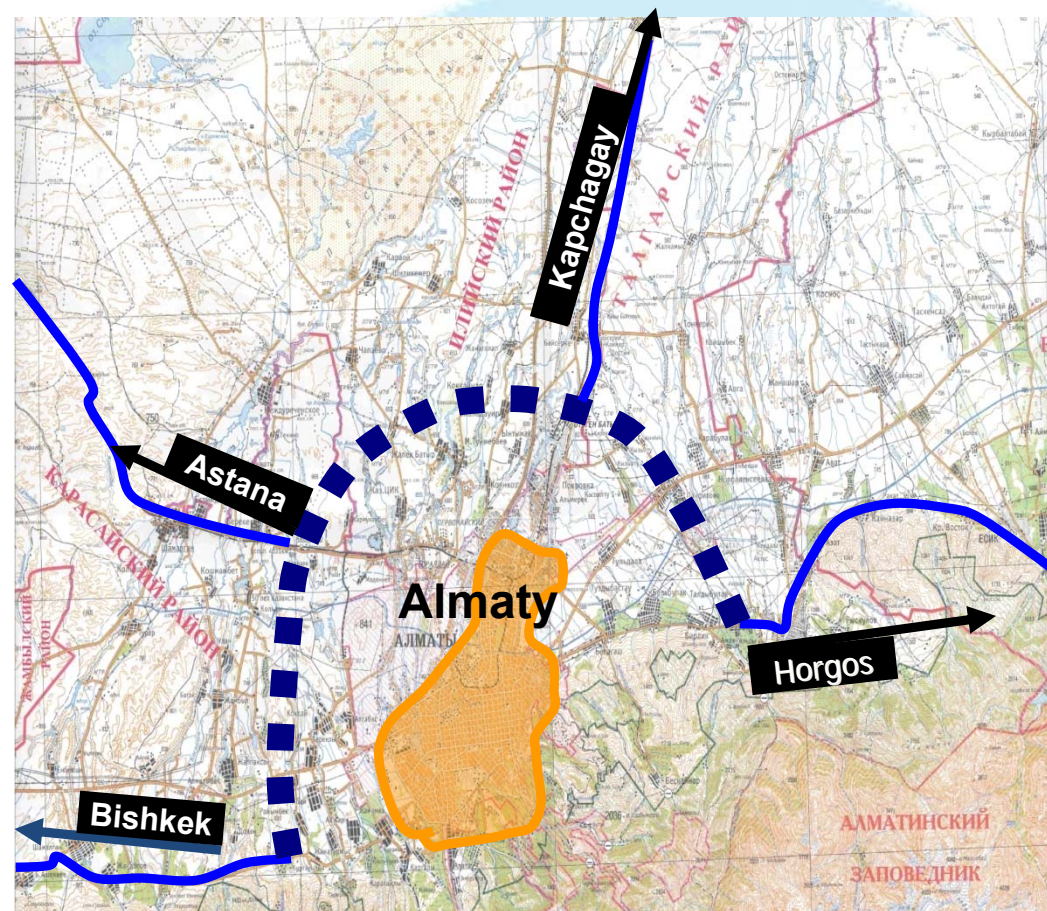
Admissible compensation size of certain volume of concessionaire investment expenses in established terms of Concession Agreement (in nominal value) – **41,7 billion tenge**;

Admissible size of state guarantee under infrastructure bonds – **13,9 billion tenge**;

Admissible size of natural grant – is to be defined, depending on the quality of land in state ownership

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Construction of Big Almaty Ringroad



Length– 69,85 km

Cost of construction – KZT 87,5 B (USD 0,58 B)

Reconstruction period – 3 years

Term of concession – 30 years

Government support measures:

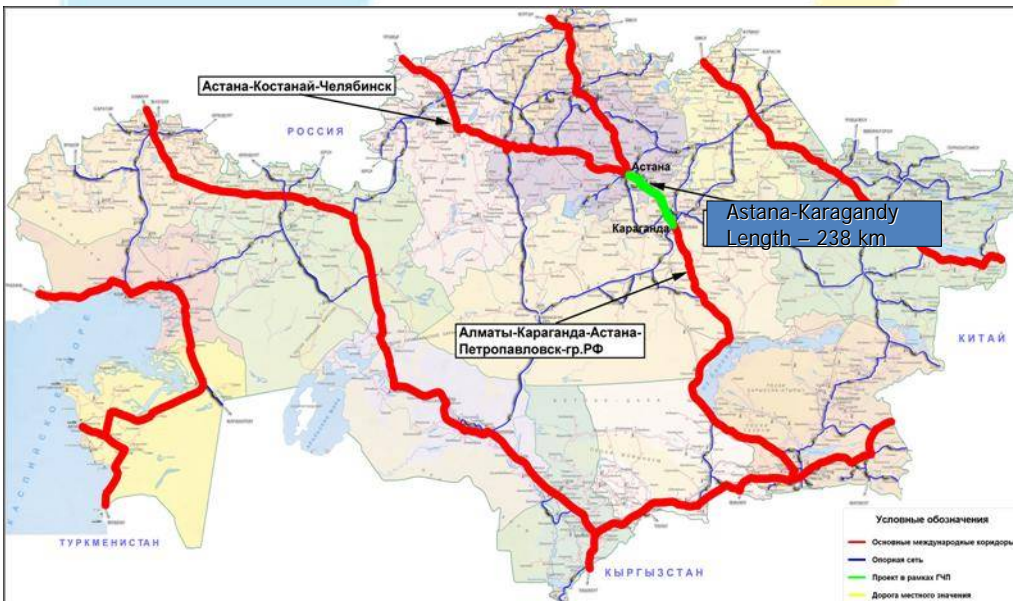
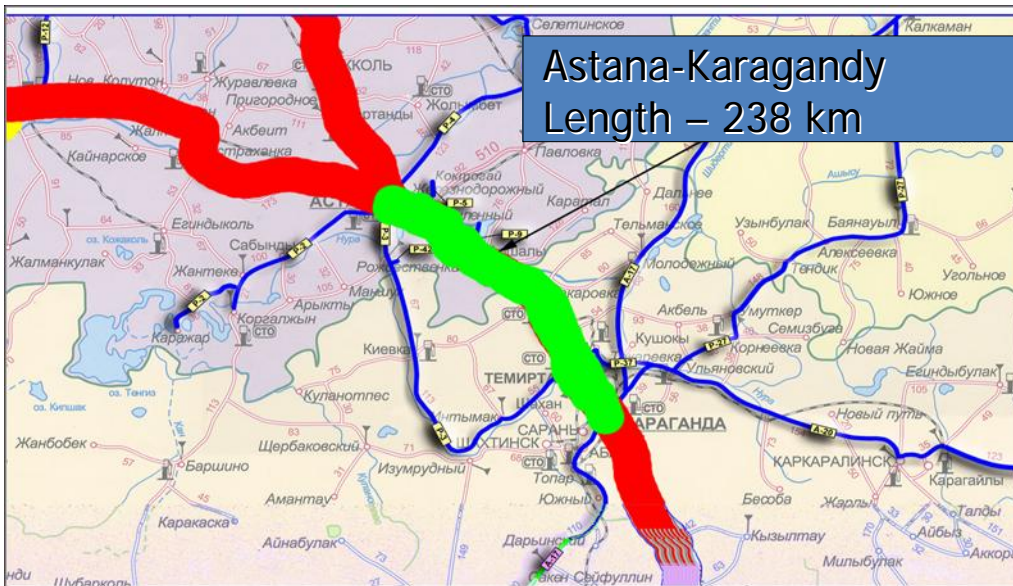
Admissible compensation size of certain volume of concessionaire investment expenses in established terms of Concession Agreement (in nominal value) – **58,416 billion tenge**;

Admissible size of state guarantee under infrastructure bonds – **19,472 billion tenge**;

Admissible size of natural grant – is to be defined, depending on the quality of land in state ownership

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Reconstruction of Astana-Karagandy highway



Length – 238 км,
 Cost of reconstruction – KZT139,7 B (USD 0,93 B)
 Reconstruction period – 4 years
 Term of concession – 30 years

Government support measures:

Admissible compensation size of certain volume of concessionaire investment expenses in established terms of Concession Agreement (in nominal value) – **91,14 billion tenge**;

Admissible size of state guarantee under infrastructure bonds – **30,38 billion tenge**;

Admissible size of natural grant – is to be defined, depending on the quality of land in state ownership

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Cooperation and knowledge sharing

Kazakhstan PPP Center is open for cooperation with various organizations on PPP issues, including:

- PPP units
- International financial institutions
- Consulting companies and experts
- Others

Contacts:

- Bolat Smagulov** - **Chairman**
- Zere Seidimbek** - **Deputy Chairman**
- Vissarion Kim** - **Deputy Chairman**
- Kairat Tilebaldinov** - **Deputy Chairman**
- Temirlan Nurgissayev** - **Managing Director**

Address:

29 Syganak Street,
Business center “Eurocenter”, 14th floor
Astana, Kazakhstan, 010000

www.ppp-center.kz, info@ppp-center.kz

Telephone: +7 7172 701 724

Fax: +7 7172 701 724