



ADB

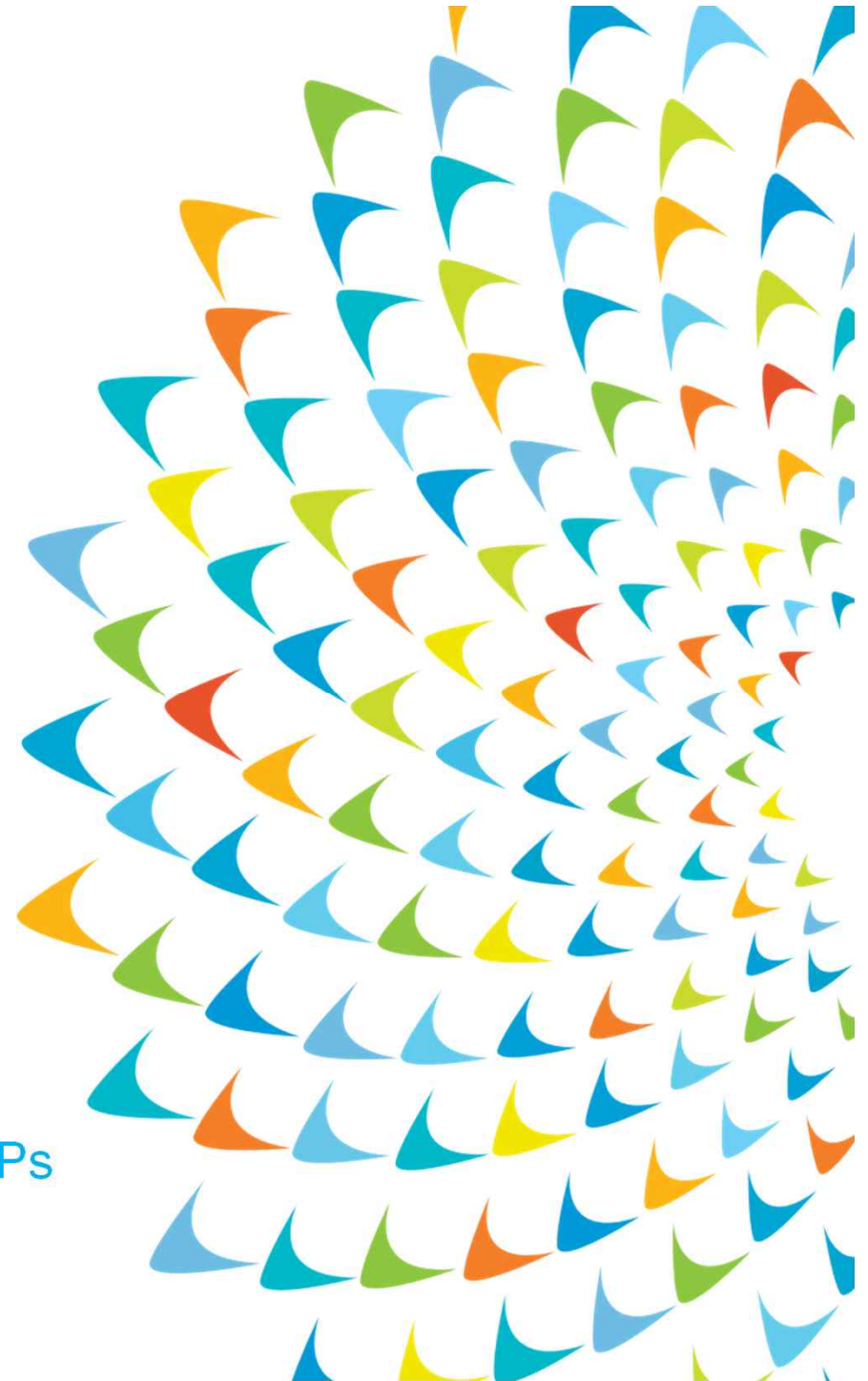
Navigating challenges of healthcare PPPs: a case study from Karaganda University Hospital, Kazakhstan

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Project Background

- The Ministry of Healthcare of the Republic of Kazakhstan (MOH) mandated the Asian Development Bank (ADB) to be the transaction advisor for the project to **design, construct, equip, finance, operate and maintain a 300-bed multidisciplinary university hospital in Karaganda City** (Project).
 - The Project is a part of the MOH's Strategic Plan for 2020-2025 that envisages a pipeline of **14 greenfield hospitals** across the country
 - Located 200km south of Astana (capital), Karaganda Oblast is country's **fourth most populous region** (1.136 million people in 2023)
- **Why PPP?:** The government sought the managerial efficiency and innovations of the private sector while being constrained in its borrowing capacity
- **Why Infrastructure Model?:** Kazakhstan PPP market was not mature enough, especially in health sector, to attract investors for integrated model (i.e., with clinical services). As the Project was the first hospital PPP, ADB advised to start with Infrastructure model. ADB provided legislative support to introduce infrastructure model in hospitals to Kazakhstan PPP framework.
- **Demand and medical services tariff risks** are with the public partner.
- The Project is structured as a **20-year BTO contract** with **Availability Payments**.
- The Project documentation was approved by PPP Center. The tender launch is scheduled for November 2023.



PPP Scope

- **Infrastructure Model** (Limited Service), or Build Transfer Operate (Limited Service) PPP Model

Concessioner transfers ownership of concession object at time of completion and provides “Technical Servicing” only (including facility management and equipment provision and maintenance services) and has no obligation to provide clinical / medical service

- **Proposed scope of Facility Management (FM) services**

Hard FM Services



General Management and Administration



Building/Estate Maintenance



Grounds Maintenance

Soft FM Services



Cleaning, Waste Management¹⁾ and Pest Control



Catering



Reception and Help Desk



Portering



Security



Linen and Laundry

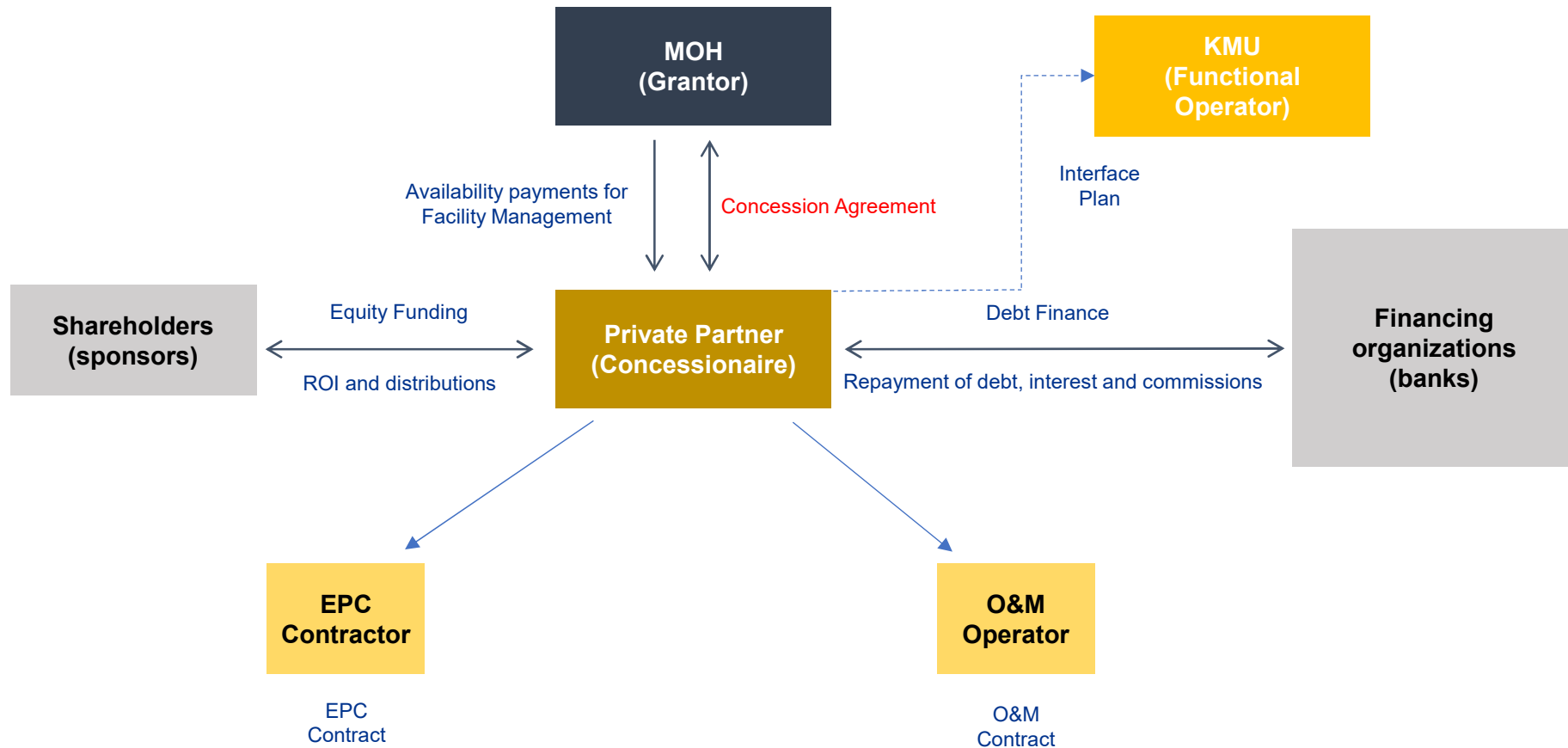
Karaganda Medical University is appointed by MOH as a Functional Operator to provide clinical education and medical services



1) Medical waste disposal is the responsibility of the Functional Operator and not covered in proposed FM scope .



Project Structure





Major challenges

Lack of PPP
experience in hospitals
at the government side

Lengthy approval
procedures

No high-level
government champion

Facility Management
scope and costing



Positive aspects

MOH had a clear vision on the scope and size of the hospital

No opposition to PPP model

Understanding of PPP costs

The government were open to best practice advice and new ideas



THANK YOU

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