

# KAZAKHSTAN PPP SHOWCASE





**Established** by the decree of the Government of the Republic of Kazakhstan on July 17, 2008  
**Sole shareholder:** Ministry of national economy of the Republic of Kazakhstan

### **Main activities:**

- research and development of recommendations in the field of PPP
- expertise and evaluation of PPP projects
- training and professional development of specialists in the field of PPP
- methodological and consulting support for public and private organizations
- maintaining a database of PPP projects
- information support of investors



### **One of the best "Think tanks" of Central Asia**

according to the Global ranking of think tanks of the University of Pennsylvania (2018 Global Go-To Think Tank Index Report)



# International partners



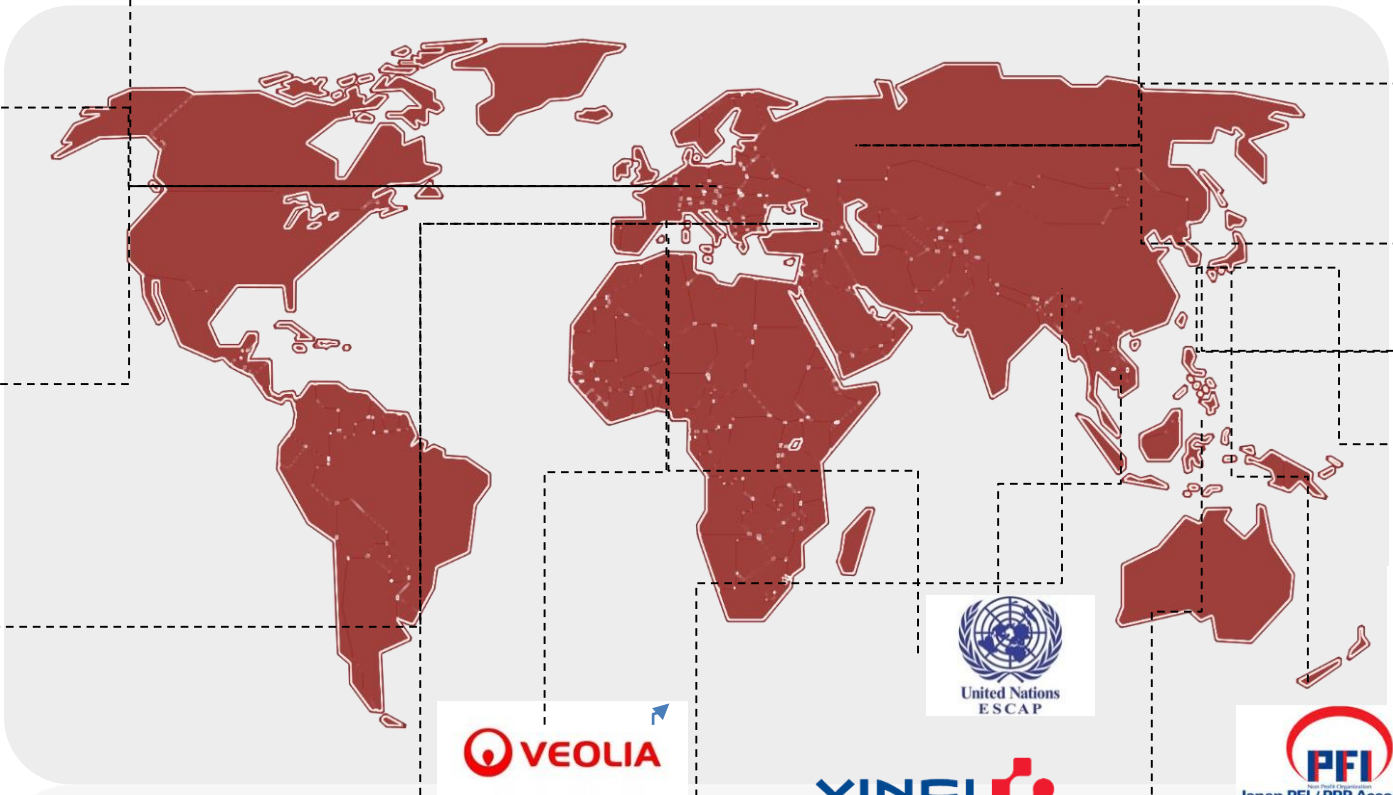
ИНСТИТУТ  
ЭКОНОМИКИ  
И ОРГАНИЗАЦИИ  
ПРОМЫШЛЕННОГО  
ПРОИЗВОДСТВА



ИНСТИТУТ ЭКОНОМИКИ НАН БЕЛАРУСИ  
THE INSTITUTE OF ECONOMICS NAS OF BELARUS



ГНУ НИЭИ  
Министерства экономики  
Республики Беларусь



**ЕЭК**  
ЕВРАЗИЙСКАЯ  
ЭКОНОМИЧЕСКАЯ  
КОМИССИЯ



НАЦИОНАЛЬНЫЙ ЦЕНТР  
ГОСУДАРСТВЕННО-ЧАСТНОГО  
ПАРТНЕРСТВА



АНАЛИТИЧЕСКИЙ ЦЕНТР  
ПРИ ПРАВИТЕЛЬСТВЕ  
РОССИЙСКОЙ ФЕДЕРАЦИИ

**KHIDI**  
Korea Health Industry  
Development Institute



**ICAK**  
International Contractors  
Association of Korea



Japan PFI / PPP Association



United Nations  
E SCAP

**VEOLIA**

**VINCI**

**财政部政府和社会资本合作中心**  
CPPP/ CHINA PUBLIC PRIVATE PARTNERSHIPS CENTER



PUBLIC-PRIVATE PARTNERSHIP  
CENTER

**KIND**  
Korea Overseas Infrastructure &  
Urban Development Corporation



# Kazakhstan on Belt and Road Initiative

Preferential access to a regional market of **more than 500 million**

- Central Asian markets (50 mln)
- Western China (300 mln)
- Caspian Sea Countries (150 mln)

**China-Europe-China**  
to St.Petersburg: **10 days**  
to Hamburg: **16 days**  
to London: **18 days**



More than 3,000 km out of 10,000 km in total will run through Kazakh territory, making it an important stretch of the main land corridor and reducing the time and cost of transportation significantly.

# THE MEMBER STATES OF THE EURASIAN ECONOMIC UNION

The Republic of Armenia  
joined the EAEU on  
2 January 2015



The Kyrgyz Republic  
joined the EAEU on  
12 August 2015



**Total Internal Trade:**  
2014: \$57,4 bln. USD

**Total External Trade:**  
2014: \$868 bln. USD

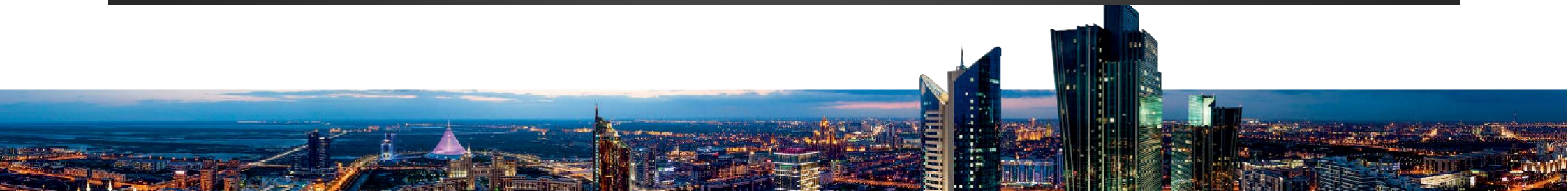
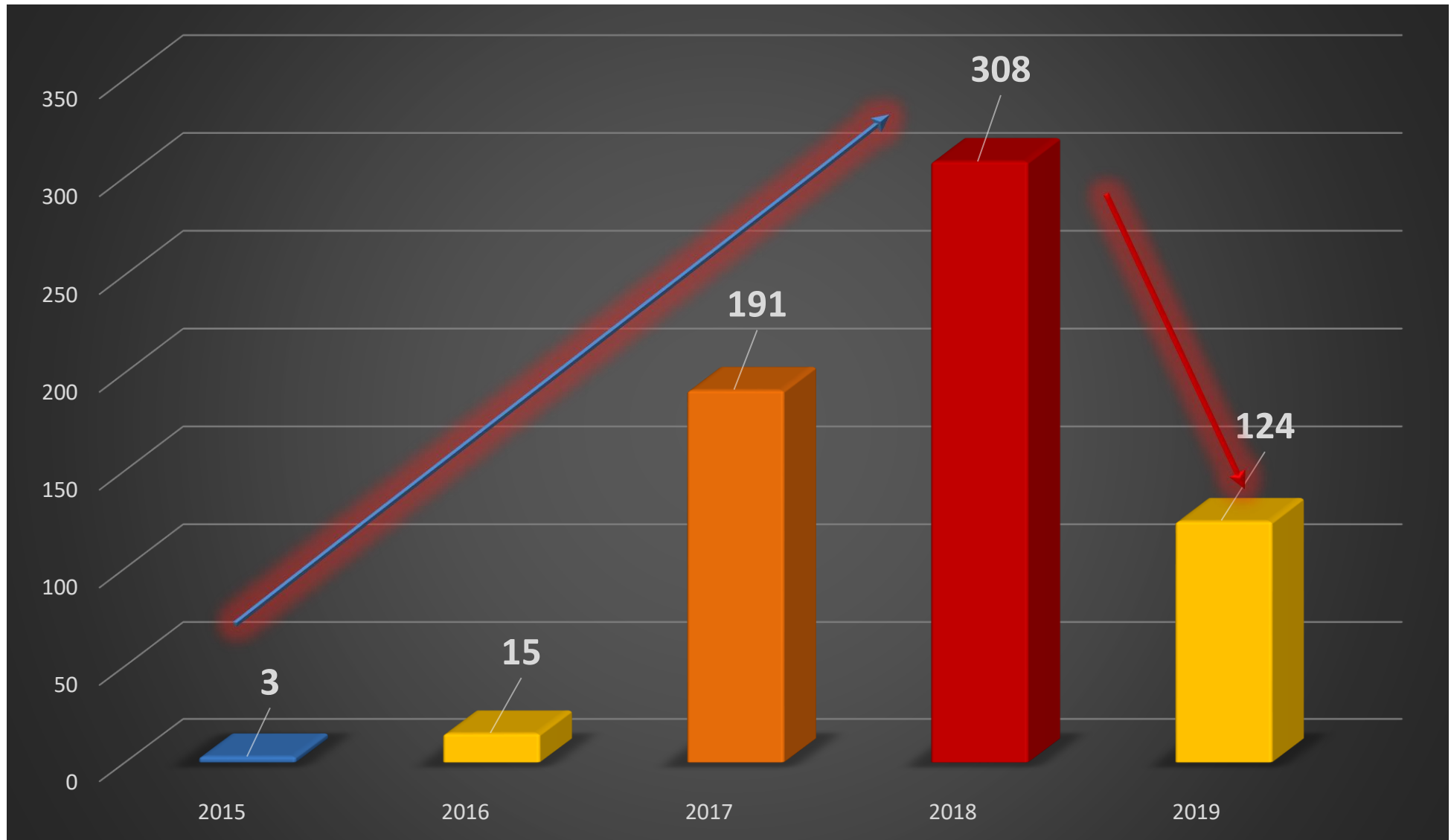
**Share of world  
production:**  
Natural gas: 18,4%  
Oil: 14,6%



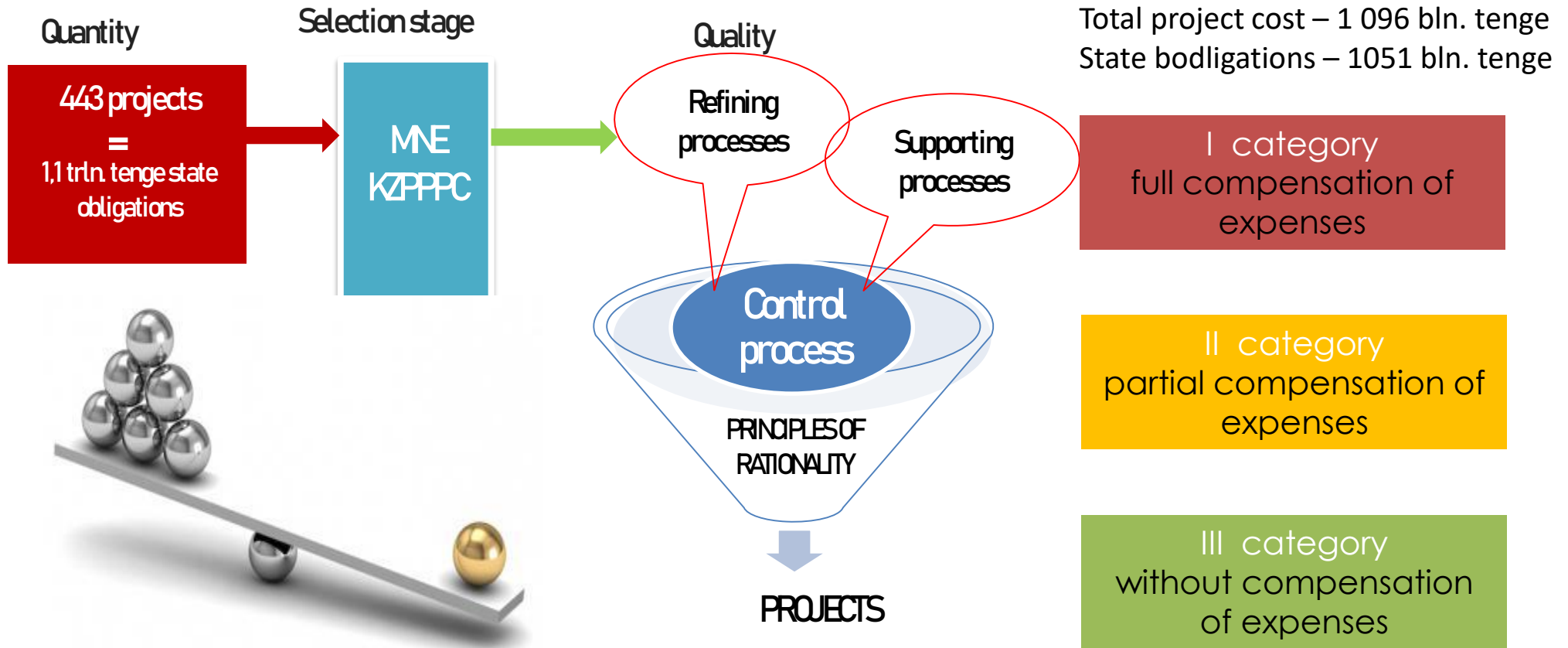


PPP HUB

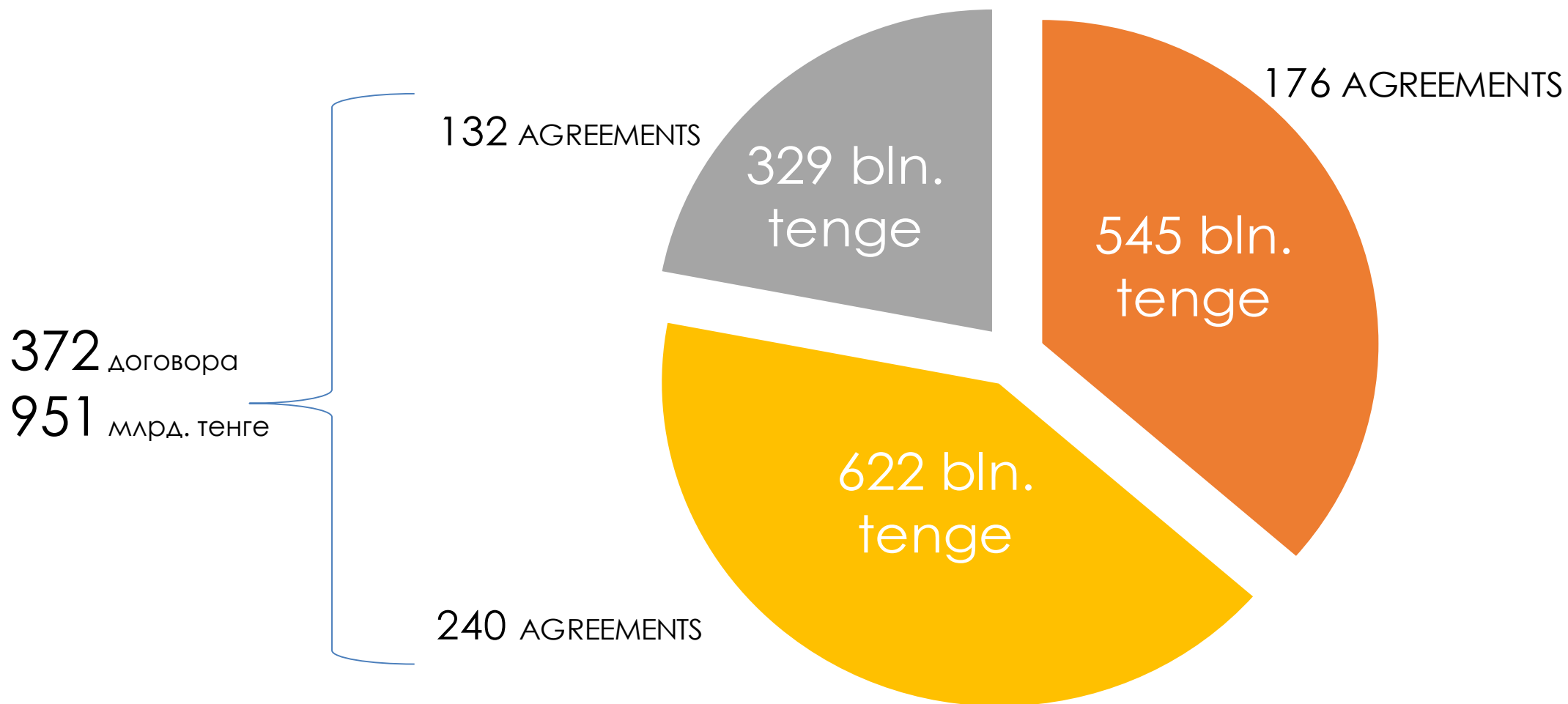
# PPP agreements trendline



# 2019: Beginning new policy **FROM QUANTITY TO QUALITY**



# From quantity to quality + 4P

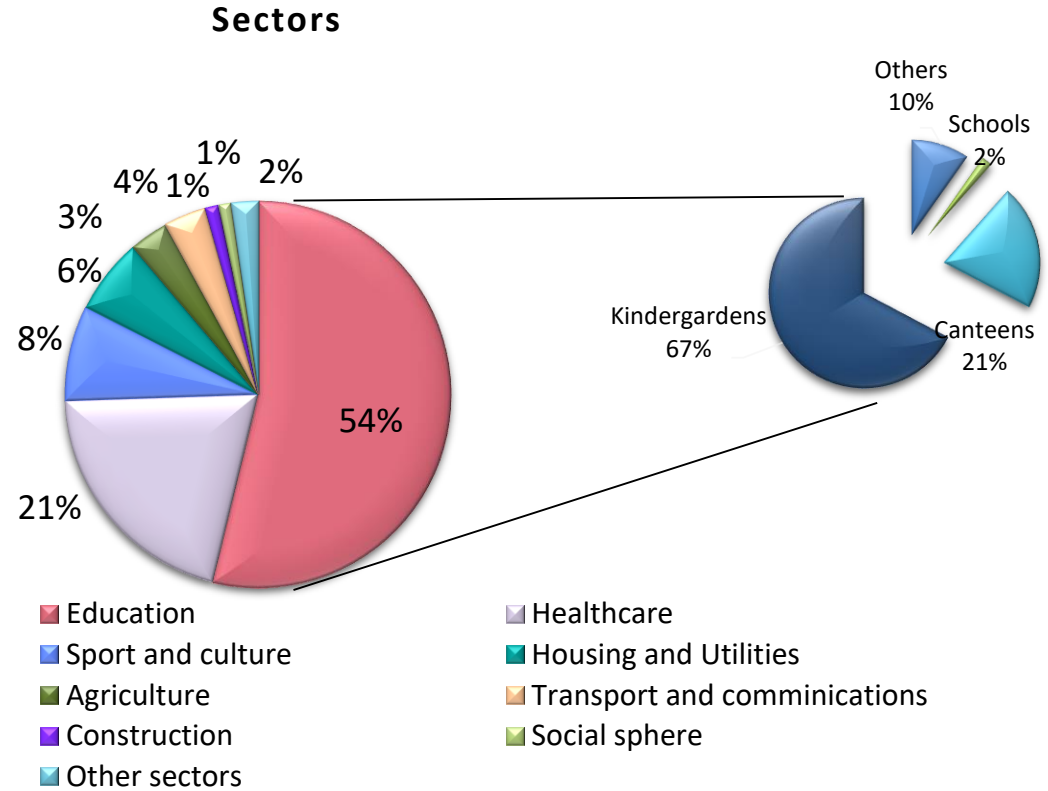
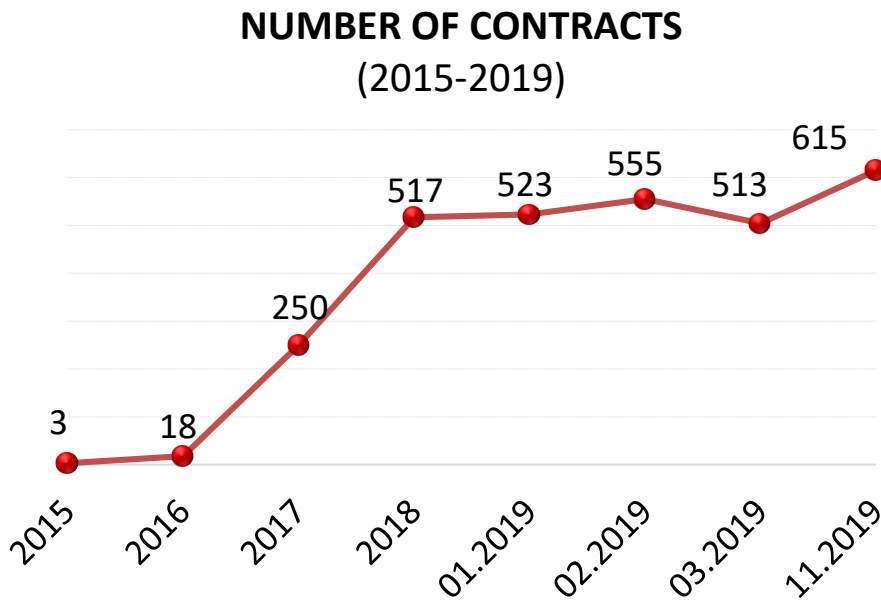


I category  
full compensation of  
expenses

II category  
partial compensation  
of expenses

III category  
without compensation of  
expenses

# STATISTICS: PPP projects (incl. Concession)



Project pipeline = **1 253** projects

Each **7<sup>th</sup>** project at the bidding stage

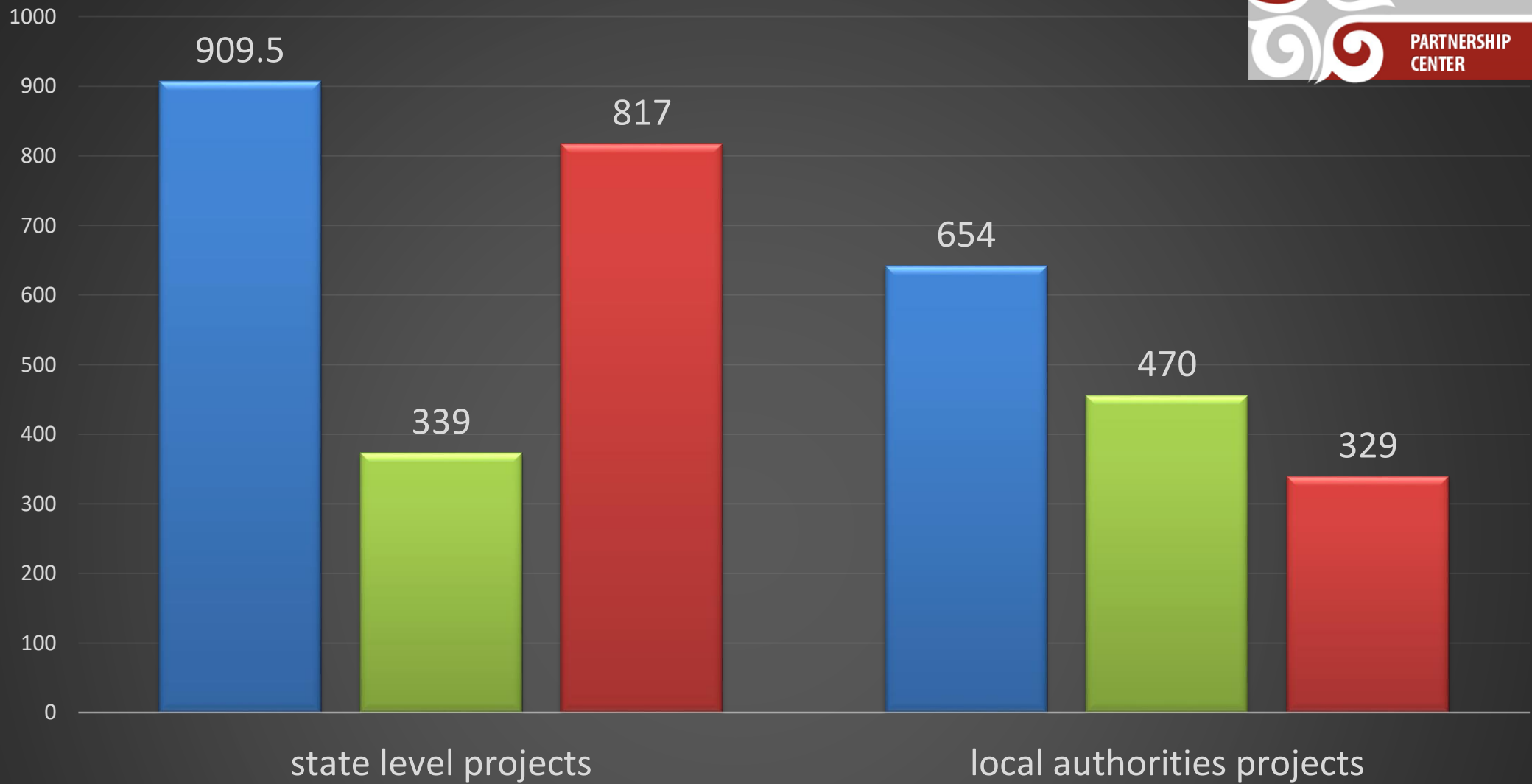
up to **28** projects are designed every month

every 5 days up to **2** contracts are signed

each **4** projects from 5 put reach operation

each **2<sup>nd</sup>** signed contract in Education sector





■ Total number (bln.tenge)

■ Attracted investment (bln.tenge)

■ State obligations (bln.tenge)

## 1. SECTORAL STATE DEVELOPMENT PROGRAM BASED PPP

**Sectoral state development program based PPP** – the ability to determine the basic parameters and procedures of implementation of standard (homogeneous) projects in the sectoral state programs.

Expansion of projects in healthcare, education, housing and utilities, tourism through Program PPP.

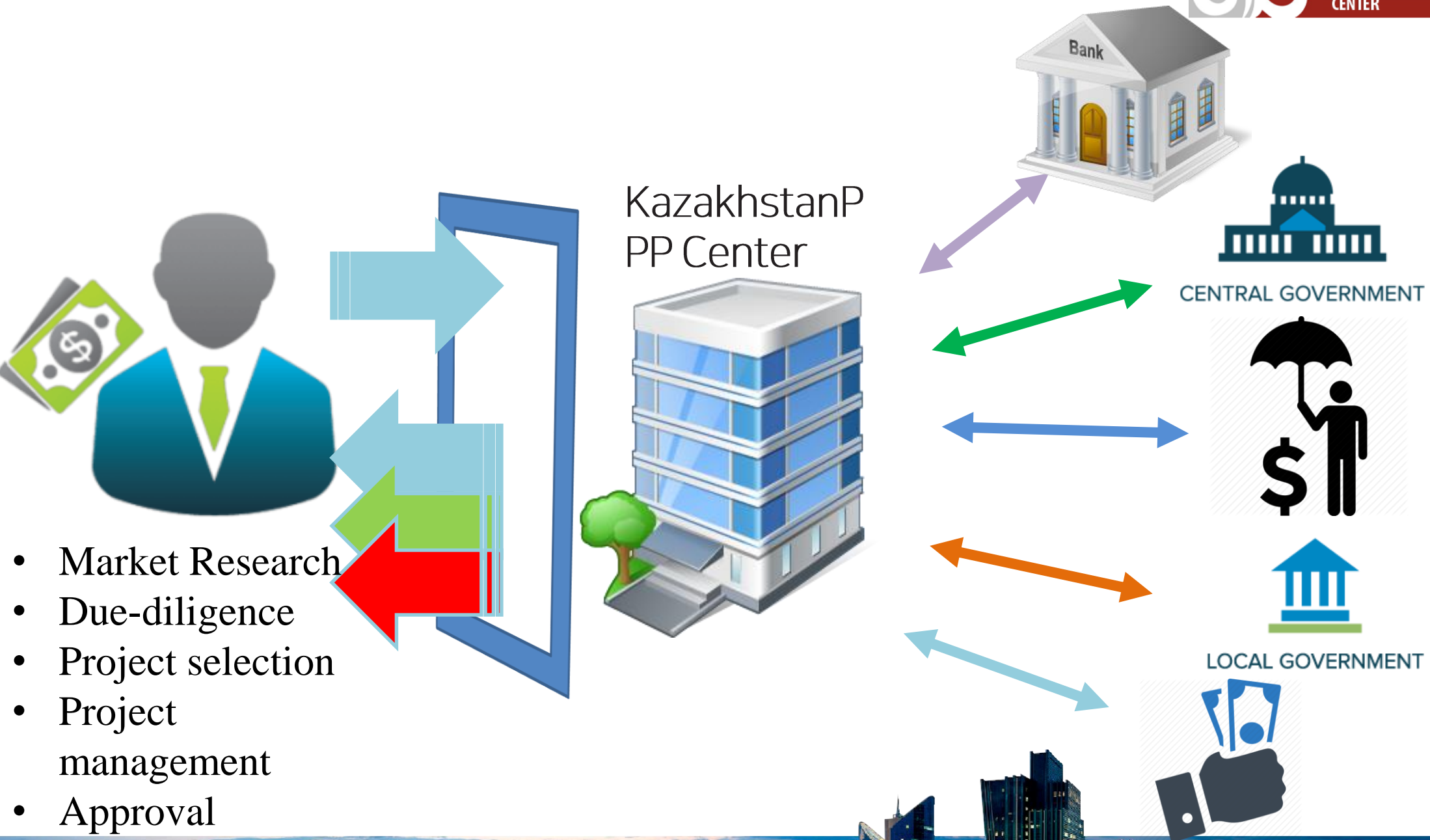
## 2. FACTORY OF PREPARED PROJECTS

Preparation of new projects for potential investors in a single format and a single database.



## 3. IMPLEMENTATION OF THE LATEST RECOMMENDATIONS OF INTERNATIONAL EXPERTS

- Currency risk reduction and International arbitration for large projects
- Expanding opportunities for consortiums
- Simplification of repayment system of private partner expenses

# Single Window for Investors



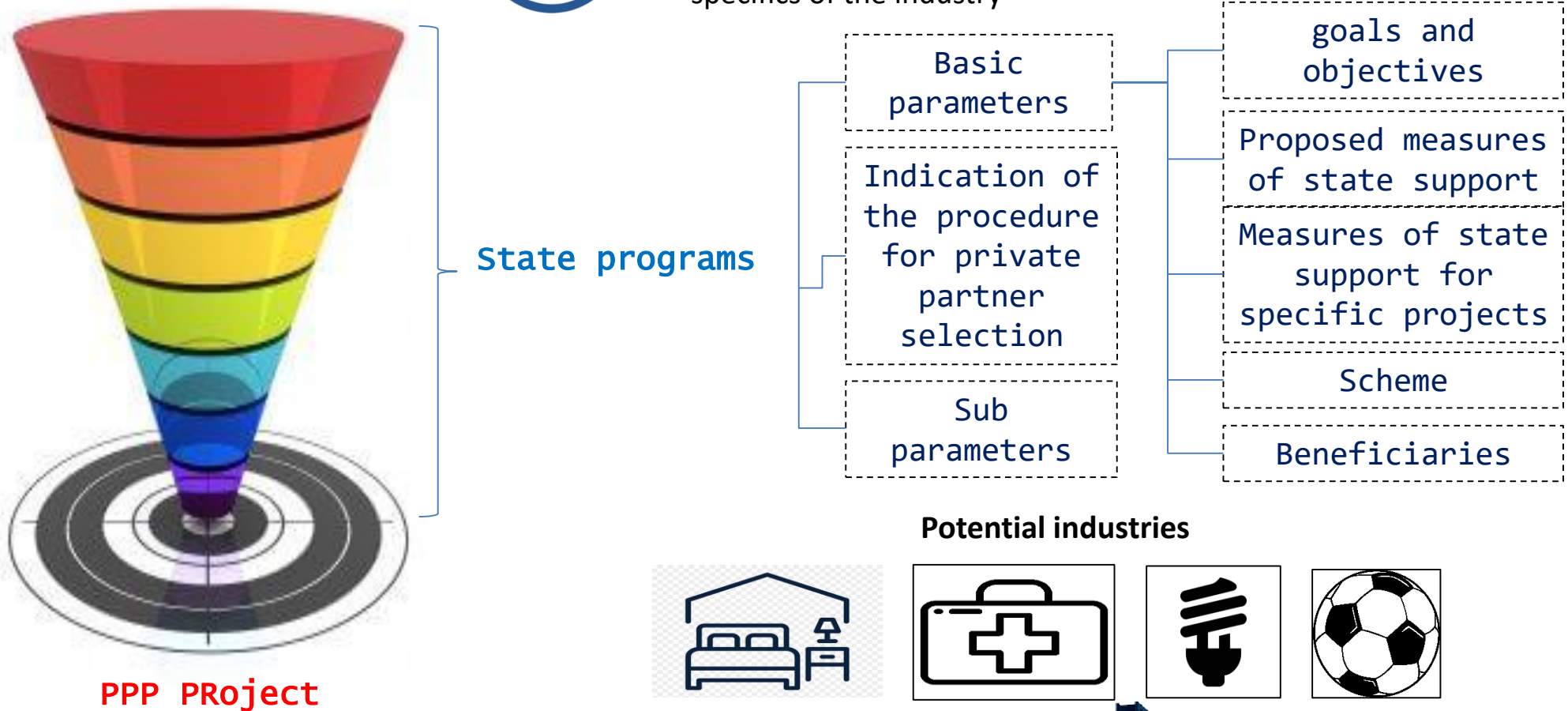
# State program PPP

Public Partner  Private Partner 

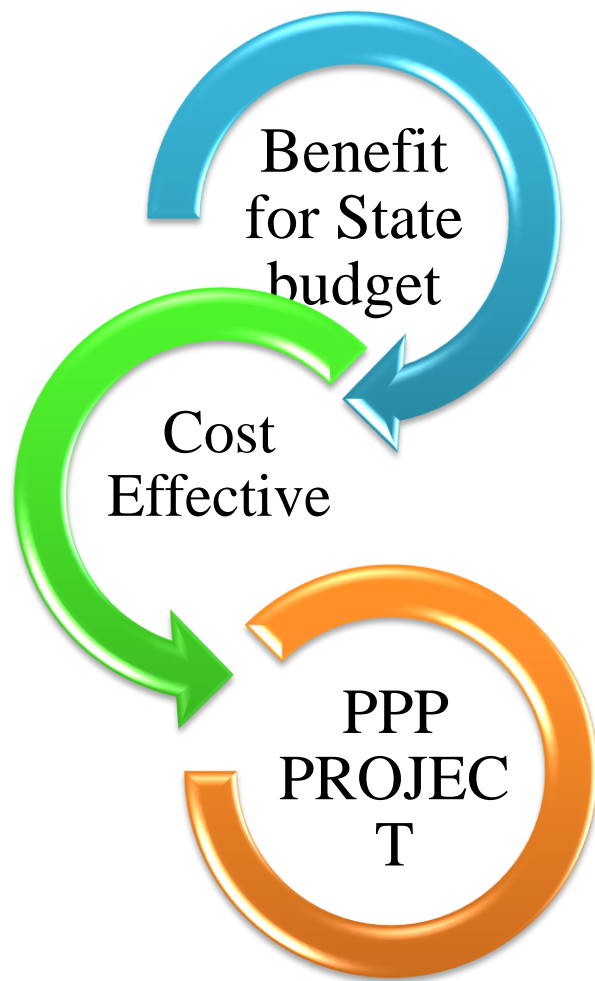


**Goal:**

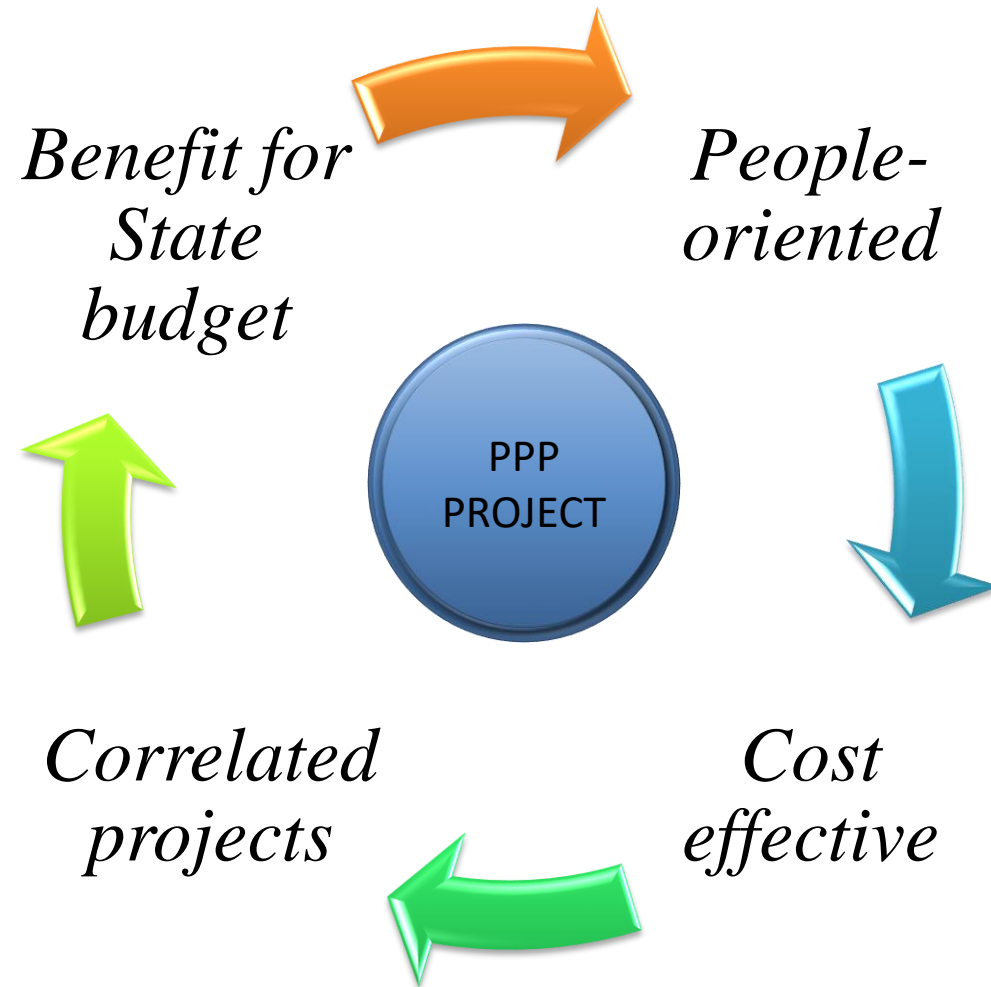
- optimization of planning procedures for PPP projects
- development of a unified approach to projects taking into account the specifics of the industry



Value – For – People + ESG concept  
=  
People-first PPP



VS



# Complex project on "Creation and modernization of student dormitories for 100,000 places in Kazakhstan"

**Public partner 1:**

**Public Partner 2:**

**Project implementation:**

**Prepared Packaged Projects:**

**State measures of private investment support:**

Ministry of Education and Science

University

All State Universities

14 projects ready for investment

1600 USD/student **1<sup>st</sup> year**

800 USD for each student

Allocated land with infrastructure

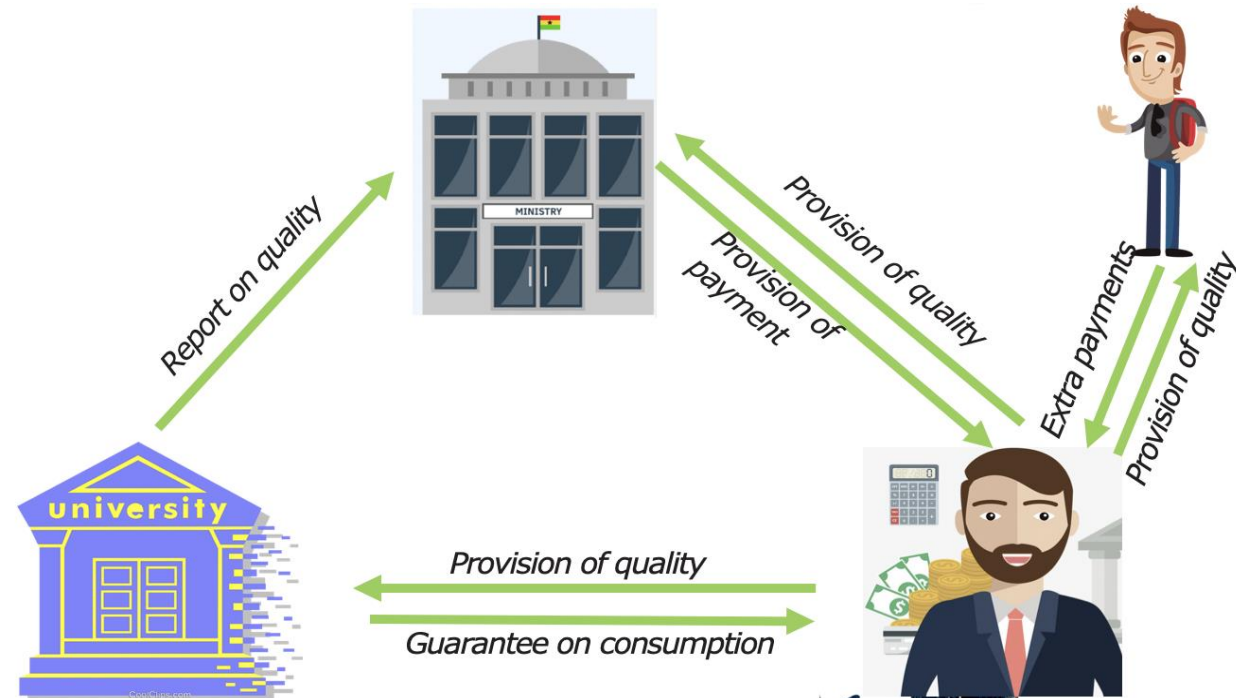
Build-Operate-Own agreement

Subsidizing of credit interest rates

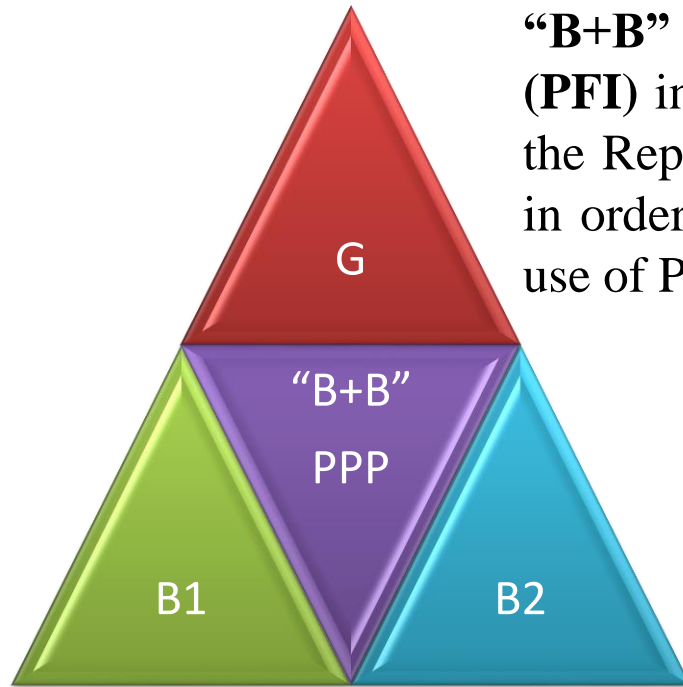
Possibility to charge extra money for living allowance

Possibility to lease of commercial premi

**Benefits for private partner:**



# "B+B" PPP CONCEPT



**"B+B" PPP** – the concept of updating the form of **Private financial initiative (PFI)** in PPP projects to support **small medium-sized enterprises (SMEs)** of the Republic of Kazakhstan based on the principles of responsible investment in order to achieve the **Sustainable Development Goals of the UN** with the use of PPP opportunities.



**Private Financial Initiative MODEL**

CONSORTIUM



- ✓ *Agreement on Construction regional hospital and facility management*
- ✓ *Turn key project (BOT)*

- ✓ *CAPEX*
- ✓ *OPEX*
- ✓ *Management fee*





## 10 REASONS TO ADOPT "B+B" PPP CONCEPT

1. MINIMIZATION OF MARKET ENTRANCE RISK
2. EASE OF DOING BUSINESS
3. DECLINE OF ECONOMIC PROTECTIONISM
4. PROJECT RISK SHARING
5. EXPANDING OPPORTUNITIES FOR FOREIGN INVESTORS TO PARTICIPATE IN PPP PROJECTS
6. LOCAL SME SUPPORT
7. KNOWLEDGE SHARING
8. TRANSFER OF TECHNOLOGIES
9. ESG BASED INVESTMENT
10. UN SDGs SUPPORT



THANK YOU FOR YOUR ATTENTION!

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THE REPUBLIC OF KAZAKHSTAN