

# KAZAKHSTAN PROJECT PREPARATION FUND

NEW INSTRUMENT OF BAITEREK HOLDING ON THE  
SUPPORTING OF THE INVESTORS



**Established** on March 19, 2014 in accordance with the decision of the Coordination Council on PPP under the Government of the Republic of Kazakhstan.

### **Founders:**

- JSC "National managing holding" Baiterek "
- JSC "Kazakhstan PPP Center"

**The purpose of the activity:** assistance in attracting investments and developing the economy by providing services to finance the development of project documentation and advisory support of infrastructure projects, as well as projects in the manufacturing industry.

### **Main activities:**

- Financing the development of project documentation and structuring of investment and infrastructure projects, including public-private partnership projects, as well as the implementation of the developed project documentation;
- Advisory support of concession projects and public-private partnership projects;
- Advising state bodies and potential investors on the creation and structuring of investment and infrastructure projects, including public-private partnership projects

# KPPF mission is to increase investment attractiveness of development projects in Kazakhstan



## Projects

Investment projects at the stage of an idea requiring the development of a business model and project feasibility study to attract investors



## Investors

Investors seeking:

- Attractive investment projects in Kazakhstan
- Projects ready to be launched with high quality feasibility study

## KPPF mission is to increase investment attractiveness of development projects in Kazakhstan through the following:

- ❑ Search for development projects which require high quality project documentation
- ❑ Project documentation development
- ❑ Financing project documentation development on refundable basis
- ❑ Finding investors for potential projects

# The Fund offers its services within 3 packages

## Content of services within each package

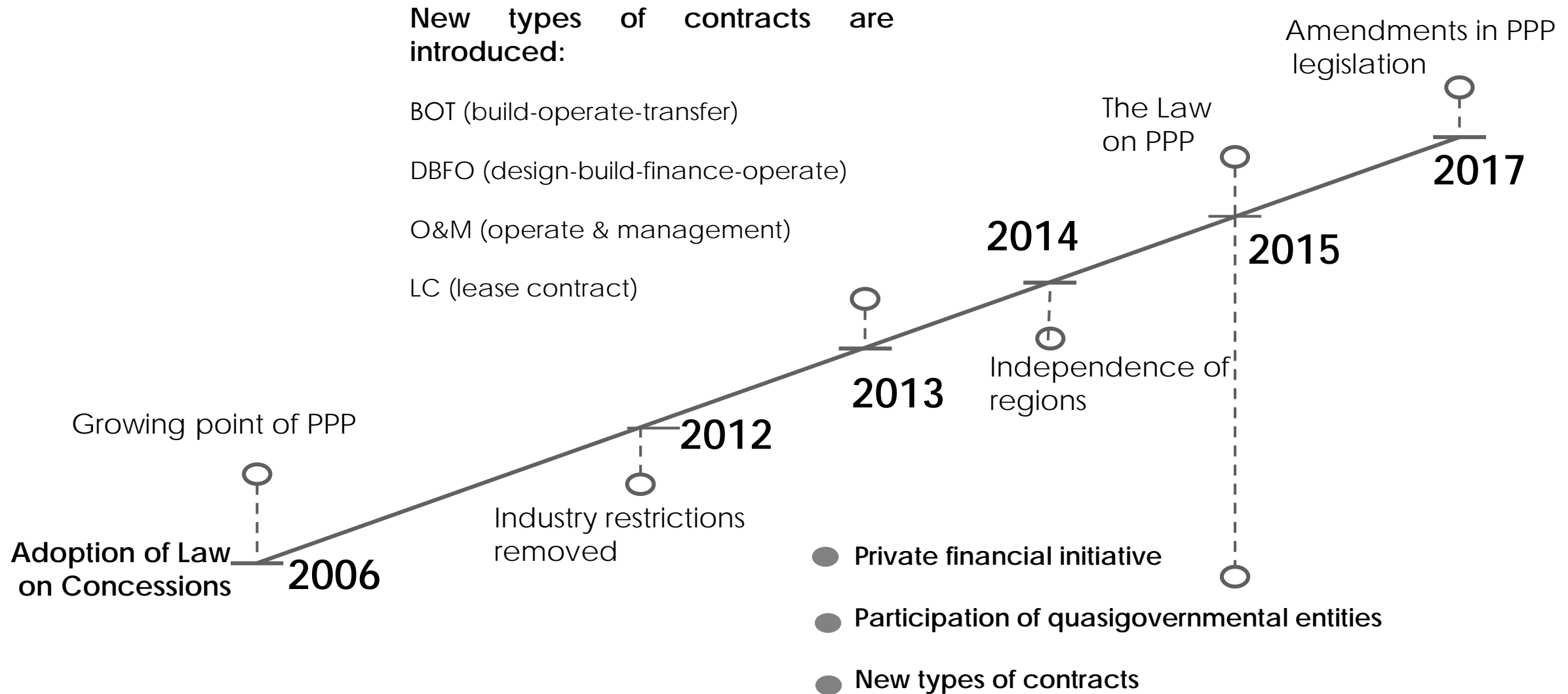
## Type of package

<div>Project documentation development</div> <div>Fixed fee<sup>1</sup></div>			<b><i>“Basic”</i></b>
<div>Project documentation development</div> <div>Fixed fee<sup>1</sup></div>	<div>Finding investors</div> <div>Success fee<sup>1</sup></div>	<b><i>“Extended”</i></b>	
<div>Project documentation development</div> <div>Success fee<sup>1</sup></div>	<div>Finding investors</div> <div>Success fee<sup>1</sup></div>	<div>Financing project documentation development</div> <div>Success fee<sup>1</sup></div>	<b><i>“Full”</i></b>

1 - Fees for services are determined for each project individually

# **The PPP legislation in Kazakhstan and current PPP projects of KPPF**

# Development of PPP legislation

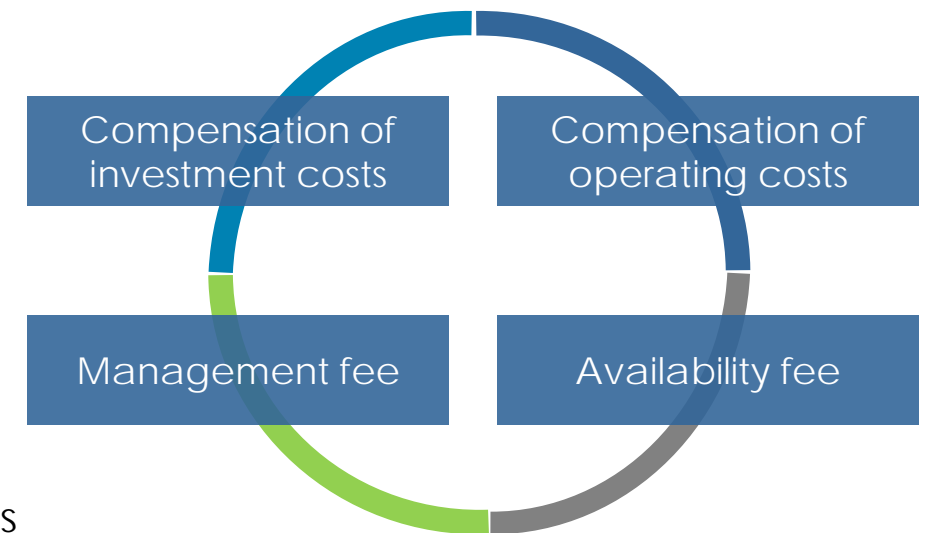


# Government support of PPP projects

## Sources of state support according to the legislation:

- state bail on infrastructure bonds, issued to finance PPP projects
- direct agreement with lenders, financing PPP projects
- transfers of exclusive rights to the objects of intellectual property belonging to the state
- awarding natural grants according to the legislation of the Republic of Kazakhstan
- co-financing of PPP projects
- guarantees of consumption by the state of a certain volume of the goods, works and services made during implementation of PPP projects.

## Sources of cost recovery and income of the private partner:



## University Clinic in Almaty



**Project description:** Concession project of construction and operation of the University Clinic in Almaty

**Capacity:** hospital with 300 beds, clinic with 150 visits per shift

**Project cost:** ~85 mln USD

**Requirement:** PPP contract modelled on «design-build-finance-transfer-maintenance»

**Project initiator:** Governmental institution

**Project location:** Almaty, Kazakhstan

**Construction period:** 38 months

**Operation period:** 11 years 11 months

**Current status:** The Ministry of National Economy of the Republic of Kazakhstan has approved the concession proposal. The tender documentation and the draft concession agreement has been prepared. Nowadays an agreement has been signed between the KPPF and the EBRD on attracting technical assistance from international consultants for the further implementation of the project. EBRD has announced the tender for hiring the international consultants.

### **Functions of the concessionaire:**

- Financing, construction and equipment;
- Operation, maintenance and management of the concession, including current repairs of the concession object.

## University Clinic in Karaganda city



**Project description:** Concession project of construction and operation of the University Clinic in Karaganda

**Capacity:** hospital with 300 beds, clinic with 150 visits per shift

**Project cost:** not specified

**Requirement:** PPP contract modelled on «design-build-finance-transfer-maintenance»

**Project initiator:** Governmental institution

**Project location:** Karaganda, Kazakhstan

**Construction period:** not specified

**Operation period:** not specified

**Current status:** A package of tender documentation is under development by ADB. KPPF is providing a consultancy support to ADB.

### Functions of the concessionaire:

- Financing, construction and equipment;
- Operation, maintenance and management of the concession, including current repairs of the concession object.

## Airport terminal in Kyzylorda city



**Project description:** The PPP project on the construction and operation of the national airport "Korkyt ata" in Kyzylorda (South Kazakhstan)

**Capacity:** Passenger capacity 250 passengers / hour, 2 telescopic landing Gangway

**Project cost:** 25,8 mln USD

**Requirement:** PPP contract modelled on «build- transfer-operate»

**Project initiator:** Governmental institution

**Project location:** Kyzylorda, Kazakhstan

**Construction period:** not specified

**Current status:** The 1st stage of the tender has been announced with the use of 2-stage procedures. Technical proposals from potential private partners are accepted until 30.08.2018.

### Private partner functions:

- Financing, construction and equipment;
- Aviation and non-aviation services;
- Operation, maintenance and management of the airport, including current and capital repairs of the PPP object.

## Concession project College with 600 seats on profile construction and engineering with a dormitory with 200 seats in district SPMK – 70 of Kyzylorda city.



**Project description:** The project assumes the creation, equipping and maintenance of the advanced specialized college of the construction sector in Kyzylorda in order to provide quality educational services;

**Capacity:** 600 seats (~ 200 graduates each year), dorm with 200 beds

**Project cost:** 9,1 mln USD

**Requirement:** PPP contract modelled on «build- transfer-operate»

**Project initiator:** Governmental institution

**Project location:** Kyzylorda, Kazakhstan

**Construction period:** 21 months

**Operation period:** 8 years

**Current status:** The tender documentation of the project has been developed and nowadays is under the approval by the authorized body. After approval of the tender documentation the tender will be announced.

**Private partner functions:**

- Financing, construction and equipment;
- Operation, maintenance and management of the concession, including current repairs of the concession object.

## Railway line bypass of Almaty station



**Project description:** Construction and operation of the railway line bypassing the railway junction of Almaty station

**Capacity:** 73,2 km, Average annual capacity is 25 million tons per year, 18 train-pairs per day

**Project cost:** around 300 million USD

**Requirement:** PPP contract modelled on «design-build-finance-transfer-maintenance»

**Project initiator:** Governmental institution

**Project location:** Almaty, Kazakhstan

**Construction period:** 38 months

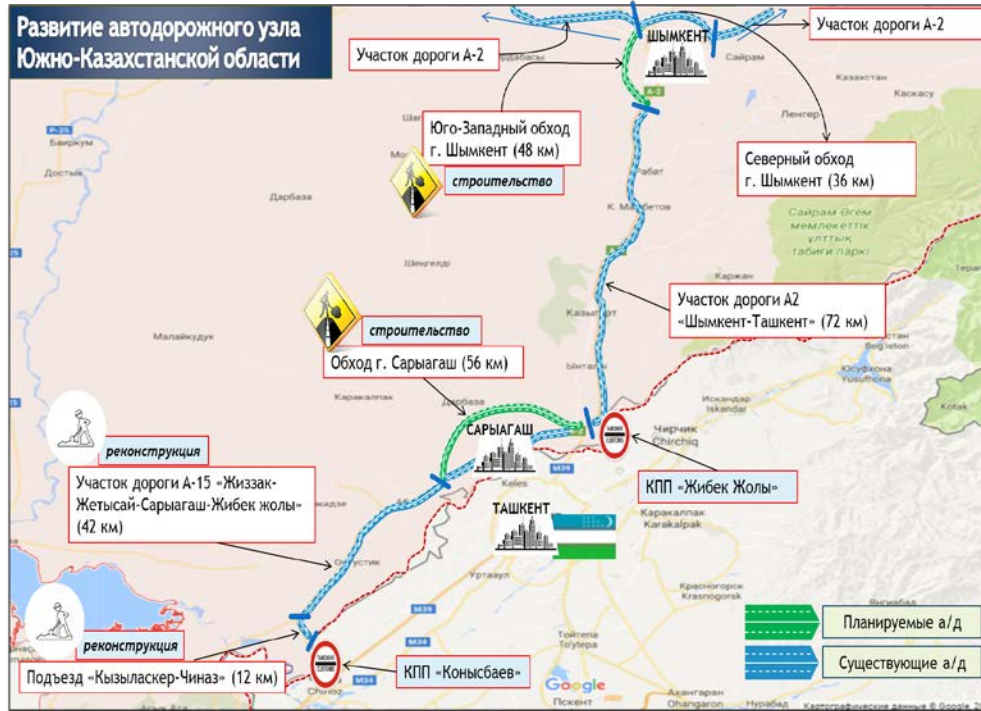
**Operation period:** 26 years

**Current status:** A package of tender documentation is under development. Based on the results of the work, it is planned to announce a tender for the selection of the concessionaire

**Private partner functions:**

- Financing, construction and equipment;
- Operation, maintenance and management of the concession, including current and capital repairs of the concession object.

# High-speed roads in South Kazakhstan region



**Project description:** Construction and operation of high-speed roads in South Kazakhstan region

**Capacity:** 254 km, 1b category, including the construction of new roads bypassing Shymkent - 48 km, Sarayagash - 98 km, operation of the existing roads – 108 km

**Project cost:** around 500 mln USD

**Requirement:** PPP contract modelled on «design-build-finance-transfer-maintenance»

**Project initiator:** Governmental institution

**Project location:** South Kazakhstan region, Kazakhstan

**Construction period:** 4 years

**Operation period:** 12 years

**Current status:** A package of tender documentation is under development with KPPF and Asia Development Bank. Based on the results of the work, it is planned to announce a tender for the selection of the concessionaire

**Private partner functions:**

- Financing, construction and equipment;
- Operation, maintenance and management of the concession, including current and capital repairs of the concession object.

**For further information, please refer to the following contacts:**

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