



PUBLIC-PRIVATE PARTNERSHIP (PPP)

INDUSTRY AND LEGAL UPDATE

KALIKOVA &
ASSOCIATES
law firm

Information for effective business solutions

Issue 6, September 2017 – April 2018

Industry Update

April 2, 2018

Bidding for Kyzyl-Kyrgyzstan Cinema Theater Reconstruction PPP Project announced completed

The Department of Cinematography of the Ministry of Culture, Information and Tourism of the Kyrgyz Republic announced the completion of bidding for Kyzyl-Kyrgyzstan Cinema Theater reconstruction PPP Project.

By the decision of the Bid Evaluation Committee of March 22, 2018, Burana-Grand LLC and ADS Group Corporation Consortium was announced as winning bidder for the reconstruction, financing and operation of Kyzyl-Kyrgyzstan cinema theater.

www.ppp.gov.kg

January 24, 2018

Health Ministry announces plans to initiate new Public Hospital Building PPP Project

On January 22, 2018, Prime Minister Sapar Isakov instructed Health Minister Talantbek Batyraliev to collaborate with the Investment Promotion and Protection Agency of the Kyrgyz Republic to initiate the PPP project on construction of the new 400-500 bed public hospital building.

www.kabar.kg

December 15, 2017

Legal Update

April 16, 2018

Government proposes new PPP bill

The Government submitted the new Public-Private Partnership Bill to the Parliament for consideration.

The proposed Bill aims to simplify procedures and reduce the time required for the preparation of the PPP projects.

In particular, the Bill offers a new, expanded definition of the term public partner according to which the public partner may be represented by one or more organizations.

In addition, the Bill introduces some new terms such as interested party, bidder, consortium, request for qualification, request for proposals, unsolicited proposal.

Also, the Bill adds clarity to provisions on managing the bid process and implementing the PPP agreement.

According to the Bill, the submission of one bid will be sufficient for choosing the preferred bidder.

www.gov.kg

February 16, 2018

Parliament holds hearings on PPP Act implementation

The hearings were initiated by the Parliamentary Committee on Economic and Fiscal Policy and were attended by the members of the Government, representatives of the Ministry of Economy, other public and local authorities, international organizations and business community.

Active promotion of PPP projects to boost social infrastructure development

Esenkul Momunkulov, the Director of the Investment Promotion and Protection Agency of the Kyrgyz Republic, noted that the PPP projects to be delivered in Kyrgyzstan in the next 5-10 years should focus on the development of regional, municipal and other significant social infrastructure.

The most suitable economic infrastructure projects on which the PPP model can be used are communications and transportations, utilities, healthcare, construction, and services industries, Momunkulov noted.

www.kabar.kg

December 15, 2017

PM Sapar Isakov: Government and business are interested in building effective PPP

The government and business are interested in building effective public-private partnership, the PM said in his welcoming speech at the roundtable: "Attracting private investment through PPPs in the Kyrgyz Republic."

The PM noted that only one PPP project is currently being delivered in Kyrgyzstan (hemodialysis project).

"There were many disputes over effectiveness of the PPP Act. Today, steps are undertaken to draft the new PPP bill. We need effective mechanisms to create favorable conditions for investment in Kyrgyzstan," the official said.

The government will do its best to strengthen PPP practice in the Kyrgyz Republic and to find new ways to ensure effective project implementation in the long-term perspective, the PM assured.

"Economic growth can be achieved when government and business interests coincide and serve the public interest," the official noted.

www.gov.kg

October 3, 2017

PM Sapar Isakov instructs to conduct feasibility study for Schools PPP Project that will meet local needs

The PM held a working meeting to discuss the Schools PPP project in Kyrgyzstan.

The meeting discussed the IFC's proposal to assist the Kyrgyz Ministry of Education and Science in finding private investors for the Schools PPP Project (Build-Finance-Maintain-Transfer).

The hearings were devoted to the legal and practical aspects of the PPP projects in the Kyrgyz Republic. Complex legislation and implementation mechanisms as well as the need for their revision and modification were mentioned among the concerns raised at the hearings.

Gulnara Kalikova, Counsel at Kalikova & Associates, made a presentation on existing regulatory challenges and obstacles in the current PPP Act, including the issues of preparing a PPP project and selecting a private partner.

The lawyers of Kalikova & Associates took an active part in the drafting of the new PPP Bill in cooperation with the Ministry of Economy of the Kyrgyz Republic.

November 15, 2017

Status uplift of State Investment and Export Promotion Agency

The State Investment and Export Promotion Agency of the Ministry of Economy of the Kyrgyz Republic was reorganized into the Investment Promotion and Protection Agency of the Kyrgyz Republic.

This step was undertaken as part of the measures set out in the Government Program: 40 Steps to a New Era 2018-2023, stating that one of the ways to increase foreign direct investment flows is to enhance the role of the investment promotion agency.

The Kyrgyz Investment Promotion and Protection Agency will carry out government policies regarding investment, export, and PPP and will be accountable directly to the Prime Minister.

One of the main functions of the reorganized Agency is to support investment projects at all stages: from initiation to closure. The uplifted status of the Agency will ensure easier market access for foreign investors and prompt response to bureaucratic barriers when implementing investment projects.

www.gov.kg

Recent surveys show that 420 brand new secondary schools will need to be built in the country with more than 200 schools being in need of renovation.

The Schools PPP project will be delivered under a Build-Finance-Operate-Maintain-Transfer arrangement to ensure access to private finance, save public funds, improve quality of construction services and make the investor in charge of maintenance, Sapar Isakov noted.

The Schools PPP Project will be a large-scale and long-term project, the PM said. He instructed the Ministry of Education and Science to conduct, in cooperation with IFC, a feasibility study for the Schools PPP project taking into account the local needs.

www.kabar.kg



71 Erkindik Avenue
Bishkek, 720040
Kyrgyz Republic

Tel.: +996 (312) 666060
Fax: +996 (312) 662788
Web: www.k-a.kg
Email: lawyer@k-a.kg

The sources of news contained in the Update are websites: www.gov.kg, www.ppp.gov.kg, www.kabar.kg, etc.

If you would like to ensure that you continue to receive this newsletter [subscribe here](#), and make sure to add our email to your address book.

If you do not wish to receive this newsletter [unsubscribe here](#).

If you have any comments, please contact Albina Rakhmidinova at arakhmidinova@k-a.kg

Kalikova & Associates does not bear responsibility for completeness and accuracy of the news contained in the Update. Update materials are for general information purposes only and should not be considered as legal advice. Transmission of information on or by use of this Update is not intended to create, and receipt does not constitute, a lawyer-client relationship between the sender and receiver.

Copyright © 2018 Kalikova & Associates