



colibri kazakhstan
FULL SERVICE LAW FIRM

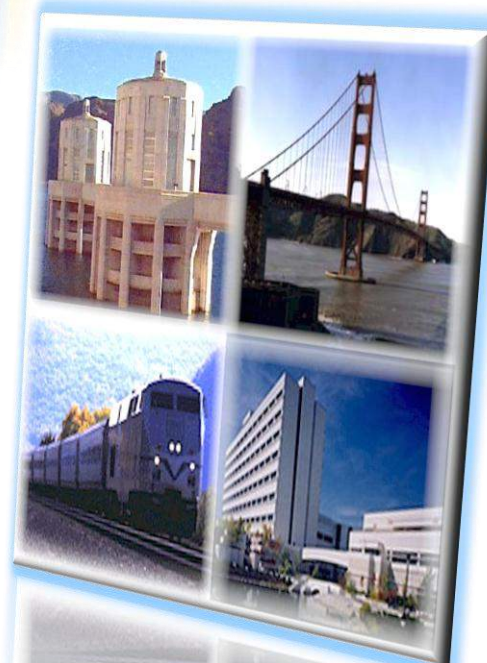
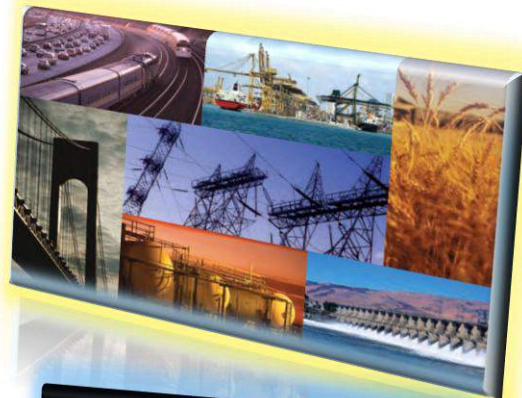
INSTITUTIONAL PUBLIC-PRIVATE PARTNERSHIP

IFLR1000

THE
LEGAL
500

INSTITUTIONAL PPP

Institutional PPP – joint participation of public and private partners in the equity of new project company.



PUBLIC PARTNER

PRIVATE PARTNER

%

%

PRIVATE-PUBLIC
PARTNERSHIP COMPANY

PPP FEATURES



- PPP Concept
- PPP Contract
- Medium and Long term Duration
- There can be several public and private partners

Public Partners

- RK Government
- Local Executive Authorities (Akimats)
- Quasi-State Authorities (where the state owns directly or indirectly >50% of equity)

LEGAL FORM

LIMITED LIABILITY PARTNERSHIP

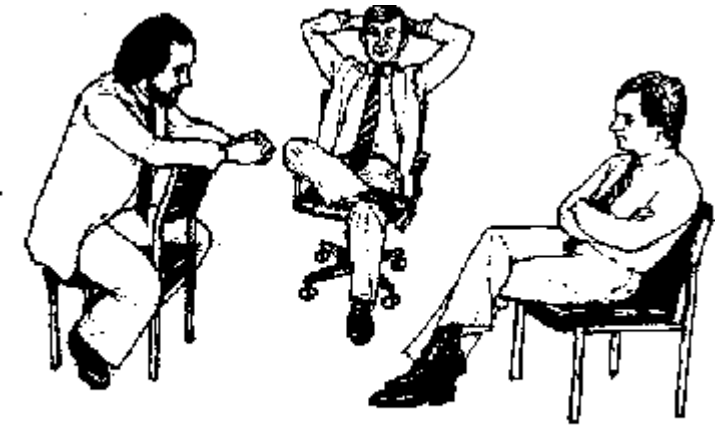
Entitled to conclude a PPP contract within the framework of the LLP charter

Regulated by the LLP Law

JOINT STOCK COMPANY

the relationship between the public partner and the private partner are governed by the PPP contract

Regulated by the JSC Law



CORPORATE GOVERNANCE

- PPP company for implementation of PPP project
- PPP company charter should not contradict PPP contract
- In case of conflict between the PPP contract and PPP company charter:
 - 1) PPP contract should prevail to regulate internal relations between the public partner and the private partner;
 - 2) the PPP company charter should prevail to regulate relations with with third parties.



PROHIBITIONS



Prohibited without mutual consent:

1. Alienation, pledge or otherwise encumber the voting shares (interests) in the PPP company.
2. An increase in the PPP company share or amendments and (or) additions to its charter;
3. Issue bonds and other securities by the PPP company;
4. Reorganization and liquidation of the PPP company; etc. as specified in the charter.

PRIVATE PARTNER DETERMINATION

COMPETITION (TENDER)

- *Simplified Procedure*
- *Two-stage Procedure*



DIRECT NEGOTIATIONS



QUALIFICATION REQUIREMENTS FOR PRIVATE PARTNER

- have legal capacity (for legal entities) and civil capacity (for individual entrepreneur);
- be solvent and have no tax debt;
- have financial and (or) material, and (or) human resources necessary for the fulfillment of the obligations under the PPP contract;
- not be subject to bankruptcy or liquidation, its property shall not be seized, its financial and economic activities shall not be suspended in accordance with the RK legislation;
- not be held liable for non-fulfillment and (or) improper performance of its obligations under the concluded in the last three years the contracts of public-private partnership on the basis of a court decision entered into force, on the recognition of the unfair potential private partner.



CASE STUDY

case study

COMPARE TWO VEHICLES: BMW VS LADA



COMPARE TWO PUBLIC PARTNERS: STATE AUTHORITY VS QUASI-STATE AUTHORITY

STATE AUTHORITY

QUASI-STATE AUTHORITY

CASE STUDY

REIMBURSEMENT SOURCES

- Subsidies
- RIC
- ROC
- Management remuneration
- Availability payment

STATE GUARANTEES

- The guarantees for infrastructure bonds
- The guarantees for loans
- Natural grants
- Co-financing
- Consumption guarantees

STATE AUTHORITY



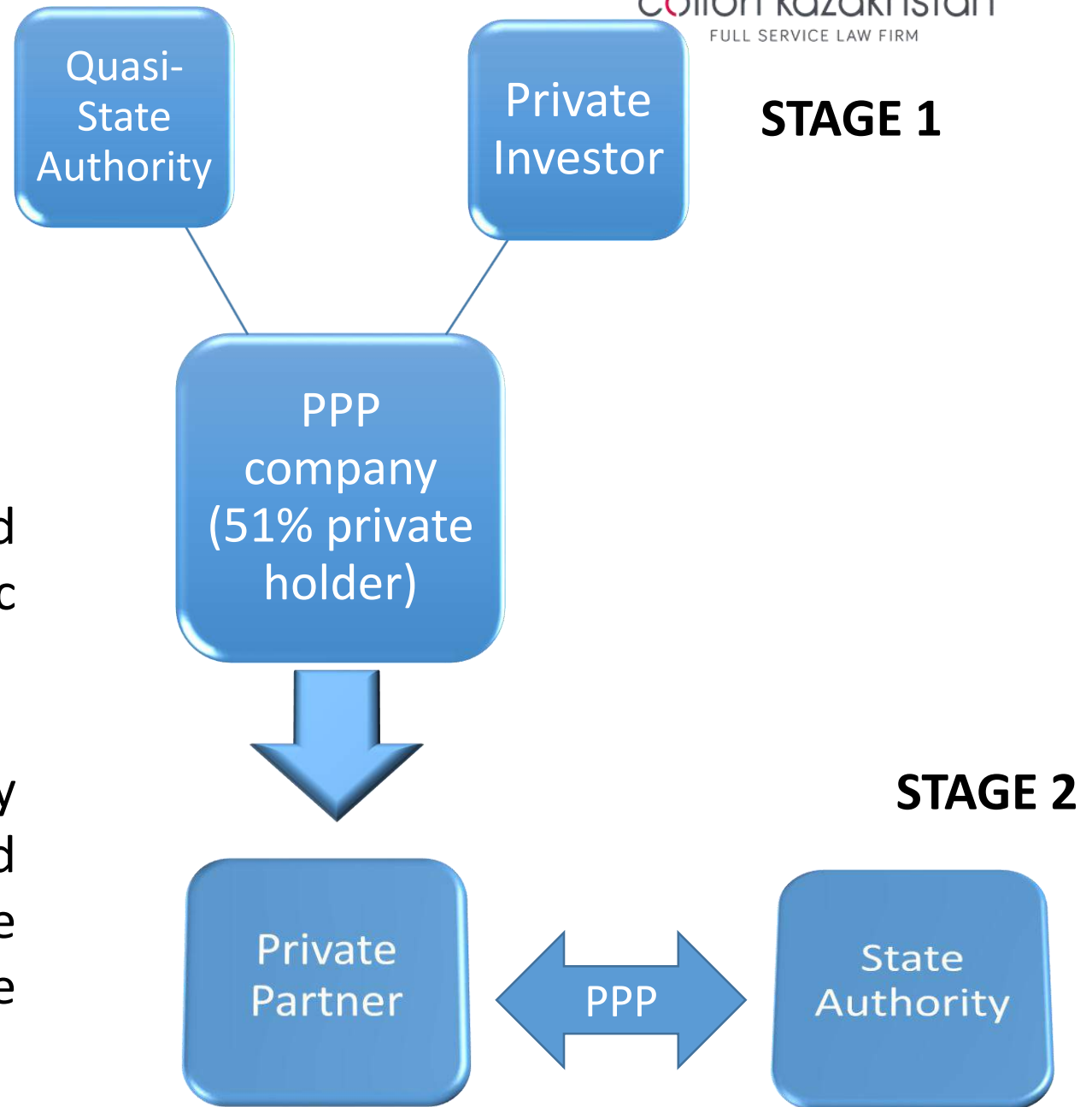
QUASI-STATE AUTHORITY



CASE STUDY

Is it possible (?):

- To run combined type of PPP (Institutional & Contractual)
- To have State-Authority and Quasi-State Authority as public Partners simultaneously
- To incorporate PPP company by Quasi-State Authority and Private Investor and seek state guarantees from State Authority



THANK YOU