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Project Finance & Public-Private Partnership (PPP)

Kazakhstan, Central Asia's largest economy and oil producer, since 1991 has had to rely on the deteriorating infrastructure it inherited from the Soviet Union. As a result, nearly every piece of public infrastructure (e.g., roads, hospitals, power plants, kindergartens, sewerages) in Kazakhstan requires a different degree of upgrading and/or expansion. Kazakhstan authorities have come to recognise that they cannot finance the necessary investments in public infrastructure from current budgets and that a major part of future financing must flow from the private sector. The need for the inflow of capital is becoming even more pressing because of sharp decline of the Kazakhstani commodity revenue. As a result, the authorities in Kazakhstan are trying to offer some fiscal incentives and optimise the legal framework to encourage private investment in public assets, including by way of PPPs.

On 7 July 2006 the law of the Republic of Kazakhstan "On Concessions" No.167-III 3PK (the "Concession Law") has been adopted that enabled execution of six concession agreements as of 2016. The lack of popularity of concessions so far, however, is due to excessive regulation of concession relationships by the relevant legislation, which diminishes the parties' flexibility in determining project terms and because the process for granting concessions in Kazakhstan is very bureaucratic and time consuming. In order to address this issue, on 31 October 2015 the Republic of Kazakhstan enacted a new law, "On Public-Private Partnerships" No. 379-V 3PK (the "PPP Law"). Public-private partnerships can now be structured not only as concessions and can be used to implement projects under the PPP Law framework in any sector of the economy, though declared priorities are (i) education, (ii) healthcare, (iii) transport, (iv) power industry and (v) housing and public utilities.

These combined challenges are creating an unprecedented opportunity for the infrastructure industry to emerge with solutions. Because of our extensive experience in virtually the entire spectrum of projects, leading players in the public infrastructure market repeatedly turn to GRATA International to assist them with their infrastructure development projects.

As the largest local law firm in Central Asia, GRATA International acts for both domestic and international clients and all manner of infrastructure industry participants, our team of lawyers has played a significant role in most of the public-private partnership projects in Kazakhstan and Central Asia. Our proficiencies in these areas include expertise in corporate/commercial law, real estate, construction, tax and project finance, as well as in the more specialised areas such as procurement and environmental law.

Drawing from a diverse pool of expertise, we have acted as project counsel on an extraordinarily broad range of infrastructure projects. A representative list would include:

- ▶ transport (motorways and railways, light rail and airports);
- ▶ water and waste utilities (water supply and treatment, waste recycling and incineration);
- ▶ energy (conventional and alternative energy, as well as power transmission infrastructure);
- ▶ industrial enterprises (Greenfield and Brownfield);
- ▶ complex development of territories (including multi-regional projects);
- ▶ social infrastructure (hospitals and other healthcare facilities, schools, etc.).

In the area of PPP, our services include:

- ▶ Structuring the PPP scheme, support in determining most effective implementation schemes, participation in negotiations with state authorities and respective state bodies.

- Legal due diligence, analysis of legal risks detected.
- Drafting and harmonisation of agreements including PPP contracts and concession agreements; drafting auxiliary documentation with regard to a field-specific regulation, if applied.
- Soliciting permits and approvals with state authorities required to implement the project including antimonopoly clearance.
- Monitoring the performance of liabilities and commitments by the parties as stipulated by the agreement, legal advice to the client on any issues related thereto.

Articles:

Overview of the current energy mix, and the place in the market of different energy sources (This article was first published in [GLI - Energy 2021](#))

Industries

[BANKING & FINANCE](#)

[CONSTRUCTION & INFRASTRUCTURE](#)

[PHARMACEUTICALS & HEALTHCARE](#)

[TRANSPORT](#)

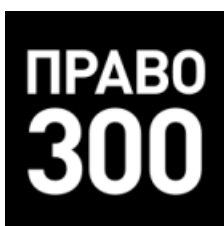
Recognition

Azerbaijan



Legal 500, Tier 3, 2020

Placed in Tier 3 for its expertise in legal matters related to PPP projects



Pravo 300, 2021, I group

Kazakhstan



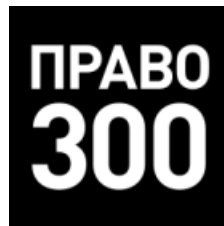
Legal 500, Tier 2, 2017-2019

GRATA International's Banking and Finance team is particularly strong in project finance and PPP matters.



IFLR1000, Tier 3, 2016-2019

Recognition in Project Development.



Pravo 300, 2021, I group



IFLR 1000, Tier 2, 2022

Securing rankings in IFLR1000, a key international legal directory for project development GRATA International confirms its position as one of the leading law firms in the region.

Kyrgyzstan



Pravo 300, 2021, I group

Uzbekistan



Pravo 300, 2021, I group

Experience

Azerbaijan

- Advised one of international investment banks on concession and PPP legislation of Azerbaijan;
- Advised a major European bank on the specifics of financing projects in state enterprises in the Republic of Azerbaijan;
- Provided local expert in Transaction advisory segment of pilot PPP project in Azerbaijan (by Asian Development Bank), recommendations on changes to the secondary legislation in order to improve legislation to make PPP projects in Azerbaijan attractive and comfortable for foreign and local investors, and together with the team of experts conducting Capacity Building seminars for the government agencies (Ministry of Education, Ministry of Economy, Ministry of Finance, SMEDA).

Kazakhstan

Our recent experience in **DRAFTING THE LEGISLATION** includes:

- Advising an international financial institution and the Government of Kazakhstan on analysis of current PPP legal framework to determine legal impediments and issues, including drafting relevant legislative amendments and negotiating with the relevant state authorities (current project).
- Advising Asian Development Bank and the Government of Kazakhstan (represented by the Ministry of Health) on the ground-breaking Build-Transfer-Operate project in healthcare system (300-bed multifunctional teaching hospital in Karaganda city), including providing full legal support with structuring of the project; advising on amendments to the relevant legislation to make the proposed project feasible and bankable. This is the largest and debut project ever in Kazakhstan in healthcare sphere that will set up a benchmark for further hospital PPP projects (current project). Amendments to the Healthcare Code of Kazakhstan that were drafted by GRATA to set up specific regulation of PPPs in healthcare and make the project feasible and bankable were adopted by the President of Kazakhstan and entered

into force in January 2020.

- ▶ Advised a foreign investor on entering into one of the largest investment projects in Kazakhstan – construction of a world-scale integrated petrochemical complex on production of polyethylene, including drafting the Government Support Agreement with the Government of the Republic of Kazakhstan and participation in negotiations with the Government of Kazakhstan and relevant state authorities. Project value is approximately USD 6.5 bln (current project).
- ▶ Advised Asian Development Bank and the Government of Kazakhstan (represented by the Ministry of Health) on pilot PPP projects in the primary healthcare (polyclinics), including drafting template tender documentation and template PPP agreements for bankable PPP projects and guidance thereto.
- ▶ Advised Asian Development Bank on the study and recommendations for alternative approaches to financing of municipal housing and utilities infrastructure in the Republic of Kazakhstan, including work on improvement of the related PPP and project finance legislation.
- ▶ Advising Asian Development Bank and the PPP Development Agency of Uzbekistan on development of the Uzbekistan PPP Program including, but not limited to, the development of the template agreements and template PPP tender documentation for different sectors of economy (e.g. healthcare, power, transport, etc), as well as supporting the development of the regulatory and institutional framework for the PPP program. As part of the Project advised relevant Uzbek state authorities on the ongoing largest infrastructure projects in the country, including on debut 100 Megawatt solar power project (current project). Templates in healthcare were adopted by the Ministry of Health of Uzbekistan and entered into force in November 2019.
- ▶ Advising Asian Development Bank and the Government of Azerbaijan (represented by the Ministry of Economy and Ministry of Education) on two pilot student accommodation, PPP – structured projects, including identification of and procuring recommendations on legal constraints that prevent development of PPPs in Azerbaijan. As part of the project GRATA has drafted legislative amendments to the BOT Law and BOT rules to make PPP projects in Azerbaijan bankable.
- ▶ Advised Astana International Financial Centre (AIFC) regarding the AIFC rules, including the development of rules on companies, anti-money laundering, auditors, business rules, prudential rules, remuneration rules, rules for joint investment schemes, rules for a representative module, etc.
- ▶ Advised European Bank for Reconstruction and Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Ministry of National Economy on the project of Support to Drafting a Law On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning the Transition of the Republic of Kazakhstan to Green Economy including analysis of current legal framework on transition to “green” economy in such sectors like water/wastewater, solid waste management, urban transport, district heating and cooling to determine legal impediments and issues; participation in the working groups and meetings with representatives of state authorities and authorised organisations which activities is associated with transition to “green” economy in such sectors like water/wastewater, solid waste management, urban transport, district heating and cooling; drafting relevant legislative amendments.
- ▶ Advised European Bank for Reconstruction and Development and Government of the Republic of Kazakhstan on the initial stage of the Phase 1 of the reforming the tariff policy and legislative and regulatory framework for natural

monopolies in various sectors of economy of Kazakhstan, including operation of water supply and water disposal, heating, airport services.

- ▶ Advised a leading global consulting company headquartered in Singapore on reforming the legislation in the field of special economic zones (SEZs) in the Republic of Kazakhstan in order to increase the efficiency of SEZs, modernize infrastructure and attract investments; including the preparation of a comprehensive analysis of legal issues related to the activities of SEZs and recommendations aimed at improving their activities.
- ▶ Advised a foreign consulting company in developing the concept of the Law “On Permits and Notifications”.
- ▶ Advised a Kazakhstan trading company on the development of draft amendments to the legislation on technical regulation of the Republic of Kazakhstan.
- ▶ Advised state bodies of the Republic of Kazakhstan on the development of certain parts of the Subsoil Use Code.
- ▶ Advised Global Green Growth Institute (South Korea) on improvement of legal framework for infrastructure projects based on PPP basis in water sector, where GRATA, among other things, participated in working groups with and respective government agencies of the Republic of Kazakhstan and worked on applicable regulation of tariffs that affect bankability of the project in water sector.
- ▶ Advised Asian Development Bank and relevant government bodies of the Republic of Kazakhstan on reforming the tariff policy and legislative and regulatory framework for natural monopolies in water, district heating and waste disposal sectors to attract private investments.
- ▶ Advised an American multinational conglomerate corporation and respective government bodies of the Republic of Kazakhstan on reforming the tariff policy and legislative and regulatory framework for renewable energy power plants in the Republic of
- ▶ Advised Samruk-Kazyna National Welfare Fund in connection with the first stage of “People’s IPO” program, the program for development of legal framework for the partial privatisation of Kazakh blue chip companies (KEGOC, Kazpost, etc).
- ▶ Advised Samruk Kazyna Contract LLP in drafting of the Unified Rules of Realisation of Samruk Kazyna Group Assets.
- ▶ Advised European Bank for Reconstruction and Development on the legal and regulatory framework of debt capital market in the Republic of Kazakhstan including continued recommendations on the development and amendment of legislation. As a part of the assignment GRATA was involved in discussions with state financial regulator (National Bank of the Republic of Kazakhstan) and key market players.
- ▶ Advised Samsung C&T and KEPCO on the Balkhash Power Plant project (debut USD 4 bn IPP project in the Republic of Kazakhstan), where GRATA, among other things, drafted and negotiated with the Government of the Republic of Kazakhstan and unprecedented international treaty between the Republic of Kazakhstan and South Korea that created specific legal framework for the project and worked on applicable regulation of electricity tariffs that affect bankability of the project.
- ▶ Advised EuroChem, Russia’s largest mineral fertilizer producer on the construction of Chemical Producing Plant in South Kazakhstan (USD 2 bn total value infrastructure project) where GRATA, among other things, drafted and negotiated with the Government of the Republic of Kazakhstan unprecedented host government agreement between the Republic of Kazakhstan and a foreign investor.

- ▶ Advised European Bank for Reconstruction and Development on KZT 1.236 billion senior loan to Aktau TVS&V, water and district heating company of the City of Aktau, Kazakhstan, supported by Akimat of Western Kazakhstan through execution of the Project Support Agreement. The objective of the project is to enable the relevant local authorities to increase the efficiency of water operations in the region, so as to equip the city with the municipal infrastructure. As a part of assignment GRATA was involved in negotiations with Akimat.
- ▶ Advised European Bank for Reconstruction and Development on joint finance with the Kazakh Government of two providers of utilities located in the north of Kazakhstan, including drafting the implementation agreement with the Ministry of National Economy of the Republic of Kazakhstan.
- ▶ Advised consortium of Korean investors (GS and STX) on development, financing, construction, exploitation and support of 100 - 150 MW gas power plant in South Kazakhstan, including negotiation and working on host-government agreement with local mayor of region.
- ▶ Advised the World Bank and the Ministry of National Economy of the Republic of Kazakhstan on the development of PPPs in the Republic of Kazakhstan.
- ▶ Advised World Bank on improvement of the relevant legislation of Kazakhstan to make renewable energy projects in Kazakhstan bankable.
- ▶ Advised Kazakh largest zinc producer in connection with cooperation with the Government bodies in the course of formulating, discussing and approving amendments to the laws regulating mining activities.

Our recent experience in **CONVENTIONAL ENERGY** includes:

- ▶ Advised Samsung C&T and KEPCO on the Balkhash Power Plant project (debut USD 4 billion Independent Power Producer project in Kazakhstan), including negotiations with Government of Kazakhstan and respective state agencies and drafting unprecedented international treaty between Kazakhstan and South Korea that supersedes national legislation.
- ▶ Advised an investor on financing and construction of a thermal power plant in Kazakhstan where GRATA, among other issues, works together with the Agency of Regulation of Natural Monopoly (AREM) and other relevant state agencies on applicable regulation of tariffs for production of electricity and heat by a power plan that affect bankability of the project.
- ▶ Advised consortium of Korean investors (GS and STX) on development, financing, construction, exploitation and support of 100-150 MW gas power plant in South Kazakhstan, including negotiation and working on host-government agreement with local mayor of region.
- ▶ Advised a local investor on the financing and construction of a thermal power plant in the Northern Kazakhstan where GRATA, among other issues, negotiated the implementation agreement with the local government (Akimat) and worked together with the Agency of Regulation of Natural Monopoly and other relevant state agencies on applicable regulation of tariffs for production of electricity and heat by a power plan that affect bankability of the project.
- ▶ Advised European Bank of Reconstruction and Development in relation to a KZT 3.1 billion secured financing for AES Soginskaya TETS LLP (thermal power plant) for the purpose of equipment modernization.
- ▶ Advised a Kazakh investor on potential options of implementation of a project related to electric power system

management under current PPP legal framework.

- ▶ Conducting due diligence for a large Asian company in relation to the purchase of the shares of an international energy corporation.

Our recent experience in **RENEWABLE ENERGY** includes:

- ▶ Advised shareholder of a Kazakh company – renewable energy producer in the negotiations with the Ministry of National Economy of the Republic of Kazakhstan and relevant litigation due to exclusion of such producer from the list of renewable energy producers in Kazakhstan;
- ▶ Advised China Power International Co., Ltd. on investment into 100MW Zhanatas wind power project, including general advice on renewable energy projects legal framework in Kazakhstan, legal structuring of the project, conducting due diligence of the project, advising on land issues, regulatory approvals required for the project, PPA and other legal matters.
- ▶ Advised Chinese investor on acquisition of power plant using wind energy sources in Kazakhstan including due diligence of the project and Kazakh parties involved in the project (advice on the risk applicable to the project from Kazakh law perspective, review of applicable licenses and permits for construction and other project activities, advise on notifications/licenses and permits necessary for construction and other project activities, advise on connection of the power plant to the networks, review of title documents on the land plot, advise on tax and regulatory issues of renewable projects in Kazakhstan etc.).
- ▶ Advised Chinese investor on acquisition of power plant using solar energy sources in Kazakhstan including due diligence of the project and Kazakh parties involved in the project (advice on the risk applicable to the project from Kazakh law perspective, review of applicable licenses and permits for construction and other project activities, advise on notifications/licenses and permits necessary for construction and other project activities, advise on connection of the power plant to the networks, review of title documents on the land plot, advise on tax and regulatory issues of renewable projects in Kazakhstan etc.).
- ▶ Advised Spanish investors on acquisition of power plant using solar energy sources in Kazakhstan (advice on the risk applicable to the project from Kazakh law perspective, review of applicable licenses and permits for construction and other project activities, advise on notifications/licenses and permits necessary for construction and other project activities, advise on connection of the power plant to the networks, review of title documents on the land plot, advise on tax and regulatory issues of renewable projects in Kazakhstan etc.).
- ▶ Advised European Bank for Reconstruction and Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Ministry of National Economy of the Republic of Kazakhstan on the project of Support to Drafting a Law On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning the Transition of the Republic of Kazakhstan to Green Economy including analysis of current legal framework on transition to “green” economy in such sectors like water/wastewater, solid waste management, urban transport, district heating and cooling to determine legal impediments and issues; participation in the working groups and meetings with representatives of state authorities and authorised organisations which activities is associated with transition to “green” economy in such sectors like water/wastewater, solid waste management, urban transport, district

heating and cooling; drafting relevant legislative amendments.

- ▶ Advised American multinational conglomerate on potential renewable energy project in Kazakhstan, including negotiation with the Kazakhstan government feed-in tariffs and improvement of relevant legislation.
- ▶ Advised Asian Development Bank and the State Committee of Industry, Energy & Subsoil Use of Kyrgyz Republic and Russian Kyrgyz Development Fund on the Small Hydroelectric Power Generation PPP project in Kyrgyzstan.
- ▶ Advised foreign investor on investment into 25MW, 35MW and 40 MW Solar Power Projects in South Kazakhstan, including general advice on renewable energy projects legal framework in Kazakhstan, conducting due diligence of the projects, advising on land issues, regulatory approvals required for the projects, PPA and other legal matters.
- ▶ Advised Risen Energy on legal and regulatory due diligence of the 40 MW Solar Power Project in Karaganda region with focus on required approvals for the project and analysis of PPA.
- ▶ Advised Asian Development Bank and the PPP Development Agency of Uzbekistan on development of the Uzbekistan PPP Program including, but not limited to, the development of the template agreements and template PPP tender documentation for different sectors of economy (e.g. healthcare, power, transport etc), as well as supporting the development of the regulatory and institutional framework for the PPP program. As part of the Project advised relevant Uzbek state authorities on the ongoing largest infrastructure projects in the country, including on debut 100 Megawatt solar power project.
- ▶ Advising World Bank on improvement of the relevant legislation of Kazakhstan to make renewable energy projects in Kazakhstan bankable.
- ▶ Advising China Development Bank on a USD 200 million to JSC Moynak Hydro Power Station.

Our recent experience in **PUBLIC-PRIVATE PARTNERSHIP AND PROJECT FINANCE** includes:

- ▶ Advised International Finance Corporation and the Government of Kazakhstan on the final stages of negotiation of “Big Almaty Ring Road (BAKAD), so far the biggest concession project valued at more than 1 billion US dollars in transport sector (toll-road).
- ▶ Advised a private partner on construction (infrastructure) of a road checkpoint and a transport and logistics center on the section of the Almaty-Khorgos highway of the international transit corridor “Western Europe – Western China” as a debut PPP project of a national level in Kazakhstan under the PPP Law legal framework. So far this is the biggest PPP project of a national level and the only executed PPP agreement where two different state agencies acting on behalf of the public partner.
- ▶ Advised an International Financial Institution on a nationwide project of modernization of wastewater treatment facilities throughout the Republic of Kazakhstan, including structuring the project, drafting reports on Kazakh law issues and participating in negotiations on the project (current project).
- ▶ Advised Asian Development Bank and the Government of Kazakhstan (represented by the Ministry of Health) on the ground-breaking Build-Transfer-Operate project in healthcare system (300-bed multifunctional teaching hospital in Karaganda city), including providing full legal support with structuring of the project; advising on amendments to the relevant legislation to make the proposed project feasible and bankable. This is the largest and debut project ever in Kazakhstan in healthcare sphere that will set up a benchmark for further hospital PPP projects (current project).

- ▶ Advised Asian Development Bank and the PPP Development Agency of Uzbekistan on development of the Uzbekistan PPP Program including, but not limited to, the development of the template agreements and template PPP tender documentation for different sectors of economy (e.g. healthcare, power, transport etc), as well as supporting the development of the regulatory and institutional framework for the PPP program. As part of the Project advised relevant Uzbek state authorities on the ongoing largest infrastructure projects in the country, including on debut 100 Megawatt solar power project (current project).
- ▶ Advised Asian Development Bank and the Government of Kazakhstan (represented by the Ministry of Industry and Infrastructural Development) on the new toll road in South Kazakhstan concession project (current project).
- ▶ Advised a foreign investor on entering into one of the largest investment projects in Kazakhstan – construction of a world-scale integrated petrochemical complex on production of polyethylene, including drafting the Government Support Agreement with the Government of the Republic of Kazakhstan and participation in negotiations with the Government of Kazakhstan and relevant state authorities. Project value is approximately USD 6.5 bln (current project).
- ▶ Advised Asian Development Bank and the Government of Azerbaijan (represented by the Ministry of Economy and Ministry of Education) on two pilot student accommodation, PPP – structured projects, including identification of and procuring recommendations on legal constraints that prevent development of PPPs in Azerbaijan (current project).
- ▶ Advised Asian Development Bank on the study and recommendations for alternative approaches to financing of municipal housing and utilities infrastructure in the Republic of Kazakhstan, including work on improvement of the related PPP and project finance legislation.
- ▶ Advised Asian Development Bank and the Government of Kazakhstan (represented by the Ministry of Health) on pilot PPP projects in the primary healthcare (polyclinics), including drafting template tender documentation and template PPP agreements for bankable PPP projects and guidance thereto.
- ▶ Advised Asian Development Bank and the State Committee of Industry, Energy & Subsoil Use of Kyrgyz Republic and Russian Kyrgyz Development Fund on the Small Hydroelectric Power Generation PPP project in Kyrgyzstan.
- ▶ Advised Kazakhstan Project Preparation Fund on its various PPP projects, including technical college, airport and railway bypass (current project).
- ▶ Advised a concessionaire of the Aktau International Airport on tender documentation, negotiation and signing of a concession agreement and EPC contract, including structuring of the project, advice on tariff regulation and natural monopolies issues and cooperation with local municipality and other state authorities.
- ▶ Advised JSC Center of Development of Almaty City on various municipal level PPP projects of Almaty city, including bus transit system, solid domestic waste plant, velodrome, kindergartens and others.
- ▶ Advised Samsung C&T and KEPCO on the Balkhash Power Plant project (debut USD 4 billion Independent Power Producer project in Kazakhstan), including negotiations with Government of Kazakhstan and respective state agencies and drafting unprecedented international treaty between Kazakhstan and South Korea that supersedes national legislation.
- ▶ Advised EuroChem, Russia's largest mineral fertilizer producer on the construction of Chemical Producing Plant in south Kazakhstan (USD 2 billion total value infrastructure project) where, among other things, drafted and negotiated with the Government of Kazakhstan and respective state agencies unprecedented host government agreement

between the Republic of Kazakhstan and a foreign investor.

- ▶ Advised International Finance Corporation on a project of construction of a wastewater treatment plant.
- ▶ Advised TBEA, Chinese investor, on the proposed thermal power plant in East Kazakhstan, including structuring the project and advising on all local law issues.
- ▶ Advised an investor on financing and construction of a thermal power plant in Kazakhstan where GRATA, among other issues, works together with the Agency of Regulation of Natural Monopoly (AREM) and other relevant state agencies on applicable regulation of tariffs for production of electricity and heat by a power plan that affect bankability of the project.
- ▶ Advised an International Financial Institution and Astana Akimat (local executive body) on implementation of the wastewater treatment plant project in Astana under the PPP Law framework.
- ▶ Advised a Kazakh investor on possible legal options, including PPP, of implementation of street-lighting projects in Almaty and Astana cities.
- ▶ Advising a Kazakh investor on possible legal options of implementation of a project related to electric power system management under current PPP legal framework.
- ▶ Advising a Czech investor on a potential project in IT sector under the so-called direct negotiations framework of the PPP Law (i.e. a legal framework that allows awarding a PPP project without a tender).
- ▶ Advising Malaysian investor on a potential project in IT sector on possible legal options of implementation of the PPP project without a tender.
- ▶ Advised China Development Bank (CDB) and Bank of China (Hong Kong) Limited on a USD 7.5 billion syndicated secured loan facility to Asia Gas Pipeline LLP to finance the Central Asia-China gas pipeline project, that forms the backbone of infrastructure connections between Central Asia and China.
- ▶ Advised European Bank for Reconstruction and Development and respective Kazakh state authorities on the Astana Bus Project including analysis of current legal framework regulating urban transport (including tariff regulation in the sector) and verification of legal structure of the project, drafting of the public service contract (PSC), determination of the rights and obligations of the parties.
- ▶ Advised European Bank for Reconstruction and Development on Kyzylorda CNG Bus Project, including advice on structuring, review of the public service contract as a PPP agreement with local municipality and relevant tender documentation.
- ▶ Advised European Bank for Reconstruction and Development on a KZT 1.236 billion senior loan to Aktau TVS&V, water and district heating company of the City of Aktau, Kazakhstan, supported by Akimat of Western Kazakhstan. The objective of the project was to enable the relevant local authorities to increase the efficiency of water operations in the region, so as to equip the city with the municipal infrastructure. As a part of assignment, GRATA was involved in negotiations with the Akimat.
- ▶ Advised European Bank for Reconstruction and Development in relation to a KZT 3.1 billion secured financing for AES Soginskaya TETS LLP (thermal power plant) for the purpose of equipment modernization.
- ▶ Advised local mayor (Akimat) and PPP centre of Karaganda city on the initial stage of the potential concession project (kindergartens), including review of the tender documentation and draft concession agreement.

- ▶ Advising the World Bank and the Ministry of National Economy of Kazakhstan on the development and improvement of PPPs in Kazakhstan.
- ▶ Advised China Development Bank (CDB) and Bank of China (Hong Kong) on a USD 2.5 billion syndicated secured loan facility to Beineu – Shymkent Gas Pipeline LLP (controlled 50-50 by KazTransGas and CNPC) to finance a gas pipeline project in the Republic of Kazakhstan, where GRATA, among other issues, worked on applicable for natural monopolies tariff regulation of transportation of gas issues that affect bankability of the project.
- ▶ Providing step-by-step implementation plan for respective government agencies of Kazakhstan and EBRD that shall enable implementation of four real projects in water sector on PPP basis in Kazakhstan together with KPMG and GGGI.
- ▶ Advised KEXIM, K-SURE and other ECAs on the multi-billion dollar project financing of the IPCI2 petrochemicals plant in Atyrau, Kazakhstan, where GRATA, among other things, advised on possible legal structures of implementation of the project and potential state guarantees.
- ▶ Advised JSC Sberbank of Russia on financing of the expansion of Northern Terminal of Aktau International Sea Port, including advice on relevant natural monopoly issues and tariff regulation.
- ▶ Advised consortium of Korean investors (GS and STX) on development, financing, construction, exploitation and support of 100-150 MW gas power plant in South Kazakhstan, including negotiation and working on host-government agreement with local mayor of region.
- ▶ Advised local investor on development, financing, construction, exploitation and support of a coal power plant in the North Kazakhstan, including negotiation and working on host-government agreement with local mayor of region.
- ▶ Advised a potential concessionaire of the Astana-Karaganda highway in negotiations with the grantor regarding the concession documents, reviewing, commenting and advising on tender documents and tender participation procedures, preparing concession documents for the tender bid on behalf of the client, reviewing and advising on a concession agreement.
- ▶ Advised a potential concessionaire on legal issues related to PPP (land transfer and lease agreements, licenses, performance bonds and a parent company guarantee, issuance of infrastructure bonds, financing issues, creation of an SPV, direct agreements with lenders and shareholders, bankability issues). Advising on an exchange rate mechanism and risk sharing mechanism, security issues.

Our recent experience in **HOUSING AND COMMUNAL SERVICES** includes:

- ▶ Advising an International Financial Institution on a nationwide project of modernization of wastewater treatment facilities throughout the Republic of Kazakhstan, including structuring the project, drafting reports on Kazakh law issues and participating in negotiations on the project (current project).
- ▶ Advised Asian Development Bank on the study and recommendations for alternative approaches to financing of municipal housing and utilities infrastructure in the Republic of Kazakhstan, including work on improvement of the related PPP and project finance legislation.
- ▶ Advised European Bank for Reconstruction and Development on the restructuring of three existing loans issued by Water Resources Marketing LLP, a water management organization in South Kazakhstan, including advising on

subsidies under the state subsidy program for heat, water supply and wastewater systems modernisation.

- Advised European Bank for Reconstruction and Development on a project for secured financing of subjects of natural monopolies in North Kazakhstan providing heating services, including participation in negotiations with the Ministry of National Economy on subsidizing a state program in the field of heating, water supply and water disposal.
- Advised an investment company in relation to the rehabilitation and modernisation of the Semipalatinsk heating system, including anti-trust issues, financing at a regional level, due diligence of assets, environmental laws and currency issues.
- Advised European Bank for Reconstruction and Development on joint finance with the Kazakh Government of two providers of utilities located in the north of Kazakhstan, including drafting the implementation agreement with the Ministry of National Economy of the Republic of Kazakhstan.
- Advised JSC Center of Development of Almaty City on various municipal level PPP projects of Almaty city, including solid domestic waste plant.
- Advised International Finance Corporation (IFC) on implementation of the waste water treatment plant project.
- Advised European Bank of Reconstruction and Development on a KZT 1.236 billion senior loan to Aktau TVS&V, water and district heating company of the City of Aktau, Kazakhstan, supported by Akimat of Western Kazakhstan. The objective of the project was to enable the relevant local authorities to increase the efficiency of water operations in the region, so as to equip the city with the municipal infrastructure. As a part of assignment, GRATA was involved in negotiations with the Akimat.
- Advised European Bank for Reconstruction and Development and Government of the Republic of Kazakhstan on the initial stage of the Phase 1 of the reforming the tariff policy and legislative and regulatory framework for natural monopolies in various sectors of economy of Kazakhstan, including operation of water supply and water disposal, heating, airport services.
- Advised European Bank of Reconstruction and Development on secured co-financing of Pavlodar LLP and Petropavlovsk LLP, natural monopolies providing services in heat distribution, together with the Ministry of National Economy of the Republic of Kazakhstan (by the way of subsidies under the state subsidy program for heat, water supply and waste water systems modernization).
- Advised Management & Consulting Services GmbH on the wastewater treatment project funded by the German Bank for Reconstruction (KfW).
- Advised Asian Development Bank and the State Committee of Industry, Energy & Subsoil Use of Kyrgyz Republic and Russian Kyrgyz Development Fund on the Small Hydroelectric Power Generation PPP project in Kyrgyzstan.
- Advised European Bank of Reconstruction and Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Ministry of National Economy on the project of Support to Drafting a Law On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning the Transition of the Republic of Kazakhstan to Green Economy including analysis of current legal framework on transition to “green” economy in such sectors like water/wastewater, solid waste management, urban transport, district heating and cooling to determine legal impediments and issues; participation in the working groups and meetings with representatives of state authorities and authorised organisations which activities is associated with transition to “green” economy in such

sectors like water/wastewater, solid waste management, urban transport, district heating and cooling; drafting relevant legislative amendments.

- ▶ Advised Global Green Growth Institute (South Korea) on improvement of legal framework for infrastructure projects based on PPP basis in water sector, where GRATA, among other things, participated in working groups with and respective government agencies of the Republic of Kazakhstan and worked on applicable regulation of tariffs that affect bankability of the project in water sector.

Kyrgyzstan

- ▶ Advising Fresenius C Deutschland GmbH on first PPP project in the Kyrgyz Republic “Organization and provision of haemodialysis services in Bishkek, Osh and Jalal-Abad” (Public partner – Ministry of Health of the Kyrgyz Republic). Assisting the client on realization of the PPP project, construction of four clinics and provision of haemodialysis services in the Kyrgyz Republic, including, but not limited: all questions related to realization of the project, labor, customs, licensing, healthcare regulation (ongoing, PPP Agreement was signed on 15 August 2017).
- ▶ Advising International Finance Corporation in financing the installation and operation of an electronic road tolling system in the Kyrgyz Republic.
- ▶ Advising Bishkek City Development Agency on all legal matters related to carrying out a feasibility study for modernisation of the parking system in Bishkek through PPP.
- ▶ Advising on a regular basis major global development finance institutions such as European Bank for Reconstruction and Development, International Finance Corporation, Asian Development Fund, China Development Bank, as well as international banks, investments funds, and private companies on various financing instruments advanced to leading banks and major industrial enterprises in Kyrgyzstan, Kazakhstan and Tajikistan.

Moldova

- ▶ Advising a leading Moldovan Construction company in connection with a PPP project with Leova Municipality and The Council of Europe Development Bank (CEB), regarded as one of the most complex integrated greenfield projects developed in Moldova to date. Project valued at EUR 3.5 million.
- ▶ Assisting international consortium from Germany retained by the Ministry of Health for 25 years in a Public Private Partnership (PPP) Project to provide dialysis services in Moldova, including provision of legal assistance throughout the entire bid process and performing the Project Finance Documentation for the SPV and Sponsors. The total investment exceeded EUR 15 million.

Uzbekistan

- ▶ Advising International Finance Corporation (the financing party) and the Government of Uzbekistan (the implementing party) to structure and implement the first Uzbek PPP project related to constructing four medical diagnostic centres in four regions of Uzbekistan. In the course of this work GRATA has held several presentations

among various Uzbek ministries with description of international PPP practice, has assisted in holding an international conference for interested investors (bidders) on the PPP project and Uzbek investment climate. GRATA has also drafted the PPP agreement and drafted Governmental decisions on implementing the PPP project in Uzbekistan.

- ▶ Advising the UNDP (financing party), the Chamber of Commerce and Industry of Uzbekistan and Tashkent region municipality (the implementing parties) on structuring several PPP projects related to processing solid waste. GRATA has held a series of seminars and trainings on the nature of PPP projects and possibility of their implementation in Uzbekistan. Grata has also been responsible for preparation of tender documents for each PPP project, including drafting the PPP agreement and decisions of the Government of Uzbekistan and the governor of Tashkent region.
- ▶ Participation at Uzbekistan Chamber of Commerce and Industry working group on drafting the Law on Public Procurement. Draft law has been used as the basis for the current Law on Public Procurement which has been put into force in April 2018.
- ▶ Participation at a Government working group under the Uzbekistan State Committee for Investments on drafting the Law on Public-Private Partnerships. Participation at the international conference for discussion of this draft Law and submission of proposals to amend draft law and proposals to refuse from using framework and general Laws without any detailed and specific regulations.
- ▶ Acting for a World's leading engineering company on establishment of the Joint Engineering Center in Uzbekistan, drafting and negotiating Joint Venture Agreement with Uzbekistan project institutes in petroleum and heavy industries, negotiating and drafting the Investment Agreement with Uzbekistan Government to receive individual tax and customs incentives.
- ▶ Carrying out full scale legal due diligence of a major Surgil Gas Chemicals Plant for the consortium of Korean banks with the view of upcoming project finance transaction.
- ▶ Advising on general matters of Uzbek law, conducting due diligence check and analysis with respect to target companies, assisting with finance and security structure under the first direct private sector Islamic lending in Uzbekistan with ICD.
- ▶ Carrying out full scale legal due diligence in connection with US\$3.5 billion syndicated secured loan transaction under the Central Asian Gas Pipeline project in Uzbekistan (the "Best Project Finance Deal of the Year" by the ALB Law Awards 2009).
- ▶ Advising on Uzbek law security matters in a major US\$4.0bn oil and gas project finance transaction aiming to support upstream and downstream capacity under Surgil Gas Chemicals Project.

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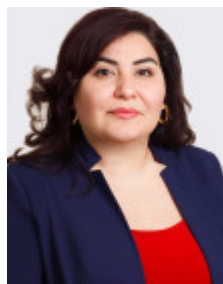
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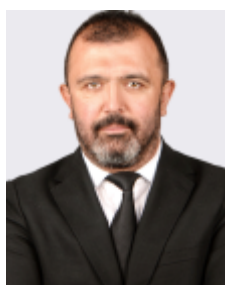
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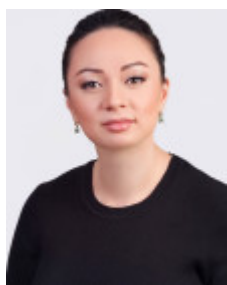
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