

LEGAL ALERT

Measures to Improve the
Competitive Environment
and Development of PPP

May 2022



PRESIDENTIAL DECREE No. 101: MEASURES TO IMPROVE THE COMPETITIVE ENVIRONMENT AND DEVELOPMENT OF PPP

11 May 2022

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On 8 April 2022, the President signed [Decree No. UP-101](#), which provides for improvement of the country's competitive and investment environment, the acceleration of privatization, the reduction of the role of the state in the national economy, and wider implementation of public-private partnership (PPP) projects in previously state-dominated industries. This Legal Alert focuses on some of the most notable measures in the spheres of PPP and privatization. An inventory of large PPP projects envisaged to be implemented in 2022-2024, as contained in the Decree, is also attached (see the Annex below).

Public-Private Partnership

The Decree provides for a number of measures aimed at wider implementation of PPP projects in energy, gas, transportation, and public utilities. In particular, it is envisaged that:

- by 1 May 2022, the Ministry of Housing and Communal Services and other state bodies will prepare a list of potential PPP projects for improving district heating, water supply, and sewerage systems across Uzbekistan. Measures shall also be proposed to ensure that the activities in utilities become a profitable business and no substantial state subsidies are required;

- by 9 June 2022, the Ministry of Transport and other state agencies will develop proposals for transferring international airports operated by JSC “Uzbekistan Airports”, including the Tashkent International Airport, for private management based on PPP;
- by 1 August 2022:
 - private entities will be able to access tank farms of JSC “Uzbekneftegaz” through open tenders or based on PPP;
 - proposals will be developed to engage private businesses into providing public transportation services in Tashkent based on, among others, PPP, in accordance with the approved Concept for the Development of Public Transportation in Tashkent;
 - part of the rail freight and passenger transportation activities of JSC “Uzbekistan Railways” will be transferred to the private sector based on PPP or franchise agreements;
- by 1 September 2022, the Government will implement pilot projects for transferring operations related to the local distribution of gas and electricity from state-owned JSC “Hududgaztaminot” and JSC “Regional Power Grids” to private entities in 14 regions and cities of Uzbekistan;
- by 1 September 2022, proposals for the implementation of new PPP hydro power projects will be developed.

Transformation and Privatization

The Decree sets that purchasers of state assets and non-agricultural land are now allowed to pay a relevant purchase price in installments over a period of up to 3 years. Purchasers whose first payment is not less than 35% of the total value, are allowed to provide relevant objects as a collateral under loan agreements;

The Decree also provides for the transformation and privatization of a number of state-owned enterprises:

- by 1 May 2022, work will be initiated to privatize 49% of shares of the hydrocarbons extraction monopolist JSC “Uzbekneftegaz” and 51% of shares of the electricity generation monopolist JSC “Thermal Power Plants”, including through IPO;
- by 1 June 2022, a program for the transformation of JSC “Uzbekistan Railways” will be developed. By 1 November 2022, a policy will be developed for the engagement of private entities in the provision of ancillary services in railway transportation, including repair of wagons, preparation of goods for transportation, etc.
- by 1 August 2022, 10% of the shares of the large automobile plant JSC “UzAuto Motors” JSC will be privatized through IPO; proposals will be developed for privatizing the remaining shares of the company as well as of JSC “UzAuto Motors Powertrain” and LLC “Samarkand Automobile Plant”.
- by 1 September 2022:
 - work will be initiated to privatize 51% of shares of Uzbekistan’s national air carrier JSC “Uzbekistan Airways”, including through IPO;
 - strategies for the reforming of the state-owned telecom company JSC “Uzbektelekom”, the national post operator JSC “Uzbekiston Pochtasi”, and the state-owned operator of hydropower stations JSC “Uzbekhydroenergo” will be developed.

ANNEX

Large PPP Projects Planned to Be Implemented in 2022-2024 (Annex 7 to the Presidential Decree):

No.	Title of PPP project	Implementation stages	Timeframe	Support of international financial institutions
I. Power Energy				
1.	Construction and operation of a 100 MW wind power plant in the Karauzyak district of the Republic of Karakalpakstan.	<ol style="list-style-type: none"> 1. Financial closure. 2. Completion of the construction works and commissioning. 	<p>October 2022</p> <p>December 2023</p>	EBRD
2.	Construction and operation of solar photovoltaic plants with a total capacity of 500 MW in the Bukhara, Namangan and Khorezm regions.	<ol style="list-style-type: none"> 1. Announcement of the second stage of the tender (RFP). 2. Acceptance and evaluation of the second-stage bidders' documents. 3. Election of a winner of the tender. 4. Conclusion of a PPP agreement with the winner of the tender. 	<p>June 2022</p> <p>October 2022</p> <p>December 2022</p> <p>February 2023</p>	IFC
3.	Construction and operation of 300 MW solar photovoltaic plants in the Guzar district of the Kashkadarya region.	<ol style="list-style-type: none"> 1. Evaluation of the first-stage bidders' documents. 2. Announcement of the second stage of the tender (RFP). 3. Acceptance and evaluation of the second-stage bidders' documents. 4. Determination of a winner of the tender and conclusion of a PPP agreement. 	<p>June 2022</p> <p>July 2022</p> <p>December 2022</p> <p>March 2023</p>	ADB
4.	Construction and operation of a 200 MW wind power plant in the Karauzyak and Beruniy districts of the Republic of Karakalpakstan	<ol style="list-style-type: none"> 1. Announcement of the first stage of the tender (RFQ). 2. Evaluation of the first-stage bidders' documents. 3. Announcement of the second stage of the tender (RFP). 	<p>September 2022</p> <p>January 2023</p> <p>March 2023</p>	EBRD

	4. Acceptance and evaluation of the second-stage bidders' documents.	July 2023	
	5. Announcement of a winner of the tender.	October 2023	
	6. Conclusion of a PPP agreement with the winner of the tender.	December 2023	
5. Construction and operation of a 700 MW wind power plant in the Republic of Karakalpakstan.	1. Announcement of the first stage of the tender (RFQ).	March 2023	EBRD
	2. Completion of the first stage of the tender.	May 2023	
	3. Evaluation of the first-stage bidders' documents.	June 2023	
	4. Announcement of the second stage of the tender (RFP).	August 2023	
	5. Acceptance and evaluation of the second-stage bidders' documents.	November 2023	
	6. Announcement of a winner of the tender.	February 2024	
	7. Conclusion of a PPP agreement with the winner of the tender.	May 2024	
6. Construction and operation of a 100 MW solar photovoltaic plant in the Ferghana district of the Ferghana region.	1. Announcement of the first stage of the tender (RFQ).	March 2023	ADB
	2. Completion of the first stage of the tender.	May 2023	
	3. Evaluation of the first-stage bidders' documents.	June 2023	
	4. Announcement of the second stage of the tender (RFP).	August 2023	
	5. Acceptance and evaluation of the second-stage bidders' documents.	November 2023	
	6. Announcement of a winner of the tender.	February 2024	
	7. Conclusion of a PPP agreement with the winner of the tender.	May 2024	

<p>7. Implementation of a project for the construction of heat cogeneration plants in Tashkent (1st stage).</p>	<p>1. Development and approval of the project concept.</p> <p>2. Announcement of the tender.</p> <p>3. Acceptance and evaluation of bidders' documents.</p> <p>4. Announcement of a winner of the tender.</p> <p>5. Conclusion of a PPP agreement with the winner of the tender.</p>	<p>July 2022</p> <p>November 2022</p> <p>April 2023</p> <p>May 2023</p> <p>August 2023</p>	<p>N/A</p>
<p>8. Organization and management of hydropower plants.</p>	<p>1. Development of concepts and project-evaluation documentation for the construction of hydropower plants on the basis of PPP.</p> <p>2. Submission to the Cabinet of Ministers for approval of the project concept, preparation of tender documentation and announcement of the tender.</p> <p>3. Conclusion of PPP agreements with winners of the tender.</p>	<p>October 2022</p> <p>January 2023</p> <p>August 2023</p>	<p>N/A</p>

II. Transport

<p>1. Construction of the "Tashkent—Andijan" toll road.</p>	<p>1. Preparation of the final feasibility study of the PPP project.</p> <p>2. Preparation and submission of the project concept to the Cabinet of Ministers for approval.</p> <p>3. Preparation of tender documentation and announcement of the tender.</p> <p>4. Election of a winner of the tender and conclusion of the PPP agreement.</p>	<p>January 2023</p> <p>February 2023</p> <p>April 2023</p> <p>April 2024</p>	<p>WB</p>
<p>2. Construction of the "Tashkent—Samarkand" toll road.</p>	<p>1. Preparation of the final feasibility study of the PPP project.</p> <p>2. Preparation and submission of the project concept to the Cabinet of Ministers for approval.</p> <p>3. Preparation of tender documentation and announcement of the tender.</p>	<p>January 2023</p> <p>February 2023</p> <p>February 2023</p>	<p>EBRD</p>

		4. Election of a winner of the tender and conclusion of the PPP agreement.	April 2024	
3.	Construction and management of a new toll tunnel at the "Takhtakoracha" mountain pass.	<p>1. Conclusion of an agreement with IsDB for advisory services.</p> <p>2. Development of a PPP project concept and project evaluation documents.</p> <p>3. Submission of the project concept to the Cabinet of Ministers for approval.</p> <p>4. Preparation of tender documentation and announcement of the tender.</p> <p>5. Determination of a winner of the tender and conclusion of a PPP agreement.</p>	<p>June 2022</p> <p>January 2023</p> <p>February 2023</p> <p>September 2023</p> <p>October 2024</p>	IsDB
4.	Modernization and transfer to management of the Tashkent International Airport and other international airports with low efficiency.	<p>1. Preparation of a feasibility study for the PPP project.</p> <p>3. Preparation and submission of a project concept to the Cabinet of Ministers for approval.</p> <p>4. Preparation of tender documentation, announcement and selection of the tender.</p> <p>5. Conclusion of a PPP agreement with a winner of the tender.</p>	<p>November 2022</p> <p>January 2023</p> <p>August 2023</p> <p>January 2024</p>	WB
5.	Modernization and management of the international airports of Bukhara and Urgench.	<p>1. Preparation of a feasibility study of the PPP project.</p> <p>2. Preparation and submission of a project concept to the Cabinet of Ministers for approval</p> <p>3. Preparation of tender documentation, announcement and selection of the tender.</p> <p>4. Conclusion of a PPP agreement with a winner of the tender.</p>	<p>December 2022</p> <p>February 2023</p> <p>September 2023</p> <p>February 2024</p>	N/A

III. Public Utilities

1.	Implementation of the project for modernization and transfer to management of a wastewater treatment plant in Tashkent city.	1. Conclusion of an agreement with ADB for advisory services.	May 2022	ADB
		2. Development of a project concept and the project-evaluation documentation.	November 2022	
		3. Submission of the project concept to the Cabinet of Ministers for approval and the announcement of a tender with the preparation of tender documentation.	February 2023	
		4. Tendering and election of a winner of the tender.	December 2023	
		5. Conclusion of PPP agreement with the winner of the tender.	May 2024	
2.	Implementation of the project of modernization of the heating system in the Bukhara region.	1. Conclusion of an agreement with ADB for advisory services.	August 2022	ADB
		2. Development of a project concept and project evaluation documentation.	March 2023	
		3. Submission of the project concept to the Cabinet of Ministers for approval and the announcement of a tender with the preparation of tender documentation.	July 2023	
		4. Tendering, election of a winner of the tender and conclusion of a PPP agreement with the winner of the tender.	April 2024	
3.	Implementation of a project for the reconstruction and management of a wastewater treatment plant in the city of Namangan.	1. Development of a draft Presidential resolution.	May 2022	ADB
		2. Submission of the draft Presidential resolution to the Cabinet of Ministers.	August 2022	

IV. Environment Protection

1.	Implementation of a project for the organization of a cluster service for sorting and processing household waste in Tashkent and the Tashkent region.	1. Conclusion of an agreement with ADB for advisory services.	June 2022	ADB
		2. Development of a project concept and project-evaluation documentation.	March 2023	
		3. Submission of the project concept to the Cabinet of Ministers for approval	July 2023	

	and the announcement of a tender with the preparation of tender documentation.		
	4. Tendering, selection of a winner of the tender and conclusion of a PPP agreement with the winner of the tender.	May 2024	

V. Healthcare

1.	Implementation of a PPP project for the creation of radiotherapy centers in the Ferghana, Tashkent, Samarkand and Khorezm regions.	1. Preparation of tender documentation and the announcement of the tender. 2. Pre-qualification evaluation of bidders. 3. Election of a winner of the tender and conclusion of a PPP agreement.	April 2022 September 2022 April 2023	IFC
2.	Implementation of a PPP project for the creation of a multidisciplinary hospital in the Ferghana region.	1. Development of a project concept and project evaluation documentation for initial stage of the project. 2. Submission of the PPP concept and project evaluation documentation to the Cabinet of Ministers for approval. 3. Preparation of tender documentation and the initiation of the tender.	July 2022 September 2022 December 2022	IFC
3.	Implementation of a project for the creation of the medical centers in the Bukhara and Andijan regions.	1. Conclusion of an agreement with ADB for advisory services. 2. Development of a project concept and project evaluation documentation. 3. Submission of the project concept to the Cabinet of Ministers for approval and the announcement of a tender with the preparation of tender documentation. 4. Tendering, selection of a winner of the tender and conclusion of a PPP agreement with the winner of the tender.	April 2022 September 2022 November 2022 October 2023	ADB
4.	Acceleration of the project for the organization of dialysis services in Tashkent	1. Submission of a draft resolution on the measures for the implementation of the project on dialysis services in the Republic of Karakalpakstan, Khorezm	May 2022	IFC

city, the Khorezm region and the Republic of Karakalpakstan.	region and Tashkent city on the basis of PPP to the Cabinet of Ministers for approval. 2. Measures for connecting the created centers to the utilities.	June 2022	
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VI. Education

<p>1. Implementation of a project for the construction, reconstruction and equipping of secondary schools with the assistance of IFC.</p>	<p>1. Development of a project concept and project evaluation documentation.</p> <p>2. Submission of the project concept to the Cabinet of Ministers for approval.</p> <p>3. Preparation of tender documentation and announcement of the first stage of the tender (RFQ).</p> <p>4. Evaluation of first-stage bidders' documents.</p> <p>5. Announcement of the second stage of the tender (RFP).</p> <p>6. Acceptance and evaluation of second stage bidders' documents.</p> <p>7. Announcement of a winner of the tender.</p>	<p>August 2022</p> <p>October 2022</p> <p>January 2023</p> <p>April 2023</p> <p>June 2023</p> <p>November 2023</p> <p>February 2024</p>	<p>IFC</p>
<p>2. Implementation of a project for the construction, reconstruction and equipping of secondary schools with the assistance of EBRD.</p>	<p>1. Conclusion of an agreement with EBRD for advisory services.</p> <p>2. Development of a project concept and project evaluation documentation.</p> <p>3. Submission of the project concept to the Cabinet of Ministers for approval.</p> <p>4. Preparation of tender documentation and announcement of the first stage of the tender (RFQ).</p> <p>5. Evaluation of first-stage bidders' documents.</p> <p>6. Announcement of the second stage of the tender (RFP).</p>	<p>May 2022</p> <p>October 2022</p> <p>November 2022</p> <p>February 2023</p> <p>May 2023</p> <p>June 2023</p>	<p>EBRD</p>

	7. Acceptance and evaluation of second stage bidders' documents.	November 2023	
	8. Announcement of a winner of the tender.	January 2024	
3. Implementation of a project for the construction, reconstruction and equipping of preschools with the assistance of ADB.	1. Conclusion of an agreement with ADB for advisory services.	June 2022	ADB
	2. Development of the project concept and project evaluation documentation.	September 2022	
	3. Submission of the project concept to the Cabinet of Ministers for approval.	October 2022	
	4. Preparation of tender documentation and announcement of the first stage of the tender (RFQ).	January 2023	
	5. Evaluation of first-stage bidders' documents.	June 2023	
	6. Announcement of the second stage of the tender (RFP).	July 2023	
	7. Acceptance and evaluation of second stage bidders' documents.	December 2023	
	8. Announcement of a winner of the tender.	March 2024	
4. Implementation of a project for the construction and equipping of 16 secondary schools in Tashkent and the Tashkent region.	1. Development of a project concept and project evaluation documentation.	May 2022	ADB
	2. Submission of the project concept to the Cabinet of Ministers for approval.	June 2022	
	3. Preparation of tender documentation and announcement of the first stage of the tender (RFQ).	July 2022	
	4. Evaluation of first-stage bidders' documents.	October 2022	
	5. Announcement of the second stage of the tender (RFP).	November 2022	
	6. Acceptance and evaluation of the second-stage bidders' documents.	March 2023	

	7. Announcement of a winner of the tender.	May 2023	
5. Implementation of a project for the construction and equipping of secondary schools with the assistance of interested companies.	1. Conclusion of an agreement with interested companies for advisory services.	June 2022	N/A
	2. Development of a project concept and project evaluation assessment documentation.	September 2022	
	3. Submission of the project concept to the Cabinet of Ministers for approval.	October 2022	
	4. Preparation of tender documentation and announcement of the first stage of the tender (RFQ).	January 2023	
	5. Evaluation of first-stage bidders' documents.	June 2023	
	6. Announcement of the second stage of the tender (RFP).	July 2023	
	7. Acceptance and evaluation of the second-stage bidders' documents.	December 2023	
	8. Announcement of a winner of the tender.	March 2024	
6. Implementation of a project for the construction of dormitories for higher education institutions.	1. Conclusion of an agreement with EBRD for advisory services.	June 2022	EBRD and others
	2. Development of a project concept and project evaluation documentation.	August 2022	
	3. Submission of the project concept to the Cabinet of Ministers for approval.	September 2022	
	4. Preparation of tender documentation and announcement of the first stage of the tender (RFQ).	December 2022	
	5. Evaluation of first-stage bidders' documents.	February 2023	
	6. Announcement of the second stage of the tender (RFP).	April 2023	

	7. Acceptance and evaluation of the second-stage bidders' documents.	May 2023	
	8. Announcement of a winner of the tender.	June 2023	

VII. Water Management

1. Implementation of a PPP project for the use of water pumping stations operating based on alternative energy in the Republic of Karakalpakstan, the Bukhara, Jizzakh, Kashkadarya, Syrdarya and Surkhandarya regions with the assistance of interested companies.	1. Negotiations with interested companies on the study and implementation of the project.	May 2022	Not defined yet
	2. Development of a preliminary feasibility study. <i>(The implementation of the project depends on the results of the study and negotiations)</i>	September 2022	

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