

**LAW OF THE REPUBLIC OF UZBEKISTAN  
ON PUBLIC – PRIVATE PARTNERSHIP**

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## I. GENERAL PROVISIONS

### Article 1. The purpose and scope of the law

The purpose of this Law is to regulate relations in the public-private partnership sector. The present Law shall not apply to the production sharing agreements and public procurement.

### Article 2. Legislation on public - private partnership

Legislation on public-private partnership shall consist of this Law and other legislative acts.

Where an international treaty of the Republic of Uzbekistan provides for rules other than those contained in the legislation of the Republic of Uzbekistan on public-private partnership, the rules of the international treaty shall be applied.

### Article 3. Basic terms

The following terms shall have the following meanings in this Law:

**public-private partnership**- a cooperation, legally arranged for a certain period of time, of a public partner and a private partner based on pooling their resources for the implementation of a public-private partnership project;

**public-private partnership project**- a set of activities implemented on the basis of involvement of private investments and/or introduction of advanced management practices aimed at solving economic, social and infrastructure tasks;

**concept of public-private partnership project** - a document prepared by a public partner and/or a private initiator, justifying the choice of implementation decision, determining the cost and description of a public-private partnership project, containing a justification of efficiency and relevance, the main characteristics and features of its implementation, as well as mechanisms ensuring the repayment of attracted investments;

**public-private partnership object** - property/property complexes/public infrastructure, where design, construction, creation, supply, financing, reconstruction, modernization, operation and maintenance of which are carried out under the framework of the public-private partnership project, as well as works/services and innovations, subject to introduction during implementation of the public-private partnership project;

**payment for the public-private partnership object availability** - payments of a public partner to a private partner, made in accordance with a public-private partnership agreement during the period of use (operation) and/or maintenance of a public-private partnership object to ensure its availability;

**public partner** – public authorities, local executive authorities, as well as other state bodies (organizations) authorized by the Cabinet of Ministers of the Republic of Uzbekistan or their association acting on behalf of the Republic of Uzbekistan;

**user fees**- payments collected by a private partner from consumers of goods or users of works/services in accordance with a public-private partnership agreement under the framework of a public-private partnership project;

**private partner**- a business entity registered under the law of the Republic of Uzbekistan or a foreign country, an association of such entities, with which the public partner has concluded a public-private partnership agreement.

### Article 4. Basic public-private partnership principles

The main public-private partnership principles are:

equality of a public partner and a private partner before the law;

transparency on rules and procedures to the implementation of public-private partnership projects;

competitiveness and objectivity in the selection of a private partner;

non-discrimination;  
prohibition of corruption.

#### Article 5. The principle of equality of a public partner and a private partner before the law

Public partner and private partner shall be equal parties.

#### Article 6. The principle of public-private partnership rules and procedures transparency

The public-private partnership rules and procedures shall be open, transparent and understandable for parties involved.

The public partner is obliged to provide free access to information on the public-private partnership rules and procedures that are established by the legislation on public-private partnership.

#### Article 7. The principle of competitiveness and objectivity in the selection of a private partner

Competitiveness and objectivity in the selection of a private partner is ensured by using competitive selection mechanisms, impartiality and transparency in the implementation of the rules and procedures of public-private partnership and deciding in favor of the optimal option based on objective and reasonable criteria.

#### Article 8. Principle of non-discrimination

State guarantees non-discrimination through provision of the following guarantees:

Equal rights to tender participants;  
Objectivity in the selection of a private partner;  
Openness in the selection of a private partner.

Equal rights under the law of the Republic of Uzbekistan together with non-discrimination policy are guaranteed to private initiators, applicants, private partners, including foreign ones.

#### Article 9. The principle of prohibition of corruption

Requirements to the public-private partnership rules and procedures shall prevent corruption and provide for measures to anticipate the presence of corruption and corruption promoting factors.

## II. STATE REGULATION IN THE PUBLIC-PRIVATE PARTNERSHIP SECTOR

#### Article 10. The foundations of State policy in the public-private partnership sector

The main directions of State policy related to public-private partnership are as follows:  
stimulating economic growth and ensuring sustainable development of the Republic of Uzbekistan;  
development, approval and implementation of state programs in the public-private partnership sector;  
assistance in the formation, restoration, operation, maintenance of existing public infrastructure;  
improving the quality of operation and maintenance of public infrastructure;  
improving the quality of public services and expanding access to them;  
creation of conditions ensuring attraction of private sector funds, including foreign investments;  
state support of scientific research, introduction of modern methods and technologies for the development and improvement of the institutional and legal frameworks of public-private partnership.

## Article 11. Powers of the Cabinet of Ministers of the Republic of Uzbekistan in regard to public-private partnerships

The Cabinet of Ministers of the Republic of Uzbekistan is authorized to exercise the following functions:

- to ensure the implementation of a unified state policy in the public-private partnership sector;
- to designate a public partner for public-private partnership projects upon request of the authorized state body in the field of public-private partnership;
- to adopt legislative acts in the public-private partnership sector;
- to approve the concept of a public-private partnership project with a total value of over ten million US dollars;
- to establish the procedure for maintaining the Register of Public-Private Partnership Projects.

## Article 12. Authorized state body in the public-private partnership sector

The authorized state body in the field of public-private partnership is the Public-Private Partnership Development Agency under the Ministry of Finance of the Republic of Uzbekistan (hereinafter - the Authorized State Body).

The Authorized State Body exercises the following functions:

- implements the state policy in the public-private partnership sector;
- participates in the development and implementation of state programs in the public-private partnership sector;
- ensures inter-institutional coordination in the preparation and implementation of public-private partnership projects;
- assists ministries, state committees, departments, local government bodies in the implementation of state programs in the public-private partnership sector, as well as in the development of concepts of public-private partnership projects;
- organizes interaction with investors, international financial and donor organizations, the scientific and expert community, as well as other participants of public-private partnerships;
- prepares methodological documents, guidelines and instructions in the public-private partnership sector;
- examines and provides comments on the technical and economic parameters of public-private partnership projects;
- develops draft model agreements on public-private partnerships;
- maintains the Register of Public-Private Partnership Projects;
- assists in the preparation and implementation of public-private partnership projects;
- approves, rejects or returns for revision the concept of a public-private partnership project with a total value of over one million US dollars;
- submits for approval the concept of a public-private partnership project with a total value of over ten million US dollars to the Cabinet of Ministers of the Republic of Uzbekistan;
- coordinates the preparation of the draft tender documents and public-private partnership agreements;
- organizes training, retraining and staff development in the public-private partnership sector;
- provides clarifications in public-private partnership matters;
- monitors the implementation of public-private partnership projects;
- engages consultants to prepare public-private partnership projects.

### III. PARTIES TO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT, THEIR RIGHTS AND OBLIGATIONS

#### Article 13. Parties to the public-private partnership agreement

Parties to the public-private partnership agreement are a public partner and a private partner.

Financial organizations and other entities that provide funding for a public-private partnership project may also act as parties to the public-private partnership agreement.

State - owned enterprises and/or organizations authorized by a public partner may act on behalf of the public partner, assuming the obligations of a public partner in accordance with the public-private partnership agreement. In doing so, the public partner is fully responsible for fulfilling the obligations under the public-private partnership agreement.

A private partner may delegate his rights and obligations under the public-private partnership agreement to one or more organizations. In doing so, the private partner is fully responsible for the fulfillment of obligations under the public-private partnership agreement.

#### Article 14. Rights and obligations of parties in a public-private partnership

Public partner has the right to:

- request and receive from a private partner a progress report on the public-private partnership agreement performance;
- monitor the performance of the public-private partnership agreement and assess the results of the implementation of the public-private partnership projects;
- demand the elimination of violations identified during monitoring of compliance with the law and the terms of the public-private partnership agreement;
- claim damages for a public-private partnership project arising from the fault of a private partner;
- engage consultants to prepare public-private partnership projects.

The public partner is obliged to:

- comply with legislation and public-private partnership agreements;
- provide tender participants with tender documentation, explain the provisions of tender documentation to them;
- provide the tender participants with the necessary conditions for familiarizing themselves with the place and object, on the basis of which the implementation of a public-private partnership project is envisaged;
- provide to the private partner in possession and/or use the property intended for the implementation of the activity;
- assist the private partner in obtaining licenses and permits which are necessary for the implementation of the public-private partnership agreement;
- provide the Authorized State Body with copies of the public-private partnership agreements concluded, including annexes, amendments or addendums thereto, within twenty calendar days from the date of signing the public-private partnership agreement or a corresponding amendment or addendums;
- promote the rights of the private partner to freely manage and control their investments and income or to manage and control assets and activities carried out under a public-private partnership agreement;
- ensure noninterference with the activities executed by a private partner or third parties engaged by a private partner;
- bear the responsibility stipulated by the legislation and the public-private partnership agreement.

Private partner has the right to:

- receive from the public partner the necessary and accessible information for the implementation of the public-private partnership project;

make proposals for amending the terms of the public-private partnership agreement;  
claim damages for a public-private partnership project arising from the fault of a public partner.

A private partner is obliged to:  
comply with the legislation and public-private partnership agreement;  
bear the responsibility stipulated in the legislation and public-private partnership agreement.

A private partner does not have the right to transfer the land plot provided to him under the framework of public-private partnership to other legal entities and/or individuals.

#### **IV. INITIATING AND PREPARING A PUBLIC-PRIVATE PARTNERSHIP PROJECT**

##### **Article 15. Initiation of a public-private partnership project**

A state body (organization) (hereinafter referred to as ‘State Initiator’) and/or a sole entrepreneur or a legal entity (hereinafter referred to as ‘Private Initiator’) have the right to initiate a public-private partnership project.

The process of a public-private partnership project initiation includes:  
development of the concept of a public-private partnership project;  
the direction of the concept of a public-private partnership project for evaluation, coordination and approval to the corresponding state body;  
consideration by the Authorized State Body of the concept of a public-private partnership project;  
approval, rejection or return for revision by the Authorized State Body of the concept of public-private partnership project;  
approval of an agreed concept of a public-private partnership project by a public partner or the Cabinet of Ministers of the Republic of Uzbekistan;  
inclusion of the concept of the public-private partnership project into the Register of Public-Private Partnership Projects by the Authorized State Body.

##### **Article 16. Preparation of the public-private partnership project by a Public Initiator**

The Public Initiator shall develop the concept of a public-private partnership project on priority areas of the economy and the social sphere within its competence.

The preparation of a public-private partnership project is executed on the basis of preliminary financial calculations that ensure the rationality and effectiveness of the public-private partnership project and its optimal form for the purpose of its implementation, in particular with regard to:  
indicators of financial and economic efficiency of a public-private partnership project;  
the composition and parameters of a public-private partnership object being designed, built, financed, reconstructed, operated or maintained by a private partner in accordance with the public-private partnership agreement;  
the expected volume of investments by a private partner and the assumed amount of funding from the budget of the Republic of Uzbekistan;  
obligations of a public partner and a private partner;  
the types of government support provided to the private partner;  
the timing of the negotiations;  
conditions of access to goods/works/services provided using the public-private partnership object.

In order to take into account the interests of the population, consumers, users of goods/works/services, the preparation of the public-private partnership project shall be accompanied by public discussions.

## Article 17. Preparation of the public-private partnership project by a Private Initiator

The Private Initiator has the right to develop and present the concept of a public-private partnership project to the potential public partner. The concept of the public-private partnership project shall contain an innovative approach to solving existing problems and ensure a balanced benefit acceptable to the parties.

Prior to presenting the concept of a public-private partnership project, a Private Initiator has the right to hold preliminary discussions, as well as exchange of information on public-private partnerships with the potential public partner.

A potential public partner, who has received the concept of a public-private partnership project, within thirty calendar days, shall make a decision on approval or refusal to the concept implementation.

If the concept of a public-private partnership project of a Private Initiator with a total cost over one million US dollars is approved, the potential public partner shall send this concept to the Authorized State Body for approval.

The grounds for refusal to implement the public-private partnership project are as follows:  
failure of the Private Initiator to meet the requirements established for applicants by this Law;  
potential public partner's lack of commercial or operational management rights to a public-private partnership object;  
no need for design, construction, creation, financing, reconstruction, operation and maintenance of the public-private partnership object;  
lack of economic feasibility and/or social demand for the project.

If the concept of the public-private partnership project is approved, the potential public partner within five calendar days shall publish the concept of the public-private partnership project together with a proposal to express interest in the implementation of the public-private partnership project on its official website, on the official website of the Authorized State Body and other specialized websites,.

If within forty-five calendar days from the date of publication of the concept of public-private partnership project, any sole entrepreneur or legal entity has not expressed to the potential public partner its interest in the implementation of the public-private partnership project, then the potential public partner decides on the implementation of the public-private partnership project in accordance with Article 25 of this Law and starts negotiations with the private initiator, agrees the draft agreement on public-private partnership with the Authorized State Body and concludes the agreement on public-private partnership with the private initiator without tender within sixty days from the date of approval by the Authorized State Body of the draft agreement on public-private partnership.

If a sole entrepreneur or legal entity has expressed its interest in the implementation of a public-private partnership project, then the determination of a private partner for the implementation of a public-private partnership project is executed on the basis of a tender.

A Private Initiator has the right to be reimbursed for the costs associated with the preparation of a public-private partnership project in the amount not exceeding one per cent of the total value of a public-private partnership project at the expense of the winner or reserve winner of the tender.

## Article 18. Approval of the concept of the public-private partnership project

The relevant government body (organization) shall independently approve the concept of a public-private partnership project with a total value of up to one million US dollars.



The approval of the concept of a public-private partnership project with a total value of over one million US dollars to up to ten million US dollars inclusive shall be carried out by the relevant state body (organization) in coordination with the Authorized State Body.

Approval of the concept of a public-private partnership project with a total value of over ten million US dollars shall be carried out by the Cabinet of Ministers of the Republic of Uzbekistan.

After the approval of the concept of a public-private partnership project and its inclusion into the Register of Public-Private Partnership Projects, the public partner shall take a decision on the preparation of a public-private partnership project within thirty calendar days.

## Article 19. Register of Public-Private Partnership Projects

The Register of Public-Private Partnership Projects is a unified information system containing data and information on ongoing public-private partnership projects.

The Register of Public-Private Partnership Projects is an open information resource available on the Internet (World Wide Web).

The Register of Public-Private Partnership Projects is maintained by the Authorized State Body.

The procedure for maintaining the Register of Public-Private Partnership Projects is established by the Cabinet of Ministers of the Republic of Uzbekistan.

## Article 20. Information on public-private partnership projects

Information on public-private partnership projects, including their concepts, information on the conditions and criteria for the selection of private partners, the general provisions of the public-private partnership agreement, information on the processes of preparation and implementation of public-private partnership projects shall be published on official web sites of the public partner and the Authorized State Body.

## V. SELECTION OF A PRIVATE PARTNER

### Article 21. Tendering for public-private partnership agreement conclusion

A public partner shall enter into a public-private partnership agreement with a private partner determined by the results of tendering or direct negotiations.

Tendering may be single-stage and two-stage.

A one-stage tendering is held on a public-private partnership project with the total cost of up to one million US dollars inclusive.

During a one-stage tendering, tenders (offers) shall be considered and tender proposals developed on the basis of conceptual and technical solutions specified in the tender documentation conditions shall be evaluated. In the process of organizing a tendering, negotiations with applicants on the parameters of the tendering subject shall be allowed.

The procedure for a one-stage tendering includes:

publication of the invitation to tender in the mass media and on the official websites of the public partner and the Authorized State Body;  
receiving official tenders and applications;

submission of tender documentation package;  
opening envelopes with tenders (offers) of applicants;  
evaluation of tenders (offers);  
determination of the tender winner and the reserve winner;  
conducting negotiations with the winner of the tender;  
conclusion of a public-private partnership agreement with the winner of the tender.

The deadline for submission of tenders (offers) shall not be less than thirty calendar days from the date of publication of the invitation to tender.

A two-stage tendering is held on a public-private partnership project with a total value of over one million US dollars.

The two-stage tendering includes the stages of pre-qualification and selection of the winner.

Two-stage tendering is held in the accordance with the following order:  
at the first stage, tenders shall be considered and tender proposals developed on the basis of conceptual and technical solutions specified in the tender documentation conditions shall be evaluated. Negotiations with applicants on the parameters of the tender subject shall be allowed;  
at the second stage, the submitted technical and commercial (financial) proposals shall be considered and evaluated, taking into account the updated parameters of the tender subject, with the obligatory indication of the price (tariff).

The procedure for a two-stage tendering includes:  
publication of the invitation to tender in the mass media and on the official websites of the public partner and the Authorized State Body;  
receiving official applications from prospective participants of tender;  
identification of interested parties concerned for participation in the tender;  
issuance of preliminary qualification documentation by the public partner to applicants for participation in the tender;  
collection and evaluation of pre-qualification applications confirming the qualification of applicants;  
formation of a prequalified applicants list;  
issuance of tender documents by the public partner and request for submission of tenders (offers);  
submission of technical and commercial (financial) proposals by applicants for participation in the tender;  
opening envelopes with tenders (offers);  
evaluation of tenders (offers);  
determination of the winner or reserve winner;  
conducting negotiations with the winner of the tender;  
conclusion of a public-private partnership agreement with the winner of the tender.

The deadline for the collection of applications for participation in prequalification stage shall not be less than thirty calendar days from the date of publication of the invitation to tender.

To conduct pre-qualification, at least two applicants must participate.

At the stage of selection of the winner of the tender, the public partner sends a request for proposals and a draft public-private partnership agreement to the applicants who have passed the preliminary qualification.

The deadline for submission of tender proposals is indicated in the request for proposals and shall not be less than forty-five calendar days from the date of sending the request to prequalified applicants.

None of the tender participants may submit more than one application. Tender participants have the right to change or withdraw the tenders (offer) at any time before the deadline for submission to the tender commission has passed.

Evaluation of tenders (offers) shall be carried out during the period established by the tender commission. Evaluation of tenders shall be carried out in accordance with the criteria established by the tender commission.

Tender participants or their representatives shall not be allowed to present during the evaluation of tenders (offers). During the evaluation, the tender commission has the right to call applicants in order to receive clarifications, request additional information and confirm the authenticity of the documents submitted. In taking stock of the tender, tender participants and/or their representatives have the right to attend this process.

In case of recognition of tenders (proposals) of all applicants failing to meet the requirements set by the tender commission, tender commission declares tender void and has the right to announce a re-tender. Re-tender is held in the manner determined by the procedure for tendering.

The tender commission publishes information about the winner of the tender on the official websites of the public partner and the Authorized State Body.

Expenses incurred by applicants in connection with participation in the tender are not refundable, except as otherwise provided in Article 17 of this Law.

## Article 22. Tender documentation

The public partner prepares, coordinates with the Authorized State Body, approves tender documents regulating the tender for the right to conclude a public-private partnership agreement.

The tender documentation must contain the following information:

requirements for documents confirming applicants' qualification requirements;

location of the public-private partnership object;

technical and economic indicators of the public-private partnership object;

period of design, construction, funding, reconstruction, operation and maintenance of the public-private partnership object;

indicators or minimum requirements for the quality of a public-private partnership object or services provided by a private partner;

the amount of funding, a list of property or property rights granted by the public partner to the private partner in order to execute the public-private partnership agreement;

risks assumed by parties to a public-private partnership agreement;

the currency in which the parameters of the public-private partnership project shall be reflected, and the currency rate that shall be used in the calculations to transfer to the single currency in purpose of their comparison and evaluation;

description of tender criteria;

requirements for the language of tenders (offers);

the content of tenders (offers), the method, location, deadline for submission and validity of tenders (offers);

conditions of provision of security on the tenders (offers);

procedures, place, date and time of opening the envelopes with tenders (offers).

An integral part of the tender documentation is a draft public-private partnership agreement.

The public partner has the right to introduce amendments and addendums to the tender documentation in coordination with the Authorized State Body. The public partner must inform all applicants about the amendment and/or addendums to the tender documentation not later than five calendar days from the date of the decision on amendment and/or addendums to the tender documentation. At the same time, the public partner shall extend the deadline for submission of tenders (offers) for a period of not less than thirty calendar days for the participants to consider these amendments and/or addendums in tenders (offers).

### Article 23. Tender criteria

Tender criteria shall be clear and non - discriminatory.

When participating in a tender to express an interest in a public-private partnership project, the applicant must meet the following criteria:

- have legal capacity;
- have financial and/or material, technical and/or qualified labor resources necessary to execute obligations under the public-private partnership agreement;
- have no ground for a conflict of interest.

Applicants undergoing reorganization, liquidation and/or bankruptcy are not allowed to participate in tendering.

The criteria used to select the winner of the tender include:

- the volume of payments made by the public partner and the private partner;
- price and tariff caps;
- the amount of funds of a private partner attracted to perform the public-private partnership agreement;
- the amount and type of state support provided to a private partner;
- the term of design and/or construction, creation, reconstruction, modernization, operation and maintenance of the public-private partnership object;
- the term of the public-private partnership agreement;
- technical and technological advantages, functional and innovative characteristics of a public-private partnership project.

### Article 24. Tender commission

The public partner, in coordination with the Cabinet of Ministers of the Republic of Uzbekistan, forms a tender commission to determine the winner of the tender to conclude a public-private partnership agreement.

The tender commission shall consist of representatives of the public partner, the Ministry of Finance of the Republic of Uzbekistan, the Antimonopoly Committee of the Republic of Uzbekistan and the Authorized State Body.

The chairman of the tender commission is a representative of a public partner. The representative of the Authorized State Body participates in the tender commission with a deliberative vote.

The tender commission shall consist of an odd number of members.

The tender commission is competent to make decisions if at the meeting at least seventy-five percent of the total number of its members are present, with each member of the tender commission having one vote.

Decisions of the tender commission are made by a simple majority of votes of the total number of voting members of the tender commission. In case of equality of votes, the vote of the chairman of the tender commission is decisive.

The tender commission shall keep minutes of its meetings, which are signed by all its members present at the meetings.

If a member of the tender commission has a conflict of interest on the issues submitted to the meeting, he must recuse himself and not take part in voting on this issue, which is noted in the protocol.

## Section 25. Direct Negotiations

In accordance with the decision of the public partner, the parties may conclude a public-private partnership agreement through direct negotiations without the need to hold a tendering in the following cases:

ensuring the defense and security of the state;

belonging to a certain person of exclusive rights to the results of intellectual activity, other exclusive rights, land, other real estate and other property, which is a prerequisite for the implementation of the project of public-private partnership;

identified by decrees and resolutions of the President of the Republic of Uzbekistan.

## VI. PUBLIC-PRIVATE PARTNERSHIP AGREEMENT

### Article 26. Conclusion of public-private partnership agreement with the winner of tender

The public partner shall enter into a public-private partnership agreement with the winner of the tender in accordance with the conditions, terms and procedures set forth in the tender documentation.

If, after the expiration of the period specified in the tender documentation, the winner of the tender does not sign a public-private partnership agreement or in case of revealing by the tender commission of misrepresentations on the part of the winner of the tender, the tender commission shall decide to disqualify such a winner, declare the reserve winner as the new winner and offer him to sign the public-private partnership agreement on the terms and conditions initially proposed to the previous winner within ten calendar days from the date of decision on disqualification. If the tender commission does not receive a positive response from the reserve winner within thirty calendar days from the date of sending him a proposal to conclude a public-private partnership agreement, the tender commission shall recognize the tender as invalid and announce a re-tender.

### Article 27. Key terms of a public-private partnership agreement

A public-private partnership agreement is a document between a public partner and a private partner, concluded in the manner and on the conditions provided for by this Law.

The public-private partnership agreement shall contain the following information:

parties to the public-private partnership agreement;

subject of the public-private partnership agreement;

obligations and responsibilities of the parties;

distribution of risks between the public partner and the private partner;

technical and economic indicators of a public-private partnership object, including the description of other public-private partnership objects that shall be transferred or subject to design, construction, creation, funding, reconstruction, operation and maintenance in accordance with the public-private partnership agreement, the purposes and terms of their use;

timing and procedure for the work performance/provision of services related to the public-private partnership project;  
allocation of rights of the parties with respect to the relevant infrastructure and the public-private partnership project, as well as the procedure for their transfer;  
order and procedure for the land allocation required for the implementation of a public-private partnership project and other conditions relating to land plots;  
conditions for setting and changing prices, tariffs for goods, works, services provided by the private partner;  
methods, amounts and terms of ensuring the fulfillment of obligations by the parties;  
term of the public-private partnership agreement, the procedure for its determination;  
method, amount, terms, conditions and the procedure for making payment of remuneration, availability payment, user fees, fees of the private partner to the public partner/or other payments, including income distribution in connection with the implementation of the public-private partnership project;  
procedure for making amendments and addendums to the public-private partnership agreement;  
grounds, procedure and conditions for termination of the public-private partnership agreement, the amount and procedure of payment for early termination;  
procedure for monitoring and controlling the implementation of a public-private partnership project;  
insurance liabilities;  
obligations to develop project documentation;  
responsibility of the parties for violation of obligations under the public-private partnership agreement;  
dispute resolution procedures;  
conditions applicable to the recruitment and use of labor in the Republic of Uzbekistan;  
warranties and guarantees;  
requirements for ownership of shares of a private partner and other property rights in relation to the property of a private partner and its affiliates;  
confidentiality clause;  
basic terms and their explanations.

#### Article 28. Term of a public-private partnership agreement

The term of a public-private partnership agreement shall not be less than three years and shall not exceed forty-nine years.

The parties to a public-private partnership agreement may agree to extend or shorten its term within the time limits established by the first part of the present article, in the cases and on the conditions set forth in the public-private partnership agreement.

#### Article 29. Grounds for amending, supplementing or terminating the public-private partnership agreement

A public-private partnership agreement may be amended, supplemented or terminated by mutual consent of the parties or by a court decision, unless otherwise provided by law or by the public-private partnership agreement.

At the request of one of the parties, the public-private partnership agreement may be amended or terminated by a court decision only in the following cases:

in the cases of material breaches of the public-private partnership agreement by the other party;  
in other cases stipulated by the legislation or public-private partnership agreement.

A material breach shall mean a failure of performance under the public-private partnership agreement, which is significant enough to cause the other party such damages that it is deprived of what it was entitled to expect at the moment of public-private partnership agreement conclusion.

In the event of a unilateral refusal to perform the public-private partnership agreement completely or in part, given that law or agreement itself permits such a refusal, the public-private partnership agreement shall be considered as being terminated.

### Article 30. Property involved in the implementation of a public-private partnership project

A public-private partnership agreement may provide for the obligation of a public partner to transfer to the private partner the property constituting a public-private partnership object and / or other property necessary for the implementation of a public-private partnership project to the possession and use. Such a transfer takes place on the basis of a public-private partnership agreement. The signing of supplemented contracts or agreements for such a transfer is not required.

Parties to a public-private partnership agreement that have the ownership rights shall be entitled to grant each other such rights, including the right to rent, own, use land, other immovable and movable property and intangible assets, along with other property rights to the extent necessary for the implementation of the public-private partnership project.

### Article 31. Land allocation

The land plot on which the public-private partnership object is located and/or which is necessary for the implementation of activities stipulated in the public-private partnership agreement, shall be allocated to the private partner for the period established by the public-private partnership agreement.

The land plot shall be allocated to the private partner without a tender on the basis of an agreement for performance of the obligations under the public-private partnership agreement.

Failure of a public partner of performance of its duty on granting to a private partner of the land plot or the rights to it shall serve as a ground for a private partner to terminate the public-private partnership agreement.

Termination of a public-private partnership agreement is the basis for the termination of the contractual relationship with respect to the land plot provided for the implementation of a public-private partnership project.

### Article 32. Material responsibility of the parties to the public-private partnership agreement

The parties to a public-private partnership agreement shall incur material responsibility for non-performance or improper performance of their obligations in accordance with the law.

In the event of non-performance or improper performance by one of the parties of its obligations under the public-private partnership agreement, the other party shall be entitled to compensation for the damage caused.

### Article 33. The procedure for transferring ownership rights to public-private partnership object

The public-private partnership agreement shall establish the procedure for transferring ownership rights to the designed, created, financed, reconstructed, operated and serviced within the framework of the public-private partnership project public-private partnership object to the public partner or authority for state asset management of the Republic of Uzbekistan, as well as to a private partner in accordance with the decisions of the President of the Republic of Uzbekistan.

The public-private partnership agreement shall specify the moment of the transfer of title over the public-private partnership object, in particular:

the moment of public-private partnership object commissioning;  
the expiration date of the public-private partnership agreement;  
other point in time set by the public-private partnership agreement.

## VII. PROTECTING THE INTERESTS OF A PRIVATE PARTNER AND CREDITOR

### Article 34. Safeguards for the rights of a private partner

If the subsequent legislation of the Republic of Uzbekistan worsens the conditions surrounding investments in the public-private partnership object, the legislation effective on the date of agreement conclusion shall be applied to the private partner within ten years from the date of public-private partnership agreement conclusion.

A private partner has discretionary powers to apply those provisions of the new legislation of the Republic of Uzbekistan that improve the conditions surrounding investments in the public-private partnership object.

### Article 35. Protection of creditor's interests

A public-private partnership contract may provide for provisions that guarantee the creditor's rights, including the amount of compensation paid to creditors in the event of an early termination of the public-private partnership agreement.

A private partner has the right to grant to its creditors any type or form of security, including its rights under a public-private partnership agreement and the agreements concluded pursuant to this agreement, rights, assets included in the public-private partnership project, stock pledge, pledge or assignment of rights, profits and amount due under this agreement.

The creditor and the public partner have the right to remove the private partner or its management from the implementation of a public-private partnership project under the conditions stipulated in the public-private partnership agreement and replace it with a new private partner or replace its management in accordance with the terms stipulated in the public-private partnership agreement.

New private partner must meet the requirements necessary to complete the work and/or to render services in accordance with the public-private partnership agreement. In case of replacement of a private partner with a new private partner, the tender is not held.



## **VIII. PUBLIC-PRIVATE PARTNERSHIP PROJECTS IMPLEMENTATION MONITORING AND REPORTING**

### **Article 36. Public-private partnership projects implementation monitoring**

The public-private partnership agreement shall provide for the obligations of the parties to the agreement regarding the exchange of information on the implementation of the public-private partnership project.

The Authorized State Body shall monitor the implementation of public-private partnership projects for compliance with the terms of public-private partnership agreement. The private partner is obliged to provide access to public-private partnerships objects and relevant documents for monitoring purposes.

### **Article 37. Reporting on public-private partnership project implementation**

Every six months, the public partner shall submit to the Authorized State Body a report on the implementation of the public-private partnership project signed by the parties to the public-private partnership agreement.

The Cabinet of Ministers of the Republic of Uzbekistan approves the order of submission and the form of the report on implementation of the public-private partnership project.

## **IX. MECHANISMS OF FINANCIAL SUPPORT FOR PUBLIC-PRIVATE PARTNERSHIPS**

### **Article 38. Types of financial support for public-private partnership**

Within the framework of a public-private partnership agreement, private partners are entitled to the following types of financial support:

subsidies, including those aimed at ensuring a guaranteed minimum income of the private partner from the implementation of a public-private partnership project;

deposits in the form of assets and property required for the implementation of a public-private partnership project;

budget funds of the Republic of Uzbekistan, directed to pay for the consumption or use of a certain amount or part of goods (work, services) produced or delivered in the process of implementing the public-private partnership project;

the provision of budget loans, grants, credit lines and other types of financing;

state guarantees of the Republic of Uzbekistan;

tax and other benefits;

other guarantees and/or compensation.

### **Article 39. Payments under a public-private partnership agreement**

A public-private partnership agreement may provide for the payment of user fees, payments for the public-private partnership object availability and other payments.

Budget funds allocated for payments for the public-private partnership object availability and other payments, are provided annually in the expenditure of the relevant budget throughout the term of the public-private partnership agreement.

Taking into consideration the provisions of public-private partnership agreement, a private partner shall have the right to make payments to the public partner in the following forms:

fixed amount payable on a periodic basis;

one-time payment;  
a certain portion of any income owed to the private partner for its activities.

A public-private partnership agreement may provide for a combination of various types of payments.

## **X. FINAL PROVISIONS**

### **Article 40. Dispute resolution**

Disputes arising in the public-private partnership sector shall be settled in accordance with the legislation.

### **Article 41. Liability for violating the legislation on public-private partnership**

Persons responsible for violations of the law on public-private partnership shall be liable in accordance with the procedure established by legislation.

### **Article 42. Enforcement, dissemination, clarification of the essence and meaning of the present Law**

The Authorized State Body and other interested organizations shall enforce, disseminate to executives and explain among the population the essence and meaning of the present Law.

### **Article 43. Adaption of legislation in accordance with present Law**

The Cabinet of Ministers of the Republic of Uzbekistan shall:  
adapt government decisions in compliance with this Law;  
accommodate the review and revocation executed by government bodies of their legal acts that are contrary to this Law.

### **Article 44. Entry into force of the present Law**

This Law shall enter into force one month after the date of its official publication.

**The President of the  
Republic of Uzbekistan**

**Sh. Mirziyoev**

Tashkent,  
May 10, 2019  
No. ZRU-537