

Unofficial translation

LAW OF THE REPUBLIC OF UZBEKISTAN

ON PUBLIC-PRIVATE PARTNERSHIP

Adopted by the Legislative Chamber on 26 April 2019

Approved by the Senate on 3 May 2019

Chapter 1. General provisions

Article 1. The purpose and scope of this Law

The purpose of this Law is to regulate relations in the field of public-private partnerships, including concessions.

This Law does not apply to production sharing agreements and public procurement.

The implementation of concession projects, as well as the conclusion of concession agreements are carried out in the manner prescribed by this Law for public-private partnership projects.

Article 2. Legislation on public private partnership

Legislation on public private partnership consists of this Law and other legislative acts.

If under an international agreement the Republic of Uzbekistan establishes other rules than those stipulated by the legislation of the Republic of Uzbekistan on public private partnership, the rules of the international agreement shall apply.

Article 3. Main definitions

The following main definitions are used in this Law:

public private partnership — a legally arranged cooperation for a definite period of time between a public partner and a private partner, founded on pooling of their resources for implementation of public-private partnership project;

public private partnership project — combination of activities, implemented based on attraction of private investments and (or) introduction of best management practices, addressing economic, social and infrastructural issues;

concept of public-private partnership project — prepared by a public partner and (or) private initiator, which justifies the choice to implement the public-private partnership project, determines the cost of the project, source and profitability of the project, efficiency and relevance of its implementation a document containing the grounds;

object of public-private partnership — property, property complexes, public infrastructure, design, construction, creation, supply, financing, reconstruction, modernization, operation and maintenance of which are carried out as part of a public-private partnership project, land plots, as well as works (services) and innovations to be introduced during the implementation of the public-private partnership project;

availability payment for object of public private partnership — payments by the public partner to the private partner, effected in accordance with the public private partnership agreement during the period of use (operation) and (or) maintenance of the object of public private partnership for ensuring its availability;

public partner — the Republic of Uzbekistan and (or) government bodies, local executive authorities, as well as other legal entities or their associations authorized by the Cabinet of Ministers of the Republic of Uzbekistan;

concession — one of the forms of public-private partnership, in which the state provides the private partner with property and land plots with the issuance of a permit to carry out a certain type of economic activity provided for by the concession agreement;

special project company — a legal entity created by the winner of the tender, reserve winner, private initiator or participant in direct negotiations solely for the implementation of a public-

private partnership project and registered in accordance with the legislation of the Republic of Uzbekistan;

applicant — an individual entrepreneur, legal entity or association of legal entities interested in implementing a public-private partnership project and participating in a tender, registered in accordance with the legislation of the Republic of Uzbekistan or a foreign state;

payment for use — payments, collected by the private partner in accordance with the public-private partnership agreement in the framework of implementation of the public-private partnership project from consumers of goods (works, services);

private partner — an individual entrepreneur, a legal entity or an association of legal entities registered in accordance with the legislation of the Republic of Uzbekistan or a foreign state, who have entered into an agreement on public-private partnership with the public partner.

Article 4. Fundamental principles of public-private partnership

Fundamental principles of public-private partnership include:

equality of public partner and private partner before the law;

transparency of rules and procedures for public-private partnership implementation;

competitiveness and neutrality when selecting a private partner;

inadmissibility of discrimination;

inadmissibility of corruption.

Article 5. Principle of a public partner and a private partner equality before the law

Public partner and private partner are equal parties.

Article 6. Principle of rules and procedures transparency in implementation of public-private partnership

Rules and procedures of public-private partnership must be open, transparent and understandable by relevant parties.

The public partner must provide unrestricted access to information about public-private partnership rules and procedures, established by the legislation on public private partnership.

Article 7. Principle of competitiveness and neutrality when selecting a private partner

Competitiveness and neutrality when selecting a private partner is ensured by using competitive bidding, fairness and transparency mechanisms when applying public-private partnership rules and procedures and when taking a decision in favor of the optimal option, based on objective and justified criteria.

Article 8. Inadmissibility of discrimination principle

Inadmissibility of discrimination is guaranteed by ensuring:

equal rights to participants of tender procedures;

objectivity when selecting a private partner;

openness when selecting a private partner.

Private initiators, applicants, private partners, including foreign ones are guaranteed equal rights, provided by the legislation of the Republic of Uzbekistan, legal regime of activity, which eliminates application of measures of discriminatory nature.

Article 9. Inadmissibility of corruption principle

Requirements imposed on the rules and procedures of public private partnership must prevent corruption offenses and bring measures to prevent corruption and corruption factors.

Chapter 2. State regulation in the area of public-private partnership

Article 10. Main goals of government policy in the area of public-private partnership

Main goals of government policy in the area of public-private partnership include:

stimulation of economic growth and ensuring sustainable development of the Republic of Uzbekistan;

development, approval and implementation of national programs in the area of public private partnership;
facilitation in formation, rehabilitation, operation, maintenance of existing public infrastructure;
improvement of public infrastructure operation and maintenance quality;
improvement of state services quality and access to them;
creation of conditions, ensuring attraction of financing form the private sector, including foreign investments;
state support in scientific research, introduction of modern practices and technologies for development and improvement of institutional and legal framework of public-private partnership.

Article 11. Powers of the Cabinet of Ministers of the Republic of Uzbekistan in the area of public private partnership

The Cabinet of Ministers of the Republic of Uzbekistan:
ensures implementation of single state policy in the area of public private partnership;
in cases of uncertainty with the appointment of a public partner for public-private partnership projects, on the proposal of the authorized body in the field of public-private partnership, determines the public partner by the minutes of the meeting of the Cabinet of Ministers of the Republic of Uzbekistan;
adopts regulatory legal acts in the area of public private partnership;
approves the concept of public private partnership project with total value exceeding the equivalent of ten million USD;
establishes the procedure for maintenance of public-private partnership projects register.
sets the amount of a one-time payment collected from the winner of the tender or the participant in direct negotiations for the successful execution of the agreement on public-private partnership.

Article 12. Authorized government body in the area of public-private partnership

Authorized government body in the area of public-private partnership is the Agency for development of public-private partnership under the Ministry of Finance of the Republic of Uzbekistan (hereinafter — the authorized government body).

Authorized government body:
implements state policy in the area of public-private partnership;
participates in development and implementation of state programs in the area of public-private partnership;
ensures interdepartmental coordination during preparation and implementation of public private partnership projects;
supports ministries, state committees, departments, local authorities in implementation of state programs in the area of public-private partnership, as well as in the development of concepts for public-private partnership projects;
organizes interaction with investors, international financial and donor organizations, scientific and expert community, as well as other participants of public-private partnership;
prepares methodological documents, guidelines and instructions in the area of public private partnership;
considers and provides comments on technical and economic parameters of public private partnership projects;
develops draft model agreements on public private partnership;
maintains the register of public-private partnership projects;
provides assistance in preparation and implementation of public-private partnership projects;
approves, rejects or returns for improvement of the concept of public-private partnership project with total value exceeding the equivalent of ten million USD;
submits the concept of public-private partnership project with total value exceeding the equivalent of ten million USD to the Cabinet of Ministers of the Republic of Uzbekistan for approval;

approves tender documents for public-private partnership projects and draft public-private partnership agreements with a total value equivalent to over one million USD;
organizes training, retraining, advanced training of human resources in the area of public-private partnership;
provides explanations on issues concerning public-private partnership;
monitors implementation progress of public-private partnership projects;
engages consultants for preparing public-private partnership projects.
negotiates with international financial institutions, international and local consulting and design organizations on the provision of consulting and audit services in the framework of the implementation of public-private partnership projects, and also concludes contracts in accordance with the established procedure;
concludes an agreement on the collection of a one-time payment from the winner of the tender or a participant in direct negotiations for the successful execution of an agreement on public-private partnership in the amount established by the Cabinet of Ministers of the Republic of Uzbekistan.

Article 12¹. Powers of local executive authorities in the field of public-private partnership

Local executive authorities:

determine the objects at their disposal, in respect of which an agreement on public-private partnership can be concluded;
study and determine, taking into account the needs and potential of the relevant territory, promising projects, land plots that are supposed to be implemented on the basis of an agreement on public-private partnership;
identify factors that impede the timely and effective implementation of public-private partnership projects in the relevant territory, take measures to eliminate them;
allocate land plots without an auction for a period specified in the public-private partnership agreement in order to implement public-private partnership projects.

Chapter 3. Parties to public-private partnership agreements, their rights and responsibilities

Article 13. Parties to public-private partnership agreement

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

Legal entities or associations of legal entities authorized by the public partner can act on the part of the public partner, assuming the obligations of the public partner in accordance with the public-private partnership agreement. At the same time, the public partner bears full responsibility for the fulfillment of obligations under the public-private partnership agreement.

The private partner may delegate its rights and obligations under the public-private partnership agreement to one or several organizations. In such cases, the private partner shall be fully responsible for fulfillment of obligations under the public-private partnership agreement.

Article 14. Rights and obligations of the parties to public private partnership

The public partner has the right to:

request and receive progress report from the private partner concerning fulfillment of terms and conditions under the public-private partnership agreement;
control fulfillment of terms and conditions under the public-private partnership agreement and assess public-private partnership project implementation results;
demand elimination of violations, identified during monitoring activities for compliance with the law and terms under the public-private partnership agreement;
claim compensation for losses under a public-private partnership project that arose through the fault of a private partner under a public-private partnership agreement;
engage consultants to prepare public-private partnership projects.

The public partner shall:

comply with the requirements of the public-private partnership law and the agreement;

provide tender documentation to tender participants, clarify the provisions of the tender documentation to them;

provide necessary conditions to tender participants for inspection of the location and facility, where it is planned to implement the public-private partnership project;

provide property, intended for implementation of activities to the private partner under the right of ownership and (or) use;

support private partner in receiving licenses and permits, necessary for implementation of the public-private partnership agreement;

submit copies of concluded public-private partnership agreements by it to authorized government body, including appendixes, amendments or supplements thereto, within twenty calendar days as from public-private partnership agreement or a corresponding amendment or supplement signature date;

not restrict the private partner in freely administering and managing its investments and income, or managing and controlling assets and activities without restricting his rights, set forth in the public-private partnership agreement;

refrain from interfering into the activities, carried out by the private partner or third parties, engaged by the private partner;

bear responsibility as provided for in the legislation and public-private partnership agreement.

The private partner has the right to:

receive the required and available information for implementation of the public-private partnership project from the public partner;

submit proposals on amendment of the terms and conditions under the public private partnership agreement;

claim compensation for losses under a public-private partnership project that have arisen through the fault of the public partner under the public-private partnership agreement.

Private partner must:

comply with the requirements of the legislation and public-private partnership agreement;

bear responsibility as provided for in the legislation and public-private partnership agreement.

Private partner does not have the right to transfer the right to use the land plot provided to him under public private partnership terms, to other legal entities and individuals, except for the cases provided for in [Article 35](#) of this Law.

Chapter 4. Initiation and preparation of the public-private partnership project

Article 15. Initiation of the public-private partnership project

The public private partnership project may be initiated by a government body (organization) (hereinafter - the state initiator) and (or) by a private entrepreneur or legal entity (hereinafter - the private initiator).

Initiation of the public-private partnership project consists of:

development of the concept of public-private partnership project;

submission of the concept of public-private partnership project for assessment, coordination and approval to the appropriate government body;

consideration of the concept of public-private partnership project by the authorized government body;

approval, rejection or returning for improvement of the concept of public private partnership project by authorized government body;

approval of the agreed concept of public-private partnership project by the public partner or the Cabinet of Ministers of the Republic of Uzbekistan;

inclusion of the concept of public-private partnership project into the registry of public-private partnership projects by the authorized government body.

Article 16. Preparation of the public-private partnership project by public initiator

Public initiator develops the public-private partnership project, as a rule, in line with priority economic and social sectors, within its area of competence.

Preparation of public-private partnership project is carried out based on preliminary financial estimates, ensuring assessment of rationality and efficiency of public-private partnership project and optimal form of its implementation, particularly in line with:

financial and economic efficiency indicators of the public-private partnership project;
structure and parameters of designed, established, financed, reconstructed, operated or maintained object of public private partnership by the private partner in accordance with the public-private partnership agreement;

expected scope of investments by the private partner and envisaged scope of financing from the budgets of the budgetary system of the Republic of Uzbekistan;

obligations of the public partner and the private partner;

types of state support provided to the private partner;

time periods for holding negotiations;

conditions of access to goods (work, services), provided using the object of public-private partnership.

Preparation of the public-private partnership project must be accompanied by public discussions in order to take into account the interests of the population, consumers, users of goods (works, services).

Article 17. Preparation of the public private partnership project by a private initiator

Private initiator has the right to develop and submit the concept of public-private partnership project to a potential public partner. The concept of public private partnership project must contain an innovative approach to solving existing problems and provide a balanced benefit acceptable to the parties.

Prior to submission of the concept of public-private partnership project, private initiator may hold preliminary discussions, as well as exchange information about public-private partnership with the potential public partner.

If a private initiator passes prequalification in accordance with [Article 23](#) of this Law, a potential public partner who has received the concept of a public-private partnership project, within thirty calendar days, makes a decision on the approval or refusal to implement it.

In case of acceptance of the concept of public-private partnership project submitted by the private initiator with total value exceeding the equivalent of one million USD, the potential public partner submits this concept for agreement to the authorized government body.

Reasons for refusing implementation of public-private partnership project can be the following:

non-compliance of the private initiator with the requirements established by this Law;

absence of the right at the disposal of potential public partner to exercise economic jurisdiction or operational management over the object of public-private partnership;

absence of necessity for engineering, construction, establishment, financing, reconstruction, operation and maintenance of the object of public private partnership;

absence of economic feasibility and (or) public demand in implementation of the project.

In case of approval of the concept of a public-private partnership project, a potential public partner within five calendar days publishes on its official website, on the official website of the authorized state body and other specialized websites, the concept of the public-private partnership project and an offer to other applicants to declare on their interest in the implementation of a public-private partnership project, as well as a request for the provision of a package of pre-qualification documents in accordance with [Article 23](#) of this Law.

If within forty-five calendar days, starting from the publication date of public-private partnership project concept, no sole entrepreneur or legal entity declares its interest to the potential public partner on implementation of the public-private partnership project, the potential public partner takes a decision on implementation of the public-private partnership project with a private initiator and proceeds to conduct direct negotiations with a private initiator, coordinates a draft public-private

partnership agreement with an authorized state body and concludes a public-private partnership agreement with a private initiator or a special project company without a tender within sixty days from the date of approval the authorized state body of the draft agreement on public-private partnership.

If any private entrepreneur or a legal entity has declared its interest in implementation of the public-private partnership project, then the selection of private partner for implementation of the public private partnership project shall be made through tendering processes.

At the same time, regardless of the cost of the public-private partnership project, a one-stage tender is held, and without re-posting the tender announcement in the media and on the official websites of the public partner and the authorized state body for applicants who meet the tender criteria provided for in [Article 23](#) of this Law, a package with tender documents is submitted by the state partner within thirty days. The deadline for the submission of bids by bidders is indicated in the request for tender proposals, and it must not be less than forty-five days from the date of sending this request to bidders. The tender commission determines the winner of the tender and the reserve winner of the tender by evaluating their bids.

In the event that none of the interested bidders submits qualification documents upon the request for the provision of a package of prequalification documents within the prescribed period (except for the private initiator), the tender cannot be repeated, and the potential public partner begins direct negotiations with the private initiator.

If the private initiator does not become the winner of the tender, the actual costs associated with the preparation of the public-private partnership project are covered by the private initiator at the expense of the winner or the reserve winner of the tender in an amount not exceeding one percent of the total cost of the public-private partnership project.

Article 18. Approval of the concept of a public-private partnership project, making amendments and (or) additions to it

Approval of the concept of a public-private partnership project with a total cost equivalent of up to one million USD, inclusive, amendments and (or) additions to it are carried out by the relevant state body (organization) independently.

Approval of the concept of a public-private partnership project with a total cost equivalent of over one million dollars and up to ten million USD inclusive, amendments and (or) additions to it are carried out by the relevant state body (organization) in agreement with the authorized state body.

Approval of the concept of a public-private partnership project with a total cost equivalent to over ten million USD, amendments and (or) additions to it are carried out by the Cabinet of Ministers of the Republic of Uzbekistan.

After the concept of the public-private partnership project has been approved, the public partner proceeds to the next stages of the public-private partnership project.

The concept of a public-private partnership project may be amended and (or) supplemented in the prescribed manner at the suggestion of a private initiator, a participant in direct negotiations, a public partner, an authorized government body or the Cabinet of Ministers of the Republic of Uzbekistan.

Article 19. Registry of public private partnership projects

Registry of public private partnership projects is a unified information system, containing data and information about public-private partnership projects under implementation.

Registry of public-private partnership Projects is a publicly available information resource published on the Internet.

Registry of public private partnership projects is maintained by the authorized government body.

The procedure for maintenance of the registry 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

The following information on public-private partnership projects is posted on the official websites of the public partner and the authorized government body, except for cases related to state secrets:

- the names of the parties to the project;
- direction of the project;
- location of the project;
- the term of the project;
- tariffs for goods (works, services) sold to consumers (if any);
- The total cost of the project; volume and types of state support (if any).

Chapter 5. Selection of a private partner

Article 21. Tender for the right to conclude public-private partnership agreement

The public partner enters into a public-private partnership agreement with a private partner, determined by the results of a tender or direct negotiations.

Tenders can be one-stage or two-stage.

A one-stage tender is being held for a public-private partnership project in the equivalent of up to one million USD.

When conducting a one-stage tender, detailed technical and commercial (financial) proposals of the tenderers, developed on the basis of the conceptual solution and conditions specified in the tender documents, are considered and evaluated. In the process of organizing a tender, it is allowed to conduct negotiations with bidders on the parameters of the subject of the tender.

The one-stage tender procedure includes:

- publication of a tender announcement in the media and on the official websites of the state partner and the authorized state body;
- receiving bids from applicants for participation in the tender;
- submitting a request for submission of preliminary qualification documents and a package of tender documents to applicants who have declared their desire to take part in the tender;
- opening of envelopes with tender proposals of applicants;
- evaluation of bids;
- determination of the winner and the reserve winner of the tender;
- negotiations with the winner of the tender or a special project company;
- conclusion of a public-private partnership agreement with the winner of the tender.

Deadline for submitting bids for participation in the tender cannot be less than thirty calendar days from the date of publication of the announcement of the tender.

A two-stage tender is held for a public-private partnership project with a total cost equivalent to over one million USD, except for the cases provided for in [Article 17](#) of this Law.

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

Two-stage tender is conducted in the following order:

on the first stage, the qualification documents of the applicants are considered and their compliance with the qualification criteria specified in the tender documents is assessed. It is allowed to conduct negotiations with bidders on the parameters of the subject of the tender;

on the second stage, the submitted technical and commercial (financial) proposals are considered and evaluated, taking into account the specified parameters of the subject of the tender, with the obligatory indication of the price (tariff).

The two-stage tender procedure includes:

- publication of a tender announcement and a request for submission of prequalification documents in the media and on the official websites of the public partner and the authorized government body;
- collection and evaluation of preliminary qualification applications confirming the qualifications of applicants;
- formation of a list of prequalified applicants;

sending by the public partner of a package of tender documents to prequalified applicants;
submission of bids by prequalified bidders;
opening of envelopes with tender proposals of prequalified bidders;
evaluation of bids;
determination of the winner and the reserve winner of the tender;
negotiations with the winner of the tender;
conclusion of a public-private partnership agreement with the winner of the tender or a special project company.

Deadline for collecting prequalification bids for participation in prequalification cannot be less than thirty calendar days from the date of publication of the tender announcement.

As a result of prequalification, at least two applicants must meet the qualification requirements.

At the stage of selecting the winner of the tender, the public partner sends to the prequalified applicants a request for tender proposals and a draft public-private partnership agreement.

Deadline for the submission of bids is indicated in the request for submission of bids and cannot be less than forty-five calendar days from the date the request is sent to the prequalified bidders.

None of the bidders may submit more than one tender proposal. The Bidder may change or withdraw the tender proposal at any time before the expiry of the deadline for submitting tender proposals to the tender commission.

Evaluation of tender proposals is carried out within the period established by the tender commission. Evaluation of tender proposals is carried out according to tender criteria established by the tender commission in the tender documents.

Bidders or their representatives are not entitled to be present during the evaluation of bids. During the assessment, the tender commission has the right to summon applicants to provide explanations, request additional information from them and confirm the accuracy of the submitted documents. When summarizing the results of the tender, participants in the tender and (or) their authorized representatives may be present.

If the tender commission recognizes the tender proposals of all bidders as not complying with the requirements of the request for tender proposals, it recognizes the tender void and has the right to declare a re-tender. The re-tender is carried out in the order determined by the procedure for holding the tender.

If the tender commission recognizes the bids of all applicants as not meeting the requested requirements, and also if the number of prequalified applicants is less than two, the tender is declared invalid and the tender commission has the right to announce a re-tender. The repeated tender is held in the order established by the procedure for its holding.

Acceptance of qualification bids and tenders can be carried out electronically in the manner and in the cases specified in the tender documents.

Expenses incurred by applicants in connection with participation in the tender are not subject to reimbursement, except for the cases provided for in [Article 17](#) of this Law.

Article 22. Tender documentation

Public partner prepares and approves tender documents regulating the holding of a tender for the right to conclude a public-private partnership agreement, as well as a draft public-private partnership agreement.

For a public-private partnership project with a total cost equivalent of over one million USD, tender documents and a draft public-private partnership agreement are coordinated with the authorized government body.

The tender documentation must contain:

requirements to documents confirming that applicants meet qualification requirements;
location of the object of public-private partnership;
general parameters and requirements for the effectiveness of technical and economic indicators;

deadlines (time periods) for engineering, construction, financing, reconstruction, operation and maintenance of the object of public-private partnership;

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

scope of financing, list of property or property rights to be provided by the public partner to the private partner with the purpose to fulfill the public-private partnership agreement;

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

currency, in which the parameters of the public-private partnership project must be reflected in, and the exchange rate, which will be used during calculations to bring it into a single currency for the purpose of their comparison and evaluation;

description of the tender evaluation criteria;

requirements for the language of submission of the tender proposal;

content of the tender proposal, method, place, terms of submission and validity of tender proposals;

conditions for the provision of security for the tender proposal;

procedures, place, date and time of opening of envelopes with tender proposals.

Draft public-private partnership agreement shall be an integral part of the tender documentation.

The state partner, in agreement with the authorized state body, has the right to make changes and additions to the tender documentation. The public partner, no later than five calendar days from the date of the decision to amend and (or) amend the tender documentation, is obliged to inform all applicants about the amendments and (or) amendments to the tender documentation. In this case, the deadline for the submission of bids is extended by the state partner for a period of at least fifteen calendar days for the bidders to take into account these changes and (or) additions to the bids.

Article 23. Tender criteria

Bidding criteria must be clear and apply to all bidders without discrimination.

To participate in the tender, to declare interest in implementation of the public-private partnership project, the applicant must meet the following criteria:

possess legal capacity;

possess financial and (or) material, technical and (or) qualified human resources, required for fulfillment of obligations under the public-private partnership agreement;

do not have grounds for existence of conflict of interests.

Applicants at the stage of reorganization, liquidation and (or) bankruptcy are not permitted to participate in the tender.

Criteria used at the stage of winner selection, provides for:

amount of payments, effected by the public partner and private partner;

maximum prices and tariffs;

amount of funds available with the private partner, raised for implementation of the public-private partnership agreement;

scope and types of state support, provided to the private partner;

deadlines (time periods) for engineering and (or) construction, establishment, reconstruction, modernization, operation and maintenance of the object of public-private partnership;

term of implementation of the public-private partnership project;

technical and technological advantages, functional and innovative characteristics of the public-private partnership project.

Article 24. Tender commission

Public partner in agreement with the Cabinet of Ministers of the Republic of Uzbekistan shall establish a tender commission for determination of the winner, for the right to conclude public-private agreement.

The structure of the tender commission must include representatives of the public partner, the Ministry of Finance, the Antimonopoly Committee of the Republic of Uzbekistan and authorized government body.

The representative of the public partner shall be a chairman of the tender commission. Representative of the authorized government body included in the structure of the tender commission shall have a consultative vote.

Tender commission shall consist of an odd number of members.

Tender commission is competent to take decisions, if minimum seventy-five percent from total members are present at the meeting and one member of the tender commission shall have one vote.

Decisions of the tender commission are taken by a simple majority of votes from total number of voting members of the tender commission. If votes are equal, a chairman of the tender commission has a decisive vote.

Tender commission maintains minutes of its meetings, which shall be signed by all its members present at the meetings.

If a member of the tender commission has a conflict of interest with respect to the issues raised during the meeting, he must declare his refusal and withdraw from voting on this issue, which shall be reflected in the minutes of meeting.

Article 25. Direct negotiations

Parties may conclude public-private partnership agreement without tendering, based on direct negotiations in accordance with the decision of the public partner in the cases of:

ensuring defense and security capacity of the state;

ownership by a certain person of exclusive rights to intellectual property, other exclusive rights, land plot, other items of immovable property and other property, which is a pre-requisite for implementation of the public-private partnership project;

determined by decrees and resolutions of the President of the Republic of Uzbekistan, as well as resolutions of the Cabinet of Ministers of the Republic of Uzbekistan.

Chapter 6. Public-private partnership agreement

Article 26. Conclusion of an agreement on public-private partnership

The public partner, in accordance with [Articles 17, 21 and 25](#) of this Law, concludes a public-private partnership agreement with the winner of the tender, a direct negotiator or a special project company.

If, after the expiration of the period stipulated in the tender documentation, the winner of the tender does not sign a public-private partnership agreement or, if the tender commission reveals that the information provided by the winner of the tender does not correspond to the reality, the tender commission decides on his disqualification and recognizes the winner of the tender as a reserve winner and invites him to conclude an agreement on public-private partnership on the terms of the winner within ten calendar days from the date of the decision to disqualify the winner of the tender.

The reserve winner, in accordance with the decision of the tender commission, is considered the recognized bidder who has submitted the best tender proposal after the tender proposal of the winner of the tender.

If the tender commission does not receive a positive response from the reserve winner of the tender within thirty calendar days from the date of sending him a proposal to conclude an agreement on public-private partnership, the tender commission shall declare the tender invalid and announce a re-tender.

Article 27. Main terms and conditions of public-private partnership agreement

Public-private partnership agreement is a document between the public partner and the private partner, executed in accordance with the procedure and subject to terms and conditions stipulated under this Law.

Public-private partnership agreement shall contain information on:

the parties to the public-private partnership agreement;
the subject of public-private partnership;
obligations and responsibilities of the parties;
distribution of risks between the public partner and the private partner;
on the general parameters and performance requirements for the technical and economic indicators of the public-private partnership object, including a description of other transferred or subject to design, construction, creation, financing, reconstruction, operation and (or) maintenance of public-private partnership objects in accordance with the agreement on public-private partnership, purposes and terms of their use;
deadlines and procedure for performance of works (services) related to the public-private partnership project;
distribution of rights of the parties, in relation to relevant infrastructure and according to the public-private partnership project, as well as about the procedure for their handover;
the order and the procedure for allocation of land plots, required for the implementation of public-private partnership project, other conditions relating to land plots;
conditions for regulating and changing prices, tariffs for goods, works, services provided by the private partner;
methods, amounts and deadlines ensuring fulfillment of obligations by the parties;
term of the public-private partnership agreement, procedure of its determination;
on the forms, amounts, terms, conditions, procedure for payment of remuneration, payment for availability, payment for use, payment of a private partner to a public partner and (or) other payments, including the distribution of income (profit) in connection with the implementation of a public-private partnership project;
the procedure for introducing amendments and additions to the public-private partnership agreement;
basis, procedure and conditions for termination of the public-private partnership agreement, amount and procedure of payment for early termination;
the procedure for monitoring and control over implementation of public-private partnership project;
insurance obligations;
obligations on development of design documentation;
responsibilities of the parties for breach of obligations under the public-private partnership agreement;
the procedure for settlement of disputes;
conditions applicable to personnel recruitment and labor service in the Republic of Uzbekistan;
warranties and guarantees;
requirements in relation to shareholding by private partner and other property rights related to the property of the private partner and its affiliates;
on confidentiality;
on definitions and their explanations.

In the agreement on public-private partnership, in accordance with the established procedure, additional information can be entered.

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Article 28. Term of the public-private partnership agreement

Term of the public-private partnership agreement may not be less than three years and must not exceed forty-nine years.

Parties to the public-private partnership agreement may agree to extend or shorten its term within the time period, set forth in the first paragraph of this article, in cases and subject to conditions, specified in the public private partnership agreement.

Article 29. Modification, addition or termination of the public-private partnership agreement

The public-private partnership agreement may be amended, supplemented or terminated by agreement of the parties or by a court decision, unless otherwise provided by legislation or a public-private partnership agreement.

Amendment, addition or termination of a public-private partnership agreement for a public-private partnership project with a total value equivalent to one million US dollars inclusive is carried out by the public partner and the private partner independently in the manner prescribed by the public-private partnership agreement.

Amendment, addition or termination of a public-private partnership agreement for a public-private partnership project with a total value equivalent to over one million dollars is carried out in agreement with the authorized state body.

Amendment, addition or termination of a public-private partnership agreement for a public-private partnership project with a total value in the equivalent of over ten million US dollars is carried out in agreement with the Cabinet of Ministers of the Republic of Uzbekistan.

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

A public-private partnership agreement may provide for the obligation of the public partner to transfer to the private partner the property that constitutes the object of the public-private partnership and (or) other property necessary for the implementation of the public-private partnership project, into possession and use. At the same time, the provision or organization of the transfer of property is carried out on the basis of an agreement on public-private partnership and the legislation of the Republic of Uzbekistan, and the conclusion of additional contracts or agreements is not required.

Parties to a public-private partnership agreement that have ownership rights may grant each other such rights, including the right to lease, possession, use of land plots, other immovable, as well as movable property and intangible assets, along with other property rights within the limits necessary for the implementation of a public-private partnership project.

Article 31. Allocation of land plots

Land plots or their part on which the object of the public-private partnership is located, and (or) which are necessary for the implementation of the activities provided for by the public-private partnership agreement, which are at the disposal of the public partner or local executive authorities, are provided in accordance with their owned by a public partner or local executive authorities to a private partner for the period specified in the public-private partnership agreement.

The land plot is provided to a private partner without an auction to fulfill its obligations under a public-private partnership agreement.

Public partner's non-performance of obligations on allocation of the land plot or rights thereto, may serve as the ground for unilateral termination of the public-private partnership agreement by the private partner.

Termination of the public-private partnership agreement constitutes grounds for termination of contractual relationship in relation to the land plot, provided for implementation of the public-private partnership project.

Article 32. Property liability of the parties to the public-private partnership agreement

Parties to a public-private partnership agreement shall bear property liability for non-fulfillment or improper fulfillment of their obligations in accordance with the public-private partnership agreement.

In case of non-fulfillment or improper fulfillment by one of the parties of its obligations stipulated in the public-private partnership agreement, the other party has the right to compensation for damage caused in accordance with the public-private partnership agreement.

Article 33. Procedure for transfer of ownership rights to the object of public-private partnership

Public-private partnership agreement establishes the procedure for transferring ownership rights for the designed, established, financed, reconstructed, operated and maintained in the framework of the public-private partnership project object of public-private partnership project to the public partner or to the state assets management body of the Republic of Uzbekistan, as well as to the private partner in accordance with the resolutions of the President of the Republic of Uzbekistan.

The public-private partnership agreement must stipulate the moment of transfer of ownership rights to the object of public-private partnership agreement, which may be:

- date of commissioning of the object of public-private partnership;
- date of expiration of the public-private partnership agreement;
- other date, set forth in the public-private partnership agreement.

Chapter 7. Protection of Private Partner and creditor interests

Article 34. Guarantee of private partner rights

If the change in the legislation of the Republic of Uzbekistan in force on the date of the conclusion of the public-private partnership agreement directly entails an increase in the costs of the private partner or a decrease in his income within the framework of the public-private partnership project, the private partner, based on the project being implemented, has the right to demand a compensatory increase in the accessibility fee. object of public-private partnership and (or) payment for use, and also require a one-time compensation payment from the public partner and (or) the introduction of appropriate changes and (or) additions to the public-private partnership agreement, if this is provided for by the public-private partnership agreement.

The procedure, conditions, limitations and exceptions for the application of guarantees provided for in the **first part** of this article are determined in the agreement on public-private partnership.

The provisions of the **first part** of this article shall not apply in the event of changes in the legislation of the Republic of Uzbekistan providing for changes in taxes and fees after the conclusion of a public-private partnership agreement, except for discriminatory changes to a particular public-private partnership project.

Article 35. Protection of creditor interests

Public-private partnership agreement may include provisions that provide for guarantees of creditor rights, including the amount of compensation payable to creditors in case of early termination of the public-private partnership agreement.

In public-private partnership projects involving lenders, lenders may enter into direct agreements with the public partner or private partner, which should take into account the following:

- the rights and obligations of creditors in connection with the replacement or removal of a private partner (management of a private partner);

- the obligation to pay creditors payments payable by the public partner to the private partner in accordance with the public-private partnership agreement in cases of replacement or removal of the private partner;

- conditions to reduce the risk of termination of the public-private partnership agreement;

- payments in case of early termination of a public-private partnership agreement;

- the procedure for exchanging information on the implementation of a public-private partnership project, on ensuring the rights and obligations of the parties.

Private partner can provide its creditors with any types or forms of security, including its rights under a public-private partnership agreement and agreements concluded pursuant to this agreement, rights, assets, the right to use a land plot, pledge of shares, pledge or assignment of rights, profits and amounts due under this agreement, which are part of a public-private partnership project.

Creditor and the public partner shall be entitled to suspend the private partner or its management from implementation of the public-private partnership project under the conditions set

forth in the public private partnership agreement and replace him by new private partner or replace its management, in accordance with the conditions, set forth in the public-private partnership agreement.

The new private partner must satisfy requirements, necessary for completion of works and (or) rendering services in line with the public-private partnership agreement. In case if private partner is replaced by new private partner, the tendering process shall not be held.

Chapter 8. Monitoring and reporting in the area of implementation of public-private partnership projects

Article 36. Monitoring over implementation of public-private partnership projects

Public-private partnership agreement lays obligations on the parties to the agreement concerning information exchange about implementation of the public-private partnership project.

Authorized government body monitors over implementation of public-private partnership projects for compliance with the conditions of the public-private partnership agreement. Private partner must provide access to objects of public-private partnership and relevant documents for the purposes of monitoring.

Article 37. Reporting over implementation of public private partnership project

Every six months, the public partner submits report about implementation of the public private partnership project to the authorized government body, signed by the parties to the public private partnership agreement.

The procedure for submission and the form of report about implementation of the public-private partnership project are approved by the Cabinet of Ministers of the Republic of Uzbekistan.

Chapter 9. Mechanisms for supporting public-private partnerships

Article 38. Types of support for public-private partnership

The Republic of Uzbekistan, in order to protect the interests of a private partner and (or) a creditor (creditors) within the framework of a public-private partnership agreement, may provide the following types of support:

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

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

funds from the budgets of the budgetary system of the Republic of Uzbekistan, allocated to pay for the consumption or use of a certain amount or part of goods (works, services) produced or supplied in the process of implementing a public-private partnership project;

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

additional guarantees by mutual agreement in order to ensure the fulfillment of obligations by investors;

tax incentives and preferences, as well as other benefits;

other guarantees and / or compensation.

The provision of additional guarantees and (or) support is carried out by concluding an agreement on state support with the Republic of Uzbekistan or in the manner provided for in an agreement on public-private partnership.

An agreement on state support is a written agreement concluded between the Republic of Uzbekistan and a private partner, which provides for the provision of additional guarantees and support (benefits and preferences) to the private partner and (or) creditors.

The agreement on state support for the implementation of public-private partnership projects is signed on behalf of the Republic of Uzbekistan by the Ministry of Finance of the Republic of Uzbekistan.

The agreement on state support comes into force from the date of the adoption of the resolution of the President of the Republic of Uzbekistan or the resolution of the Cabinet of Ministers

of the Republic of Uzbekistan on the approval of the agreement on state support, unless otherwise provided by the resolution of the President of the Republic of Uzbekistan or the resolution of the Cabinet of Ministers of the Republic of Uzbekistan.

Any types of additional guarantees and (or) support, directly or indirectly affecting the State budget of the Republic of Uzbekistan, must be agreed with the Ministry of Finance of the Republic of Uzbekistan before approving the concept of a public-private partnership project.

Tax benefits and preferences are established in the manner prescribed by the Tax Code of the Republic of Uzbekistan.

In exceptional cases, for public-private partnership projects carried out with the participation of foreign investments attracted within the framework of public-private partnership agreements, on the basis of decisions of the President of the Republic of Uzbekistan, it is allowed to link prices for goods (works, services) sold in the territory of the Republic of Uzbekistan to foreign currencies and conventional units.

Private partner who is a resident of the Republic of Uzbekistan has the right to open bank accounts abroad for the purposes stipulated by an agreement on public-private partnership and (or) an agreement on state support.

Article 39. Payments under the public-private partnership agreement

Public-private partnership agreement may provide for the conditions for making payments, including wages, accessibility fees, user fees, private partner's fees to the public partner and / or other payments, including the conditions for the distribution of income (profit) in connection with the implementation of the project public-private partnership.

Budgetary funds, allocated for availability payment, other payments shall be provided for on annual basis in the expenditure side of the corresponding budget during the entire validity period of the public-private partnership agreement.

Under the public-private partnership agreement, private partner may effect payments to the public partner in the form of:

fixed amounts, subject to payment on a periodic basis;

single payment;

certain part of any income, payable to the private partner from its activities.

The public-private partnership agreement may include combinations of different types of payments.

Chapter 10. Final provisions

Article 40. Settlement of disputes

Disputes arising in the area of public private partnership shall be settled in accordance with the procedure established by the legislation.

Article 41. Responsibility for violation of the public-private partnership law

Persons found guilty violating the public-private partnership law should bear responsibility in accordance with the procedure prescribed by law.

Article 42. Enforcement, notification, explanation of the essence and meaning of this Law

Authorized government body and other concerned organizations must ensure enforcement, notification of principals and explanation of the essence and meaning of this law among the population.

Article 43. Alignment of the legislation in conformity with this Law

Cabinet of Ministers of the Republic of Uzbekistan must:

bring government decisions in conformity with this Law;

ensure revision and abolition by public authorities of their regulatory and legal acts that are inconsistent with this Law.

Article 44. Entry of this law into legal force

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

President of the Republic of Uzbekistan SH. MIRZIYOYEV

Tashkent City,
May 10, 2019,
No. LRU-537