



On distribution and Rules of use of the target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions within the framework agreements on partnership

Unofficial translation

Decree of the Government of the Republic of Kazakhstan dated June 28, 2016 No. 374.

Unofficial translation

In accordance with the Law of the Republic of Kazakhstan dated November 30, 2015 “On the republican budget for 2016 - 2018”, the Government of the Republic of Kazakhstan
ORDERS:

1. Approve the attached:

1) distribution of the target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions within the framework agreements on partnership for 2016;

2) Rules of use of the target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions within the framework agreements on partnership.

2. Control over the execution of this order shall be assigned to the Ministry of National Economy of the Republic of Kazakhstan.

3. This resolution shall be enforced from the date of its signing.

*Prime Minister
of the Republic of Kazakhstan*

K. Massimov

Approved
by Order No. 374
of the Government
of the Republic of Kazakhstan
of June 28, 2016

Distribution of the target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions within the framework agreements on partnership for 2016

Footnote. Distribution as amended by the Government of the Republic of Kazakhstan dated August 31, 2016 No. 495; dated December 6, 2016 No. 772; dated December 6, 2016 No. 776.

№ п/ п	Name of the project	Amount of financing, thous.tenge	Administrator of budget programmes	International financial institution
1	2	3	4	5
1. For development or adjustment, also conducting of necessary expertise of feasibility studies of budget investment projects				
1.	Reconstruction of the corridor Center-South “Astana-Karaganda-Balkhash-Kurty-Kapshagai-Almaty”, section “Karaganda-Burylbaital”	4021	MID	WB
2.	Reconstruction of the corridor “Center- East”	5511	MID	WB
3.	Reconstruction of motorway “border of the Russian Federation (to Orsk) -Aktobe-Atyrau-Russian Federation border (to Astrakhan)”, section “Atyrau – Astrakhan”	181	MID	IsDB
2. For implementation of budget investment projects				
1	2	3	4	5
1.	Restoration of Ust-Kamenogorsk city environment. Protection of water resources and restoration of groundwater contaminated by industry of Ust-Kamenogorsk	205519	Ministry of Agriculture	WB
2.	2-nd phase of the project “Improvement of irrigation and drainage systems” (PIID-2)	686516	Ministry of Agriculture	WB
3. For implementation of programme projects				
1.	Development of occupational skills and employment incentives	41260	MHSD	WB
2.	Improvement of competitiveness of small and medium-sized businesses in Kazakhstan	1305	MNE	WB
3.	Productive innovation incentives	152606	MES	WB
4. For implementation of technical assistance measures				
1.	Implementation of EBRD Programme of support to small and medium-sized enterprises in the Republic of Kazakhstan	1738255	MNE	EBRD
2.	Implementation of subprogram “Women in Business” within the Programme of small business support	604014	MNE	EBRD
3.	Project “Elimination of waste containing persistent organic pollutants, in the Republic of Kazakhstan”	28960	ME	WB
4.	Construction and operation of general clinical hospital of 300 beds at the Republican state enterprise with the right of economic management "Karaganda State Medical University" of the Ministry of Health and Social Development of the Republic of Kazakhstan in Karaganda city	54000	MHSD	ADB
5. Target development transfers to enhance authorized capital of quasi-public sector entities for implementation of projects on borrowing of quasi-public sector entities under tripartite agreements				
1	2	3	4	5
Aktyubinsk oblast		419031		
1.	Modernization of water supply and sanitation system in Aktobe	419031	MNE	EBRD

Kyzylorda oblast		3377982		
2.	Construction and reconstruction of water supply and sanitation system in Kyzylorda city	1389559	MNE	EBRD
3.	Construction and reconstruction of heat supply system of Kyzylorda city	1388423	MNE	EBRD
4.	Modernization of Kyzylorda electric power distribution system	600000	MNE	EBRD
Zhambyl oblast		189500		
5.	Modernization of water supply system of Taraz city	189500	MNE	EBRD
Pavlodar oblast		910000		
6.	Increase of authorized capital of JSC National company “Socio-Entrepreneurial Corporation “Pavlodar” for implementation of the project “Modernization of joint-stock company Tram office of Pavlodar city”	910000	MID	EBRD
North-Kazakhstan oblast		1500000		
7.	Modernization of water supply and sanitation system of Petropavlovsk city	1500000	MNE	EBRD
Kostanay oblast		240000		
8.	Modernization of water supply and sanitation system of Kostanay city	240000	MNE	EBRD
6. To prepare PPP projects, including concession projects, by involving IFIs				
6.1. Preparation of republican PPP projects, including concession projects				
1.	Consulting support for concession project "Construction and operation of Big Almaty Ring Road (BARR)"	107721	MID	WB
6.2. Target current transfers to oblast budgets, Astana and Almaty budgets for preparation of local PPP projects, including concession projects				
2.	Consulting support for concession project “Construction and operation of light rail line (light rail) in Almaty city”	40894	MID	EBRD
7. To prepare and support government loan projects and borrowing projects of quasi-public sector entities in the frames of cooperation programmes with IFIs				
1.	To prepare and support borrowing projects of quasi-public sector entities in the frames of Technical cooperation programme between the Government of the Republic of Kazakhstan and EBRD	2025367	MNE	EBRD
Total		12332643		

Note:

Expansion of abbreviations:

MES – Ministry of Education and Science of the Republic of Kazakhstan;

MID – Ministry of Investment and Development of the Republic of Kazakhstan;

MNE – Ministry of National Economy of the Republic of Kazakhstan;

ME – Ministry of Energy of the Republic of Kazakhstan;

MHSD – Ministry of Health and Social Development of the Republic of Kazakhstan;

WB – World Bank;

EBRD – European Bank for Reconstruction and Development;

IsDB – Islamic Development Bank;

IFI – international financial institution;

Rules of use of the target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions within the framework agreements on partnership

1. General provisions

1. These Rules of use of the target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions within the framework agreements on partnership, (further-the Rules) were developed in accordance with the Budget Code of the Republic of Kazakhstan dated December 4, 2008, the Law of the Republic of Kazakhstan dated November 30, 2015 “On the Republican Budget for 2016 - 2018”.

2. The following concepts are used in these Rules:

1) framework partnership agreements - framework partnership agreements between the Government of the Republic of Kazakhstan and international financial organizations, approved by the Government of the Republic of Kazakhstan;

2) programme project - a set of measures implemented at the expense of external loans directed for institutional development, and also as budget support in the framework of financing the republican budget deficit;

3) budget investment project - a set of measures directed for creation (construction) of new or reconstruction of existing facilities, also for creation, implementation and development of information systems implemented at the expense of budget funds directly by the budget programme administrator for a certain period of time and having a completed character;

4) economic conclusion on a budget investment project - conclusion of the central or local authorized body in state planning regarding the economic expediency of implementing a budget investment project, its impact on the country's economy and compliance with strategic and (or) program documents prepared on the basis of economic evaluation of the feasibility study of a budget investment project;

5) grant - gratuitous financial or technical assistance provided by donors to state organizations of the Republic of Kazakhstan;

6) projects of quasi-public sector entities - projects planned for implementation by lending to quasi-public sector entities within implementation of framework partnership agreements;

7) mandate letter - a letter of intent of an international financial organization on the possibility of providing a loan and (or) grant financing for implementation of the project on agreed terms within the framework of partnership agreements; 8) Coordination Council - the Coordination Council for implementation of framework agreements on partnership between the Government of the Republic of Kazakhstan and international financial institutions, established in accordance with Order No. 632 of the Government of the Republic of Kazakhstan of June 9, 2014;

9) government loan projects - budget investment and programme projects planned for implementation by lending to the Government of the Republic of Kazakhstan within implementation of framework agreements on partnership;

10) tripartite agreements - agreements concluded by administrators of republican budget programmes with local executive bodies and international financial institutions on the implementation of projects financed by loans to quasi-public sector entities, co-financed from targeted transfers for development and local budget funds under framework agreements;

11) international financial institution (hereinafter - the IFI) - an international financial institution providing financial or technical assistance to the Government of the Republic of Kazakhstan in the form of an external loan and / or grant, to legal entities in the form of a loan and / or credit, credit lines, grant, technical assistance.

3. The use of target transfer means from the National Fund of the Republic of Kazakhstan for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international institutions in the framework of agreements on partnership, is carried out by distributing the means to administrators of budget programmes for implementing the projects provided for in the Cooperation Programme for development of Kazakhstan within the partnership agreements between the Government of the Republic Kazakhstan and international financial institutions.

4. The target transfer means from the National Fund of the Republic of Kazakhstan for implementation of projects in the framework of partnership agreements are provided for in the national budget for the corresponding financial year under the distributed budget programme 073 "Support for projects on assistance to sustainable development and growth of the Republic of Kazakhstan, implemented jointly with international financial institutions in the framework of agreements on partnership." (hereinafter - distributed budget programme).

The administrator of the distributed budget programme is the Ministry of National Economy of the Republic of Kazakhstan (hereinafter - the administrator of the distributed budget programme).

5. Financing on the distributed budget programme is carried out in the following areas:

1) for development or adjustment, and also for conducting the necessary expertise of the feasibility study of the BIP (BIP FS);

2) for preparation and support of government loan projects and projects of quasi-public sector entities within cooperation programmes with IFIs;

3) for implementation of programme projects;

4) for implementation of BIP;

5) for implementation of technical assistance activities;

6) in the form of target transfers for development to enhance the authorized capital of quasi-public sector entities for the implementation of projects on borrowing of quasi-public sector entities under tripartite agreements;

7) for preparation of PPP projects, including concession projects, by involving IFIs.

6. Cooperation programmes with IFIs include the Technical Cooperation Programme between the Government of the Republic of Kazakhstan and the European Bank for Reconstruction and Development, implemented under the Cooperation Agreement between the Government of the Republic of Kazakhstan and the European Bank for Reconstruction and Development on the technical cooperation account of the Government of the Republic of Kazakhstan and the European Bank for Reconstruction and Development in relation to the Technical Cooperation Programme , approved by resolution No. 614 of the Government of the Republic of Kazakhstan dated June 18, 2013; The joint economic research Programme together with the International Bank for Reconstruction and Development, implemented under the technical cooperation Agreement between the Government of the Republic of Kazakhstan and the International Bank for Reconstruction and Development for the development and implementation of the joint economic research programme, approved by Resolution No. 1285 of the Government of the Republic of Kazakhstan dated December 5, 2002; The knowledge and experience exchange programme jointly with the Asian Development Bank, implemented within the framework of the signed Memorandum of Understanding between the Government of the Republic of Kazakhstan and the Asian Development Bank on the joint Knowledge and Experience Exchange Programme, approved by Resolution No. 605 of the Government of the Republic of Kazakhstan dated June 17, 2013

7. All projects, the development, support and implementation of which are planned for financing and / or co-financing from the funds of the distributed budget programme, are subject to approval by the Coordinating Council to determine expediency of their implementation.

8. Presence of a mandate letter from the IFI and a positive conclusion of the task force established in accordance with the order of the Prime Minister of the Republic of Kazakhstan dated June 16, 2014 No. 84-r on the project is the ground for submitting the project for approval by the Coordination Council.

9. Purchases under any contracts for the supply of goods, performance of work and / or provision of services for organizations of the state, including regional and / or urban, and / or private sectors, which are fully or partially financed by IFIs, are performed in accordance with the legislation on state procurement, unless otherwise provided by an international treaty ratified by the Republic of Kazakhstan.

2. Order of use and distribution of the target transfer means from the National Fund of the Republic of Kazakhstan, allocated to administrators of republican budget programmes

10. For the distribution of target transfer means from the National Fund of the Republic of Kazakhstan, administrators of budget programmes (hereinafter - ABP) send a budget request to the administrator of the distributed budget programme in accordance with the budget legislation.

11. The administrator of the distributed budget programme compiles a list of projects planned for implementation at the expense of the target transfer means from the National Fund of the Republic of Kazakhstan on the areas indicated in paragraph 5 of these Rules, and sends it to the authorized budget planning body for subsequent submission to the Republican budget commission (hereinafter - RBC) for consideration.

12. Distribution of the target transfer means from the National Fund of the Republic of Kazakhstan between the ABPs for the relevant financial year on the areas indicated in paragraph 5 of these Rules is approved by the Government of the Republic of Kazakhstan on the basis of the list of projects approved by RBC.

13. In the case of external government borrowing, the Republic of Kazakhstan enters into loan agreements with IFIs.

In the case of a grant, an agreement on technical cooperation account is concluded.

In the case of borrowing by quasi-public sector entities, tripartite agreements are concluded.

It is allowed to conclude other types of agreements stipulated by the legislation of the Republic of Kazakhstan, necessary for the implementation of government loan projects and projects of quasi-public sector entities.

14. After signing of the tripartite agreement and / or other types of agreements stipulated by the legislation, administrators of republican and local budget programmes send a copy of the signed agreement to the administrator of the distributed budget programme within 5 (five) days.

15. Upon receipt of the funds, the BPAs provide development or adjustment, and also the necessary expertise of the BIP FS, preparation and support or implementation of government

loan projects and projects of quasi-public sector entities within the cooperation programmes with IFIs, implementation of technical assistance measures and involvement of IFIs in PPP projects preparation, including concession projects.

16. In cases of non-use or incomplete use during the fiscal year of the budget funds allocated under the distributed budget programme, the ABP shall ensure return of the unused part of the allocated budget funds before the last update of the corresponding budget.

The return of unused or partially used budget funds is carried out by restoring the distributed budget programme on the basis of the resolution of the Government of the Republic of Kazakhstan on amending the order of the Government of the Republic of Kazakhstan on distribution of the distributed budget programme with subsequent amendments to the integrated plan of incomings and financing for payments, the integrated plan of financing on commitments.

3. Order of the use and distribution of means for financing development or adjustment, and also conducting the necessary expertise of feasibility studies of budget investment projects

17. In order to finance development or adjustment, and also to conduct the necessary expertise of the BIP FS, presence of the mandate letter from IFIs is obligatory.

The presence of a mandate letter from the IFI and a positive economic conclusion on the investment proposal of the state investment project is the basis for planning the costs of financing development or adjustment, and also the necessary expertise of the BIP FS.

18. ABPs submit budget requests for financing development or adjustment, and also the necessary expertise of the BIP FS to the administrator of the distributed budget programme in accordance with the budget legislation of the Republic of Kazakhstan.

19. On the basis of a positive economic conclusion on the investment proposal of the state investment project, budget request for financing of ABP and technical specifications, the administrator of the distributed budget programme forms the list of projects planned for implementation at the expense of the distributed budget programme and submits them to RBC for consideration in the manner specified in paragraph 11 of these Rules.

20. The period for disbursement of the funds allocated for development or adjustment, and also the necessary expertise of the BIP FS, may be more than one year, but not more than the term indicated in the proposal of the relevant budget commission.

4. Order of using means to finance preparation and support of the government loan projects and projects of quasi-public sector entities in the framework of cooperation programmes with IFIs

21. Preparation and support of government loan projects and projects of quasi-public sector entities, planned in the framework of cooperation programmes with IFIs - are measures to develop a feasibility study; providing advisory assistance on holding tender procedures in the manner determined by the IFI.

22. The basis for financing the preparation and support of government loan projects and projects of quasi-public sector entities planned for implementation through cooperation programmes is a mandate letter from IFIs, positive economic conclusion on the investment proposal of the state investment project, and economic conclusion by the central authorized state planning body on the programme document.

23. Government loan projects and projects of quasi-public sector entities, the preparation and support of which are subject to financing within cooperation programmes with IFIs, are approved by the Coordinating Council on the basis of proposals from IFIs and government bodies and are implemented in accordance with cooperation programmes with IFIs.

24. To distribute the target transfer means from the National Fund of the Republic of Kazakhstan, the administrator of the distributed budget programme forms a list of projects, the preparation and support of which are subject to financing in the framework of cooperation programmes with IFIs approved by the Coordination Council, and sends them to RBC for consideration in the manner specified in paragraph 11 of these Rules.

25. Estimation of feasibility of project services is made in accordance with the procedures of IFIs.

26. ABPs provide funds to IFIs by transferring them to the IFI's bank account in the manner specified in the cooperation agreements with IFIs.

All transfers to the bank account are made upon presentation by the IFI of the transfer order to the administrator of the budget programme.

The IFI acts as the manager and holder of the account in accordance with the provisions of cooperation agreements with IFIs.

5. Order of the use and distribution of means by areas for implementation of BIP, programme projects and technical assistance measures

27. Co-financing of government loan projects and technical assistance measures (hereinafter -technical assistance measures) from the republican budget is carried out at the expense of the distributed budget programme in the manner prescribed by the legislation.

28. BPAs submit budget requests for co-financing government loan projects and technical assistance activities to the administrator of the distributed budget programme in accordance with the budget legislation of the Republic of Kazakhstan.

29. The administrator of the distributed budget programme compiles a list of projects subject to co-financing in the framework of the distributed budget programme, and sends it to RBC for consideration in the manner specified in paragraph 11 of these Rules.

6. Order of the use and distribution of means in the form of target development transfers to enhance authorized capital of quasi-public sector entities for implementation of projects on borrowing of quasi-public sector entities under tripartite agreements

30. Co-financing of projects on borrowing of quasi-public sector entities aimed at enhancing the authorized capital of quasi-public sector entities under tripartite agreements (hereinafter - projects on borrowing of quasi-public sector entities) is carried out after the signing of a tripartite agreement.

31. The administrator of local budget programmes develops the necessary documentation on the projects on borrowing of quasi-public sector entities in the manner prescribed by the Rules on budget investments, and directs them to the relevant local authorized state planning body.

32. The local authorized state planning body considers projects on borrowing of quasi-public sector entities of the local budget programmes administrator in the context of budget investments in accordance with the Rules on budget investments and prepares an economic conclusion.

33. The administrator of local budget programmes shall submit to the relevant central state body:

1) budget request with a list of projects on borrowing of quasi-public sector entities by the objects and the sum of expenses on them;

2) investment proposals for local state investment projects;

3) financial feasibility study of local budget investments planned for implementation through state participation in the authorized capital of legal entities;

4) economic conclusions on investment proposals on local state investment projects, economic conclusions on budget investments planned for implementation through state participation in the authorized capital of legal entities, the relevant local authorized body in state planning;

5) departmental conclusion of the relevant local executive body;

6) FS and conclusion of a comprehensive non-departmental expertise on the FS (if any);

7) design and estimate documentation and conclusion of the complex non-departmental expertise of design and estimate documentation (if any).

34. The relevant BPA sends a budget request with the application of the package of documents referred to in paragraph 33 of these Rules, for co-financing of projects on borrowing of quasi-public sector entities, to the administrator of the distributed budget programme.

35. The administrator of the distributed budget programme compiles a list of projects on borrowing of quasi-public sector entities and submits it to RBC for consideration in the manner specified in paragraph 11 of these Rules.

7. Order of the use and distribution of means for preparation of PPP projects, including concession projects, by involving IFIs

36. Preparation of PPP projects, including concession projects, by involving IFIs is a service provided by IFIs in accordance with their procedures (including by consultants involved by them), with which the Government of the Republic of Kazakhstan concluded framework partnership agreements.

Services on preparation of PPP projects, including concession projects, include development of concession proposals or project concepts, tender documents, draft PPP contracts or draft concession contracts or parts thereof, independent evaluation of the submitted concession requests contained in the relevant tender application, provision of consulting services in the negotiation process with the tenderer.

37. The basis for financing preparation of PPP projects, including concession projects, is a mandate letter from IFIs and a positive economic conclusion on the investment proposal of a state investment project (when preparing a concession project).

In the event that prior to the enactment of the Law of the Republic of Kazakhstan dated December 3, 2013 “On introducing Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Improvement of the Budget Legislation,” an economic expertize conclusion, expertise opinion or an economic conclusion was given for the BIP investment proposal, BIP FS, investment FS, concession proposal for concession projects, and the SIP is provided for in the corresponding budget (the type and method of financing is determined), then development of the SIP investment proposal is not required for the ABP.

38. A mandatory requirement in IFI’s preparation of PPP projects, including concession projects, is involvement of a legal entity to support PPP projects, including concession projects, determined by the Government of the Republic of Kazakhstan or the local executive body.

39. Financing of the preparation of republican PPP projects, including concession projects, is carried out by distributing during the current financial year of the funds of the distributed budget programme between ABPs.

40. Preparation of local PPP projects, including concession projects, is financed from targeted current transfers within the framework of distributed budget programme.

41. Preparation of PPP projects, including concession projects, is carried out in three stages:

- 1) development and selection of PPP project concepts or concession proposals;

2) development or adjustment, also the necessary expertise of the tender documentation for PPP projects, including concession projects;

3) bidding procedures for selection of a private partner or concessionaire and signing of a PPP agreement or concession agreement.

42. The administrator of local budget programmes develops proposals for local PPP projects, including concession projects in need of preparation, and directs them to the relevant local authorized state planning body.

43. The local authorized state planning body considers proposals for local PPP projects, including concession projects in need of preparation, and directs them to the corresponding central state body.

44. Issuing from applications of local representative and executive bodies, the ABP directs the budget request for financing the preparation of local PPP projects, including concession projects, to the administrator of the distributed budget programme.45. On republican PPP projects, including concession projects, the ABP sends a budget request for financing the preparation of PPP projects, including concession projects, to the administrator of the distributed budget programme.

46. Budget request for financing the preparation of local and national PPP projects, including concession projects, is prepared in accordance with the appendix and shall contain the following basic information:

- 1) the name of the PPP project or concession project;
- 2) information on budget funds recipient;
- 3) types of services and their cost;
- 4) the number and date of the economic conclusion on the investment proposal of the state investment project (in the preparation of a concession project).

In the event of co-financing of PPP projects, including a concession project, the IFI shall indicate the amount of co-financing and types of services subject to co-financing.

The following are also attached to the budget request:

1) draft technical specifications for the provision of services, which should reflect the following basic information:

- purpose and objectives of attracting services;
 - terms of services provision;
 - indicators (characteristics) of direct results of the services provision;
- 2) rationale for the declared total cost of services.

Estimation of the feasibility of services is carried out in accordance with the fees offered by IFIs.

47. The administrator of the distributed budget programme compiles a list of projects for the preparation of PPP projects, including concession projects, and submits it to RBC for consideration in the manner specified in paragraph 11 of these Rules.

8. Order of reporting by administrators of republican budget programmes

48. The ABP shall submit to the administrator of the distributed budget programme a progress report on fulfillment of actions on a quarterly basis by the 10th day of the month following the reporting quarter.

The report is signed by the chief officer or deputy chief officer of the central state body.

A progress report on the budget programme fulfillment shall contain the following information:

1) on the actual fulfillment of activities (stages of achieving results) in accordance with the approved plan / schedule;

2) in case of failure to achieve results, the reasons for their failure;

3) on disbursement of allocated funds in the reporting period in accordance with the approved plan / schedule by the funding sources;

4) on disbursement of allocated funds since the launch of the project by the funding sources;

5) in case of delay in the plan / schedule for disbursement of funds on the project, reasons for it and proposed solutions shall be indicated.

Appendix
to Rules of use
of the target transfer means
from the National Fund
of the Republic of Kazakhstan
for projects on assistance to
sustainable development and growth
of the Republic of Kazakhstan
implemented jointly with International
financial institutions within
the framework agreements on partnership

Form

to budget request for financing services on preparation of PPP projects, including concession projects

1. Name of the PPP project or concession project.

2. Recipient of budget funds.

3. Types of services and their cost.

4. Number and date of economic conclusion on investment proposal of the state investment project (in preparation of the concession project).

5. Availability of co-financing of the project by IFIs:

1) cost;

2) types of services subject to co-financing.

6. Contact persons in the state body.

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