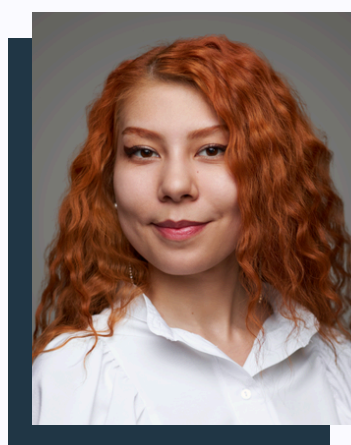


FREQUENTLY ASKED QUESTIONS: PPPs in Uzbekistan May 2026



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TENDER DOCUMENTS: Read the Fine Print

? Do any changes to tender documents (RFQ or RFP, and a draft PPP agreement) require an extension of the proposal submission deadline?

Yes, under the PPP Law¹ the public partner shall extend the deadline for submission of proposals by a period of not less than fifteen (15) calendar days to enable bidders to take into account any changes and/or additions to the tender documents in preparing their proposals.

? Can tender documents be issued without a draft PPP agreement as it takes more time to finalise the draft?

The RFQ² is issued without a draft PPP agreement. However, the RFP³ shall be issued with a draft PPP agreement as under the PPP laws a draft PPP agreement constitutes an integral part of tender documents.

COMPOSITION OF A BIDDER IN A PPP TENDER: Building the Dream Team (With Rules)

? Can bidders participate in a PPP tender by forming a consortium?

Yes, under the PPP Regulation,⁴ bidders are allowed to participate in a tender by forming a consortium, provided that:

- the lead company, either independently or jointly with the consortium members (the total share of the members must be at least twenty (20)%, must meet the technical requirements of the tender;
- compliance with the financial requirements is evaluated based on the share of each consortium member.

Other consortium requirements are usually specified in tender documents.

? Are changes in the composition of a Single Entity Bidder/Consortium permitted during the tender process?

The laws of Uzbekistan do not specifically regulate this matter, and, in practice, it is governed by the tender documents (RFQ and/or RFP). Usually, the tender documents include provisions restricting or allowing the change in the composition of a single entity bidder/consortium.

Such changes may include:

- joining with other entities to form a consortium;
- addition of a new member (including lead sponsor);
- substitution of an existing member with a new member;
- withdrawal of a consortium member; and/or
- a change in the respective shareholdings in the proposed project company).

These changes are typically permitted only upon receiving written consent of the tender commission before the submission of the tender proposals at the RFP stage.

SUCCESS FEE: Price of Victory

? How is the Success Fee amount determined?

As per the PPP Regulation, a winning bidder or a participant in direct negotiations shall pay the Success Fee⁵ in the amount set out in Annex 5 of the PPP Regulation.

¹ Law of the Republic of Uzbekistan No. 537 "On Public-Private Partnership" dated 10 May 2019.

² Request for Qualification.

³ Request for Proposals.

⁴ Regulation No. 720 "On the Procedure for Implementation of Public-Private Partnership Projects" approved by

⁵ the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 30 October 2024.

A one-off lump-sum fee due to the MOEF under the laws of Uzbekistan in connection with the successful execution of the PPP agreement in the amounts specified in Annex 5 to PPP Regulation No. 720.

Below is the Success Fee amount, calculated based on the PPP project values provided by the Annex 5 of the PPP Regulation.

No.	Value of the Public-Private Partnership Project	Success Fee Amount (in percent)
1	For projects valued from USD 1 million up to USD 10 million	0.2
2	For projects valued from USD 10 million up to USD 100 million	0.1
3	For projects valued from USD 100 million up to USD 1 billion	0.05
4	For projects valued at USD 1 billion and above	0.02

No success fee shall be collected for PPP projects with a value equivalent to up to USD one (1) million.

? Can a Private Partner, as a local SPV, be responsible for paying the Success Fee?

Under the PPP Regulation, the Success Fee shall be paid by the winning bidder. Nevertheless, in practice, the Government typically does not restrict the Private Partner from making the success fee payment on behalf of the winning bidder.

UNSOLICITED PROPOSALS (USP): Bringing Ideas to Life

? If any third party expresses its interest in the project within forty-five (45) days in response to the invitation for third parties to express their interest in the project implementation and the private initiator is not awarded the project, will the private initiator's expenses for the project development be reimbursed in full?

Under the PPP Law, if the private initiator is not declared the winning bidder, the actual expenses incurred by the private initiator in preparing the PPP project are reimbursed by the winning bidder or the reserved winning bidder. The reimbursement amount shall not exceed one percent (1%) of the total project cost.

? What may be the grounds for rejecting USP?

An unsolicited proposal from a private initiator can be declined by a potential public partner for the following reasons:

- non-compliance of the private initiator with the requirements of the PPP Law;
- absence of the potential public partner's right of economic management or right of operational management in relation to the PPP object/facility;
- absence of necessity in design, construction, financing, reconstruction, operation and maintenance of the PPP facility;
- lack of economic feasibility and/or public demand for the project implementation.

DIRECT NEGOTIATIONS: Streamlined Path to Partnership

? Do the laws of Uzbekistan impose any restrictions on awarding a PPP project through direct negotiations?

The PPP Law and the PPP Regulation allow a PPP project award through direct negotiations

without conducting a tender process based on the public partner's decision only if one of the following criteria is met:

- the project is aimed at ensuring the defence capability and security of the state;
- a private partner has exclusive rights to the results of intellectual activity, other exclusive rights, a land plot, other real estate and other property that is a prerequisite for the implementation of the PPP project;
- if the direct negotiations are conducted based on a decree or resolution of the President or a resolution of the Cabinet of Ministers of the Republic of Uzbekistan; and
- in the event of an unsolicited proposal, if no EOI is received from any third party within forty-five (45) days following the EOI request.

Nevertheless, sector-specific laws of the Republic of Uzbekistan may impose restrictions on awarding PPP projects through direct negotiations. In particular, under the Water Code⁶, the transfer of water management facilities and services into a PPP shall be carried out exclusively on a competitive bidding basis, i.e., through a tender.

PPPA AND GSA: Who is Signing What, When and With Whom?

? Following the tender, when exactly shall be the PPP agreement signed?

There is an inconsistency in PPP laws regarding the timeline for signing the PPP agreement. The PPP Law refers to the timeline specified in the tender documentation and the PPP Regulation states that the PPP agreement must be signed by the parties within ten (10) business days following the conclusion of negotiations with the winning bidder.

However, Annex 3 to the PPP Regulation provides for a sixty (60)-day-period for the execution of the PPP agreement with the winning bidder or the reserved winning bidder without

specifying when this sixty (60)-day period shall start. In practice, the signing of the PPP agreement may take up to four (4) months (or even longer in exceptional cases) after the project award.

? Is a PPPA sufficient for granting state support or is a GSA required in all cases?

A GSA is not always required, as the PPP laws allow state support measures to be provided in accordance with the procedure set out in the PPP agreement itself. In other words, such measures may be included directly in the PPPA where the Republic of Uzbekistan is a party to that agreement.

This depends on the nature of the public partner. If the counterparty under the PPPA is a ministry or another government body that, under the Civil Code, is an integral part of the Government of the Republic of Uzbekistan, then the Republic of Uzbekistan is already a party to the PPPA and it does not need another ministry to step in. This practice has certain variations across various projects due to intergovernmental requirement to account for the state budget contingent liabilities which require the Ministry of Economy and Finance to sign a GSA. In addition, where a local municipality acts as a public partner for large-scale PPP projects with state support, the GSA is required as local authority does not represent the Republic of Uzbekistan.

Further, if the counterparty under the PPPA is a state-owned enterprise (for example, a joint-stock company with state participation), such entity cannot act on behalf of the Republic of Uzbekistan without a specific authorization. In that case, a contractual undertaking would remain with a separate SOE and not the Republic of Uzbekistan. Accordingly, in such circumstances, it is expected that the MOEF⁷ will backstop a SOE obligations by executing a GSA on behalf of the Republic of Uzbekistan to provide state support measures.

⁶ Water Code of the Republic of Uzbekistan dated 30 July 2025.

⁷ Ministry of Economy and Finance of the Republic of Uzbekistan.

? When does the PPPA become effective under the laws?

Under the PPP Regulation, the project concept, project evaluation document (PED), and PPP agreement for a project that has not been included in the PPP Projects Registry by the MOEF shall be deemed invalid and shall have no legal force.

Under the PPP Regulation, upon submission of the project concept, the PED, and the signed PPP agreement, and following conclusion of the Success Fee Agreement[1], the MOEF shall, within three (3) business days, include these documents in the PPP Projects Registry.

Hence, a signed PPP agreement may become effective only upon inclusion of the above documents in the PPP Projects Registry by the MOEF, and after the conclusion of the Success Fee Agreement.⁸

? Under what circumstances is approval/consent of the Cabinet of Ministers of Uzbekistan required for the amendment or termination of a PPP agreement?

Under the PPP framework, any amendment or termination of a PPP agreement relating to a project with a total value exceeding USD 10 million must be carried out in coordination with the Cabinet of Ministers of Uzbekistan. The legislation does not distinguish between material and minor amendments, nor does it differentiate among termination scenarios for the purposes of obtaining such approval/consent. Accordingly, any amendment or termination of a PPP agreement for a project exceeding this threshold requires the approval/consent of the Cabinet of Ministers. We note that the approval/consent provision has been intensively discussed for legislative amendment but this has not been materialized yet.

PAYMENTS AND FISCAL OBLIGATIONS: Money Matters

? Can payments under a PPP agreement be pegged to FCY if both parties under the PPP agreement are local entities?

As per the Law on Currency Regulation⁹ and the PPP Law, prices for goods, works and/or services sold in the territory of the Republic of Uzbekistan within the frames of PPP projects may be denominated to foreign currencies only if approved by a decision of the President of the Republic of Uzbekistan.

Therefore, for payments under the PPP project to be denominated in a foreign currency, such condition on denomination should be approved by a decision of the President of Uzbekistan (usually takes form of a Decree of the President issued for the project after the commercial close).

? What mechanisms are in place to ensure timely payment of availability payments or other government payment obligations?

PPPAs for large-scale projects in Uzbekistan typically (but not always) include a liquidity support mechanism to ensure that the public partner meets its payment obligations under the PPP agreement. This mechanism is usually structured in the form of a letter of credit or a bank guarantee for an agreed amount, procured by the public partner. The public partner is generally required to maintain this instrument at the agreed level and to replenish or renew it if it ceases to comply with the requirements set out in the PPP agreement.

⁸ An agreement to be concluded between the winning bidder and the MOEF for the payment by the winning bidder of a one-off lump-sum fee to the MOEF, payable upon the successful execution of the PPP agreement and calculated in accordance with PPP Regulation No. 720.

⁹ [Law of the Republic of Uzbekistan No. 573 "On Currency Regulation" dated 22 October 2019.](#)

? Shall a PPP agreement include provisions on the fiscal obligations of the state?

In accordance with the Regulation on Management of the State's Fiscal Commitments,¹⁰ the financial section of the PPPA shall include the following:

- risk allocation between the private partner and the public partner in the PPP agreement;
- an estimate of expenses calculated with the year-by-year breakdown of expected nominal and current values in the event of the occurrence of direct and contingent obligations of the state during the PPP agreement term;
- the PPP project's fiscal risk matrix, developed in accordance with Annex 2 of Regulation on Management of the State's Fiscal Commitments;
- the calculation of the state's year-by-year direct obligations, developed in accordance with Annex 3 of the Regulation on Management of the State's Fiscal Commitments, as well as scenario analyses of the state's contingent liabilities (including scenarios such as public partner default, private partner default, or force-majeure events) and, if such events occur, the calculation of expected expenditures by year;
- annual calculations at nominal value of the compensation for early termination of the PPP agreement;
- main factors that give rise to the contingent obligations of the state;
- and measures envisaged to reduce the risks.

Nevertheless, the PPP Law provides a list of mandatory provisions of a PPP agreement, and an estimate of expenses, the PPP project's fiscal risk matrix in the form of Annex 2, the calculation of the state's year-by-year direct obligations in the form of Annex 3 of Regulation on Management of the State's Fiscal Commitments and scenario analyses as well as main factors that give rise to the contingent obligations of the state are not included in such list of mandatory provisions of the PPP agreement.

In practice, there are PPPAs in Uzbekistan for PPPs that have reached financial close but do not contain the aforementioned provisions required under the Regulation. Nevertheless, the Government may still request their inclusion, as these provisions are mandatory under the Regulation.

? How is termination compensation calculated in practice, and does it ensure full debt recovery for financiers?

The PPP laws do not establish a detailed or unified methodology for calculating termination compensation under a PPPA. Article 27 requires the PPP Law requires PPP agreements to address termination, including the grounds, procedures and termination compensation, but leaves the specific compensation mechanisms to be agreed between the parties.

In practice, PPP agreements in Uzbekistan typically distinguish between various termination scenarios, such as termination resulting from four types of events: a public partner default, a private partner default, political force majeure or force majeure events. In project financed PPP projects, particularly those involving international financial institutions, the applicable compensation regime depends on the relevant termination event and the calculation methodology for termination compensation under each termination scenario is also negotiated by the parties and expressly reflected in the PPPA.

Termination compensation provisions are commonly structured to ensure, at a minimum, the repayment of outstanding senior debt. In some cases, they may also cover equity contributions and related costs.

¹⁰ Regulation No. 558 "On the Procedure for Managing the State's Fiscal Obligations Arising from Public-Private Partnership Projects" approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 23 October 2023.

CHANGE IN LAW: Handle with Care

? Does the statutory change in law protection cover changes in taxes and mandatory payments (e.g., fees and levies) under the PPP Law?

The PPP Law expressly states that statutory change in law protection does not extend to the changes in taxes and fees occurring after the conclusion of a PPP agreement, except for discriminatory changes in relation to a specific PPP project(s).

Nonetheless, Article 38 of the PPP Law also allows providing the private partner additional support by the Republic of Uzbekistan in the form of “other guarantees and/or compensations”, either through the conclusion of a government support agreement or in accordance with the procedure provided for in the PPP agreement.

Thus, in practice, some banked PPPs provide for the change-in-law protection covering changes in taxes and duties as an additional support measure granted to the private partner by the Republic of Uzbekistan (as a party to the GSA or PPPA) in accordance with Article 38 of the PPP Law.

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