



Project:	Organization of hemodialysis services in the Kyrgyz Republic		
Country:	Kyrgyz Republic	Sector:	Health care
Dates of the project:	2017 – 2018	Stage of the project:	Project implementation

Description of the project: Creation of four dialysis centers in Kyrgyz Republic

Compliance with UNECE People-first PPP criteria:

Outcome 1: Increase access to essential services and lessen social inequality and injustice

For example:

- The project clearly considered the needs of the socially and economically vulnerable groups regarding the access to healthcare, especially in remote areas
- The project increased access to essential healthcare services to the previously underserved - procedures for selecting and referring patients for dialysis were optimized
- Wide access to the previously unavailable dialysis services contributes to eliminating socioeconomic inequalities

Outcome 2: Promote replicability and the development of further projects

The project provided series of trainings which allowed to build capacities of the local staff\medical workers and the Ministry of Health. It allows to replicate the project and further transfer the skills to local government and medical staffs.



BACKGROUND

- approximately 2,000 people in Kyrgyzstan suffer from chronic kidney disease (CKD) and need dialysis services
- about 1,300 patients are included in the National CKD Patient Registry
- about 600 patients with CKD receive public dialysis services free of charge; the relevant decision is adopted by the committee of the Ministry of Health

PROBLEMS WITH THE ORGANIZATION OF PUBLIC DIALYSIS SERVICES

- 8 dialysis centers in public health organizations.
- worn-out equipment: 79 machines, of which 26 are not functioning (32%), 53 are fully operational (68%)
- acute shortage of qualified personnel
- the procurement of maintenance, repair and operating supplies is conferred on the Ministry of Health
- low quality of services
- insufficient funding





PUBLIC DIALYSIS CENTERS





OBJECTIVES OF THE MINISTRY OF HEALTH

- to upgrade the equipment
- to improve efficiency of dialysis centers and quality of services
- to improve patients' quality of life and satisfaction
- to provide access to patients in remote areas
- to raise qualification level of personnel
- to encourage transplantation and peritoneal dialysis services



WHY PPP?

PPP is opening opportunities for the Ministry of Health:

- to attract long-term investments into the health infrastructure
- to share responsibility and risks with the private operator
- to find comprehensive solution of the organizational, management, financial and other tasks
- to introduce international best practices in the field of dialysis services



IFC AS A LEAD TRANSACTION ADVISOR

- Ministry of Health attracted IFC as a Lead Transaction Advisor for the PPP Project
- IFC attracted technical and legal consultants to prepare a feasibility study
- Financial support for the project preparation was provided by the Governments of Austria, Switzerland and Germany (KfW)



IFC'S ROLE

FEASIBILITY STUDY ON THE PPP PROJECT

- technical due diligence – cost analysis of the Project, technical and financial due diligence
- legal due diligence – legal framework analysis, preparation of tender documents
- project structuring – obligations of the investor and the government, duration, value, terms and conditions of the PPP Agreement

ASSISTANCE IN ARRANGING THE INTERNATIONAL TENDER PROCESS

- Promotion among investors – Project presentation, investor conferences
- Preparation of tender documents and PPP Agreement
- Tendering – arranging and holding a two-stage tender
- Assistance in holding negotiations and signing the PPP Agreement

ASSISTANCE TO MINISTRY OF HEALTH IN PROJECT MONITORING

- IFC jointly with KfW continues to support the Ministry of Health for 18 months after signing the PPP Agreement with the investor



PROJECT STRUCTURE

OBLIGATIONS OF THE GOVERNMENT

- to transfer patients to the private partner
- to guarantee payments for services provided to 283 patients at the rate specified by the winning bidder
- monitoring the private partner's performance

OBLIGATIONS OF THE PRIVATE PARTNER

- to provide financing, construction / reconstruction, installation of equipment, operation of 4 medical centers and dialysis services to 283 patients
- to conduct laboratory / diagnostic tests and to supply medicines
- to introduce new technology - peritoneal dialysis (at home)
- to set up a training center in Bishkek for doctors, nurses and laboratory technicians
- to consult on transplantation



TENDER RESULTS

- tender took 18 months:
 - IFC and consultants prepared a Feasibility Study (FS) and tender documentation
 - 5 companies applied for prequalification
 - the Tender Committee selected two:
 - (1) Fresenius Medical Care (Germany)
 - (2) Nephroplus (India)
 - Fresenius met all the criteria and won the competition
- IFC conducted a number of training sessions for the Ministry of Health staff
- dialysis standards were changed in accordance with international practice
- procedures for selecting and referring patients for dialysis were optimized



- Was the first project implemented under the PPP Law in the Kyrgyz Republic
- Was nominated for Global Partnership Awards 2017 in the best healthcare project category
- Attracted over USD 7 million of foreign direct investment





PREPARATION OF FS

- When the consultants started work, the Ministry of Health set up an interdepartmental working group to discuss the FS
- FS:
 - analysis of the current situation in the organization of dialysis services
 - legal analysis
 - market analysis and demand forecasting for dialysis services
 - financial analysis and modeling
 - transaction structure
 - main provisions of the PPP agreement
 - tender strategy



TENDERING

- announcement of tender
- acceptance of applications for qualifying selection
- selection of bidders who meet the qualification criteria
- preparation of qualifying technical and financial proposals by bidders
- submission of proposals
- selection of the winning bidder



PPP AGREEMENT

- Signing of the PPP Agreement (2017)
 - parties to the agreement
 - conditions for entry into force of the agreement
 - duration - 10 years
 - obligations of the parties
 - liability of the parties
 - project monitoring and controlling process
 - conditions for termination
 - dispute resolution procedure
 - other provisions



WHY FRESENIUS MEDICAL CARE?

Fresenius is the world's leading provider of dialysis care, develops and produces high-quality equipment and supplies consumables for renal replacement therapy; operates 3,752 dialysis clinics worldwide, treating more than 320,000 patients

Proposal made by Fresenius Medical Care's included all costs of:

- construction, financing, installation of equipment, connection to public utilities, operation, maintenance and management of the facility;
- operation and maintenance of hemodialysis and water treatment equipment, including replacement of its spare parts;
- labor compensation;
- rent and utilities;
- medicines and consumables;
- patient meals;
- laboratory tests;
- peritoneal dialysis services.



PPP PROJECT IMPLEMENTATION

- the Ministry of Health and Fresenius established a coordination committee which includes two representatives from each of the parties
- four hemodialysis centers were launched - two in Bishkek, one in Jalal-Abad and one in Osh

International PPP Centre of Excellence

People First PPPs for the United Nations Sustainable Development Goals



THE GLOBAL GOALS
For Sustainable Development



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PROJECT IMPLEMENTATION CHALLENGES

- identification of public facilities meeting standard requirements for hemodialysis centers
- dependence on local contractors
- registration requirement for equipment (for example, special chairs)
- registration requirement for medicines, technologies