

Overview of the Public-Private Partnership Regulations

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In brief

On December 19, 2022, the Parliament of Mongolia enacted the Law on Public-Private Partnership ("PPP Law"), which became effective on December 31, 2023. Within the framework of the PPP Law, the Government of Mongolia approved the following regulations through Resolution No. 210 on December 4, 2024, for public-private partnership projects to be implemented in the provinces and the capital city:

1. Regulation on preliminary assessment and comprehensive analysis of partnership projects;
2. Regulation for the selection of private sector partners and consultancy services;
3. Regulation for the establishment of partnership agreements, conducting negotiations, and entering into agreements without selection procedures;
4. Regulation on the implementation, financing, organization, reporting, and monitoring of partnership projects.

This alert provides key updates on the aforementioned regulations.



Regulations

1. Regulation on preliminary evaluation and comprehensive analysis of partnership projects ("Evaluation Regulation")

The Evaluation Regulation governs the processes related to conducting preliminary evaluation and comprehensive analyses for partnership projects. It aims to determine the significance and benefits of projects implemented in provinces and the capital city under the PPP Law, evaluate their implementation feasibility, incorporate findings into provincial and capital city development policy documents, and define partnership types and agreement forms.

Under this regulation, the private sector partner must submit a project proposal to the provincial or capital city governor, which must comply with the Evaluation Regulation's requirements regarding project information and introduction. The governor conducts a preliminary evaluation to assess the project's suitability for implementation. For partnership projects that pass the preliminary evaluation and are included in development policy documents, a comprehensive analysis will be conducted. The regulation specifies detailed stages of the comprehensive analysis and evaluation process, the composition of the project team, and associated costs. The project team is tasked with developing preliminary and detailed technical and economic feasibility studies, along with the initial project plan. If the provincial or capital city Citizens' Representative Khural decides to pursue the project through a partnership, the governor will organize the selection process for the private sector partner, as stipulated in the Evaluation Regulation.

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Regulations

2. Regulation for the selection of private sector partners and consultancy services (“Selection Regulation”)

The Selection Regulation oversees the processes involved in selecting private sector partners for the implementation of partnership projects in provinces and the capital city, negotiating agreement terms, and selecting consulting services. The provincial or capital city governor will establish a working group for each project to manage the selection of private sector partners for partnership projects.

Furthermore, the Selection Regulation outlines the composition, organization, and working procedures of the working group. The annexes to the regulation approve the 'Guidelines for Evaluating Proposals for Preliminary Selection,' 'Guidelines for Evaluating Competitive Selection Project Proposals,' 'Model Documents for Preliminary Selection of Private Sector Partners,' and 'Model Documents for Competitive Selection of Private Sector Partners.'

3. Regulation for the establishment of partnership agreements, conducting negotiations, and entering into agreements without selection procedures (“Regulation for Establishment of Agreements”)

The Regulation for Establishment of Agreements oversees the formation of public-private partnership agreements within the framework of partnership projects in provinces and the capital city. Under this regulation, the type of agreement is determined by the form of partnership project implementation and the specific nature of the work to be conducted under the project. The parties to the agreement include the provincial or capital city governor, representing the public partner, and the private sector partner, who may be the project implementing company or financier.

Moreover, the Regulation for Establishment of Agreements outlines the types and conditions of partnership agreements, the rights and obligations of the parties, agreement monitoring, and procedures for amending, extending, or terminating agreements. It also provides detailed guidelines for provincial or capital city governors to negotiate and establish partnership agreements with private sector partners without undergoing a selection process, as stipulated by the PPP Law.

4. Regulation on the implementation, financing, organization, reporting, and monitoring of partnership projects (“Monitoring Regulation”)

The Monitoring Regulation oversees the processes related to the implementation, financing, organization, reporting, and oversight of public-private partnership projects in provinces and the capital city. Under this regulation, the implementation of the partnership project commences on the date of signing the partnership agreement by the parties and it becomes effective. The private sector partner is responsible for obtaining the necessary permits from relevant authorities in accordance with applicable laws and regulations to execute the partnership project. Furthermore, the private sector partner must secure the investment financing required for the partnership project from sources specified in the PPP Law and ensure the financing is available within the timeframe outlined in the partnership agreement. Additionally, the regulation details responsibilities for reporting on implementation, performance metrics, operational reports, compliance with the partnership agreement, and conducting performance evaluations.



Contact us!

If you require legal advice concerning the Law on Public-Private Partnerships and its related regulations, please feel free to reach out to us. For further details, [click here](#)



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