

"Project Formulation on Business Promotion Programs" (Uzbekistan)

SECTOR	(a) Major Policies / Laws / Programs / Actions adopted recently (or currently being adopted)	(b) Objectives to be achieved and problems to be solved by (a)	(c) Remaining/current problems from businesses' perspectives	(d) Donors' activities / programs to support (a) or to solve (c)
Business environment				
Trade Liberalization/Facilitation Customs	DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 21.07.2005 # UP-3631 "ABOUT IMPROVEMENT OF CONTROL SYSTEM IN SPHERE OF EXTERNAL ECONOMIC AND TRADING RELATIONS, ATTRACTION OF FOREIGN INVESTMENTS"	<p>Administration of President</p> <p>With view of wide development and deepening of external economic relations, activation of attraction of foreign investments and providing reliable guarantees to foreign investors, further liberalization of foreign trade, formation of long-term steady partnership relations between domestic manufacturers and foreign companies</p> <p>This Decree's aim is to support the FDIs and attract foreign investors, showing a positive investment climate in Uzbekistan. The Control system is due to be reduced with this Decree in power.</p>	<p>The problem of reorganization of management of state administration, structuring still take place.</p> <p>With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes approximately 3 days to process a visa. (USAID)</p>	<p>EU-TACIS - "Feasibility studies for a reform and modernisation programme for customs of the State Customs Services in Uzbekistan and Turkmenistan" (EUROPEAID/117395/C/SV/MULTI)</p> <p>The global objective is the overall improvement of the State Customs Service of Turkmenistan & Uzbekistan by providing support to the local authorities in their efforts to develop and implement a comprehensive strategy for the modernisation and development of their customs service based on internationally accepted standards (WCO standards, GATT valuation principles, EU blue-prints, etc.).</p> <p>*****</p> <p>EU-TACIS - "Trade facilitation and Institutional Support" (EuropAid/119185/C/SV/Multi)</p> <p>The project contains three main objectives:</p> <p>a) Development and follow up of the Implementation of TRACECA Visa and TRACECA freight documentation</p> <p>b) Establishment of TRACECA Hotline and enhanced communication initiatives</p> <p>c) Support to the TRACECA Inter Government Commission (IGC) and Permanent Secretariat</p>
	DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 11.03.2005 # PP-26 "ABOUT MEASURES ON REGULATION OF EXPORT-IMPORT TRANSACTIONS"	<p>State Customs Committee</p> <p>With a view of improvement of customs - tariff regulation of import operations, further regulation of import of different goods on territory of Republic Uzbekistan, formation of favorable</p>	<p>Protection of internal market, which harms the business activities of foreign companies / investors. In addition to that this has a negative affect on the better activities (production) of domestic companies.</p>	

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		<p>conditions for expansion of manufacture of domestic competitive goods.</p> <p>This Decree basically protects domestic producers and stimulates local production. At the same time, it is a negative point on foreign producers as they face problems with working on Uzbek market, where preference is given to the local producers.</p>		<p>The general objectives of this project is the follow-up of the implementation of simplified rules applicable to transport and transit developed within previous TRACECA projects and to provide additional services and systems that will assist the current freight transport users and enhance the marketing capabilities of the TRACECA Corridors.</p> <p>*****</p>
	<p>DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 24.03.2005 # UP-3586 "ABOUT DEEPENING OF ECONOMIC REFORMS AND ACCELERATION OF DEVELOPMENT OF BUILDING MATERIALS INDUSTRY"</p>	<p>Complex of the Cabinet on construction, transport and development of infrastructure</p> <p>With a view of further deepening of economic reforms and acceleration of development of building materials industry, increase in manufacturing and expansion of assortment of new modern kinds of building materials, designs and products, providing satisfaction of need of internal market in view of realization of national programs on professional training, development of school education and housing construction, and also improvement of export potential.</p> <p>The hazard market that existed before the Decree did not protect the rights of consumers and did not imply responsibilities on producers.</p>	<p>Deepening of economic reforms, realization of state programs. However, the implementation of this Decree is low and sometimes not applied by the State Bodies.</p> <p>With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes</p>	<p>EU-TACIS - "Support for the Implementation of the PCA between EU-Uzbekistan Phase II (Uzbekistan Policy & Legal Advice Centre)" (EUROPEAID/114164/C/SV/UZ)</p> <p>The Partnership and Cooperation Agreement establishes a framework for the EU and Uzbekistan to develop closer cooperation in the areas of trade, investment, economic, legislative and cultural cooperation, immigration and the prevention of illicit trafficking, and provides for a regular formal process of political dialogue.</p> <p>European technical assistance will seek to strengthen the capacity of the Uzbek authorities to implement and monitor a sound PCA strategy by:</p> <p>a) offering advice on specific technical issues</p> <p>b) assisting in the process of approximation of EU and Uzbek</p>

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			approximately 3 days to process a visa. (USAID)	legislation c) improving the quality of the debate in the political dialogue.
	DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 29.03.2005 # PP-39 "ABOUT MEASURES ON SUPPORT OF MANUFACTURE OF AUTOMOBILES "LACETTI" OF JOINT-STOCK COMPANY "UZDAEWOOAUTO"	Administration of President / Joint-Stock Company "Uzavtosanoat" With a view of promotion of new model of automobile "Lacetti" in Uzbek market, further study of technological works on joint-stock company "UzDaewooAuto" and factories. Promotion of new vehicle and supporting its sale on Uzbek market. Giving more responsibilities on state agencies responsible for realization of the product.	Decrease in cost of automobiles by reduction of prices on imported accessories on one hand. On another hand, protection of the local market has negative effect on foreign producers and lowers client choice.	***** ADB - "Central Asia Regional Cooperation in Trade, Transport, and Transit" (RETA: REG 38235-01) The overall goal of the TA is to foster regional economic cooperation in Central Asia. Its purpose is to prepare analytical reports on regional cooperation in Central Asia in the areas of trade, transport, and transit. *****
	DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 14.06.2005 # UP-3618 "About measures on acceleration of realization of priority directions in the sphere of deepening of market reforms and further liberalization of economy"	Administration of President Liberalization of sectors of economy by creating favorable conditions of further business development. The problem is within state control and over-use of power by state organs. The Decree's aim is to remove the burden.	Liberalization of economy is the priority of this Decree. Negative implications of this Decree are not observed.	***** USAID - "Collaboration with local partners to identify and reduce barriers to business operation" In Uzbekistan, in order to effectively advocate for business interests of their members, local associations and Chambers of Commerce often require technical and methodological assistance. Through the continuing cooperation of TFI, the activities of these partners will be enhanced in order to identify existing constraints, develop recommendations and implement solutions. *****
	DECREE OF CABINET OF MINISTERS OF THE REPUBLIC OF UZBEKISTAN FROM 19.05.2005 # 129 "ABOUT MEASURES ON REALIZATION OF THE LAW OF REPUBLIC UZBEKISTAN" "ABOUT PROTECTIVE MEASURES, ANTIDUMPING AND COUNTERVAILING DUTIES"	Agency of external economic relations Creation of mechanism of investigation in case of dumping and taking measures against dumping. Dumping in pricing was done often, especially when there is a large portion	Protection of internal market against unfair competition. Negative implications of this Decree are not observed.	In collaboration with the district Khokimiyat of Andijan Region and Coordination Council of Andijan

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	Enactment of Agency on external economic relations, Ministry of Finance, State Customs Committee of Republic Uzbekistan from November 11, 2004 NN EG-01/10-4238, SP/13-01/3-46/128, 01-02/20-35 "About entering additions into the list of countries with which were signed agreements on trade and economic cooperation granting a most favored regime". In 14.01.2005 was registered. Registration # 426-4 (inures from 24.01.2005)	of state companies competing with private sector. Agency on external economic relations, State customs committee By-law to the Law of the Republic of Uzbekistan from 18.05.2005 No. ZRU-1 The problem to be solved – better control of state organs.	Introduction of favorable regime of trade and economic relations with a number of European countries. With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes approximately 3 days to process a visa. (USAID)	Khokimiyat, TFI assisted in introduction of a more advanced software program in the process of business registration. As a result of setting up new software, less time is spent for applicants when registering with the district inspection. In collaboration with the Coordination Council of Andijan Khokimiyat, TFI assisted in identifying barriers in the process of obtaining two kinds of licenses, such as trading in Pharmaceuticals and transportation services. Coordination Council worked out recommendations on removing the barriers by proposing the following: 1) setting up a representative office of the Ministry of Health in Andijan region in order to businesses in Andijan to avoid extra trips to Tashkent; reducing the fee for transportation services license in Andijan region. In the coming contract year, TFI plans to continue its Consultative Council work in Ferghana, and closely monitor the situation in Andijan to determine when and how we can collaborate once again in Andijan. ***** USAID - "Expand TIR carnet availability to at least 1 city in the Uzbek portion of the Ferghana Valley" The TIR Convention introduces an
	Enactment of Ministry of Finance, State customs committee from January, 24, 2005 NN 20, 01-02/8-2 "About modifying of the Instruction about the order of payment of excise tax on imported goods on territory of the Republic of Uzbekistan by enterprises and individuals". Was registered in 8.02.2005. Registration # 1101-1 (inures	Ministry of Finance, State customs committee Change of payment system of excise tax on imported goods on territory of the Republic of Uzbekistan, replenishment of state budget. Thus, new tax system shall ease the	Protection of domestic market, source of replenishment of state budget With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in	

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	from 18.02.2005	operation of the private sector.	Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes approximately 3 days to process a visa. (USAID)	internationally accepted guarantee mechanism for transit facilitation. Customs Is protected against diverted goods while transporters are relieved of other means of control, such as cash deposits and customs escorts. In Uzbekistan, the TIR system has been established. The International Freight Forwarders Association of Uzbekistan is authorized to implement TIR in Tashkent. Currently, Carnets are only issued in Tashkent, requiring businesses based in the Ferghana Valley to incur significant costs and invest time to travel to Tashkent to get the Carnets. TFI will work with the Association to expand the availability of TIR Carnets to the Ferghana Valley. TFI will facilitate the expansion process by providing technical assistance, and educating transport companies, customs authorities, businesses and government on TIR operations.
	Enactment of Ministry of Finance, State Tax Committee of the Republic of Uzbekistan from January, 18, 2005 NN 14, 2005-13 "About modifying of the Instruction on the order of calculation and payment of value added tax concerning works and services imported in territory of the Republic of Uzbekistan". Was registered in 8.02.2005. Registration # 1123-3 (inures from 18.02.2005)	Ministry of Finance, State customs committee Change of payment system of value added tax concerning work and services imported in territory of the Republic of Uzbekistan, replenishment of state budget. Thus, new tax system shall ease the operation of the private sector.	Protection of domestic market, source of replenishment of state budget With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes	Through a TFI/EDP grant, the Association of Freight Forwarders held a seminar for 25 participants to encourage TIR use. TIR carnets are currently being issued in the Tashkent City and Oblast and in the following towns in the Ferghana Valley: Ferghana; Kokand; Chust; Termez; Namangan; and Andizian. In all there have been over 440 carnets issued. In 2004 the National Office in Tashkent issued 2000 TIR Carnets, before any of the Ferghana Valley offices had opened. TFI considers this objective completed and

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			approximately 3 days to process a visa. (USAID)	from now on, the Association of Freight Forwarders intends to continue to implement and sustain the objective. *****
	Enactment of Ministry of Finance, State Tax Committee of the Republic of Uzbekistan from January, 18, 2005 NN 14, 2005-13 "About modifying of the Instruction on the order of calculation and payment of value added tax concerning imported goods in territory of the Republic of Uzbekistan". Was registered in 8.02.2005. Registration # 1124-4 (inures from 18.02.2005)	Ministry of Finance, State customs committee Change of payment system of value added tax concerning imported goods in territory of the Republic of Uzbekistan, replenishment of state budget Thus, new tax system shall ease the operation of the private sector.	Protection of domestic market, source of replenishment of state budget With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes approximately 3 days to process a visa. (USAID)	USAID - "WTO-compliant Customs legislation" Uzbekistan's Customs legislation does not satisfy the requirements of the Revised Kyoto Convention and WTO Agreements. The adoption of the Customs Code and other customs legislation that is compliant with WTO requirements and Revised Kyoto Convention principles will be a foundation for implementation of internationally accepted customs practices and essential for Uzbekistan's WTO accession. TFI has been providing assistance in drafting the new Customs Code to the GOU, which will include the provisions on Customs Valuation. Following the expected submission of the completed draft Customs Code to the Cabinet of Ministers in July 2005, TFI's further assistance is needed in providing presentations on the new Customs Code in the Parliament, among various GOU ministries and agencies and business community. The WTO Customs Valuation Interpretative Notes cannot be drafted or
	Enactment of State customs committee, Ministry of Economics, Agency on external economic relations, State tax committee of Republic Uzbekistan from March 11, 2005 NN 01-02/8-6, 52, NN-01/10-1088, 2005-31 " About statement of Regulations about order of import of tea raw material by legal entities and	State Customs Committee, Ministry of Economics, Agency on external economic relations Ordering of import system of tea raw material by importers. The hazard market that existed before the Decree did not protect the rights of	Protection of consumers, structurization of market	

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	individual businessmen without formation of legal entities in the Republic of Uzbekistan "	consumers and did not imply responsibilities on producers.		presented to the Government for approval until the Customs Code is completed and approved. Therefore TFI plans to continue its efforts to finalize the Custom Code in the coming contract year.
	Enactment of Committee on affairs of economic inconsistency of enterprises at Ministry of Economics of the Republic of Uzbekistan from March 16, 2005 N GS-05/0271/1 "About the statement of Regulations of order of criteria definition for monitoring and analysis of financial and economic condition of enterprises". Was registered in 14.04.2005. Registration # 1469 (inures from 24.04.2005)	Ministry of Economics Creation of unified system of criteria for analysis of financial and economic condition of enterprises. Through this Legal Act, it is easier to have a unified approach to company's financial and economic issues and bankruptcy identification.	Perfection institutional bases of market With the exception of beekeepers, Uzbek entrepreneurs are required to obtain visas at the Kyrgyz embassy in Tashkent. This requirement generates additional travel costs for businesses in the Ferghana Valley. The embassy in Tashkent requires individual letters of invitations from each visa applicant. The Kyrgyz sponsor must register the invitation with the Representative of the Ministry of Foreign Affairs located in Osh. The letter is then sent to the Uzbek applicant who must take the letter to the Kyrgyz Embassy in Tashkent. The process of preparing, registering and sending the letter to the Uzbek applicant takes on average 10 days. The Kyrgyz Embassy takes approximately 3 days to process a visa. (USAID)	
	Cabinet of Ministers Resolution №390, dated November 13, 2002 "On measures for stimulating the saturation of local markets with consumer goods and improving relations between producers and traders"	Cabinet of Ministers Stimulate local production of high quality and competitive consumer goods, and improve relations between producers and traders. Trade condition improvement and ease of state control.	Enactment of this legal act appears to further promote the increase in potential of local producers in the SME sector by creating new tax incentives. At the same time, opening the conversion for imports of consumer goods will certainly put competitive pressure on local producers to attain to	

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			higher quality.	
	Regulation "Order of collection of import duty from imports of non-food products, produced in third countries and re-exported into Uzbekistan from neighboring countries", dated December 29, 2002 with effect from February 6, 2003.	Cabinet of Ministers / Administration of President The Regulation sets out terms of collection of import duty levied on imports of non-food goods produced in third countries and re-exported into Uzbekistan for commercial purposes by companies and entrepreneurs of the neighboring states. Trade condition improvement and ease of state control.	Adoption of this legislative act means tightening of import controls over non-food goods which are produced in third countries and re-exported into Uzbekistan from neighboring states. This new normative act might lead to decrease in volume of consumer goods, exported to Uzbekistan, as well as general decrease in volume of imports.	
	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated by February 13, 2003 No 75 Regulations on Retail Trade in the Republic of Uzbekistan as well as the Rules of Production and Sales of Public Catering Products (Services)	Cabinet of Ministers This statutory act regulates execution of retail trade on the territory of the Republic of Uzbekistan. These regulations are not extended to private entrepreneurs, engaged in retail trade at trade rows and designated trade spots in the markets. Trade condition improvement and ease of state control. Implementation of the Rules of Production and Sales of Public Catering Products (Services) in the Republic of Uzbekistan and particularly, the requirement of agreement of the assortment of the Menu in the Ministry of Health with further registration in	Adoption of this statutory act means continuation of the process of state regulation of public catering enterprises and retail trade in Uzbekistan	

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WTO Accession	LAW OF THE REPUBLIC OF UZBEKISTAN from 18.05.2005 N ZRU-1 « ABOUT RATIFICATION OF PROTOCOL TO THE AGREEMENT ON PARTNERSHIP AND COOPERATION, confirmatory partnership between the Republic of Uzbekistan, on the one hand, and European communities and their states - members, on the other hand, in connection with introduction into the European Union of Czech Republic, Estonian Republic, Cyprus Republic, Hungarian Republic, Latvian Republic, Lithuanian Republic, Republic Malta, Republic Poland, Republic Slovenia and Slovak Republic (Brussels, on April 30, 2004) »	Uzbek State Standard Department, looks like unjustified strengthening of control and authority of state bodies in relation to the operation of public catering enterprises. Such state regulation of production and sales of public catering products can entail reduction of the work of public catering enterprises, as well as artificial decline of the potential of enterprises ending to this sector. In other terms, the above mentioned statutory act can become an additional regulation barrier for the activities of public catering enterprises and potentially increase state inspections authorities one entry services.		EU-TACIS - "Extended Support for the Implementation of the Partnership and Co-operation Agreement between the EU and Uzbekistan (phase III)" (EuropeAid/119759/C/SV/UZ) The implementation of the PCA EU-Uzbekistan has received support for its implementation under successive Tacis Programmes since 1999. The first two phases of support (SIPCA I and II) have focused on assisting in the approximation of key commercial legislation, the preparation of Uzbekistan eventual accession to the WTO, institution building for government entities, as well as public awareness raising on key aspects of the PCA, including democracy and human

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	<p>Decree of the President of the Republic of Uzbekistan from 07.06.2005 # UP-3617 " About creation of representations of Commercial and industrial chamber of the Republic of Uzbekistan in foreign countries</p>	<p>Commercial and industrial chamber of Republic Uzbekistan</p> <p>With a view of development and deepening of steady economic relations between domestic and foreign businessmen, including enterprises of small and private business, increase of an export potential, attraction of investments and modern technologies.</p> <p>Assisting Uzbek entrepreneurs entering new market and supporting new FDIs to Uzbekistan.</p>	<p>Development of international economic relationships</p>	<p>rights. The third phase of the project (SIPCA III) will focus on strengthening initiatives under the previous phases, including preparation for WTO accession and public awareness-raising, but will also broaden the scope of legal approximation, focus on the implementation of modified legislation, provide institution building for the PCA secretariat and provide advice and training on strategy development and implementation.</p> <p>*****</p> <p>USAID - "World Trade Organization"</p> <p>In order to have successful bilateral negotiations with WTO members and substantive results from Working Party meetings, it's essential to be well prepared. This includes informal preparatory contacts with WTO members and the proper preparation and submission of required documentation (ACC forms and questionnaires) and answers to WTO member countries' questions. If the content of the documents and answers are satisfactory to the WTO member countries, then the next Working Party Meeting can be scheduled.</p> <p>TFI provided trainings to GOU on Antidumping - Countervailing Duties (AD-CVD), Copyright, Customs, replies to WTO questions, market offers for goods and services. TFI provided round tables to</p>

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				<p>business associations on WTO accession matters in Tashkent, Bukhara and Urgench. TFI organized participation of GOU officials as well as academicians at the WTO Public Symposium.</p> <p>While great strides toward Uzbekistan's WTO Accession were made over the last contract year, there still remain items that the Government needs to address before the next working party meeting. For instance, despite TFI's urgings and assistance the GOU still has not submitted to the WTO Secretariat initial offers on goods and services. There are vested interest among the various senior level officials in the Government with regards to the necessity to formulate a trade regime in compliance with WTO principles which have significantly slowed the legislative changes necessary to prepare and submit the initial offers on goods and services. Unfortunately, due to the recent political unrest, the Vice-Prime Minister / Minister of Foreign Affairs Elyor Ganiev who TFI was working with closely on these matters, has had to shift his attention to other matters as have many other high Government officials. Bilateral market access negotiations on goods and services held until the initial offers of goods and services are submitted.</p> <p>*****</p> <p>USAID - "WTO: Legislative Action Plan"</p>

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				<p>In order to accede to the WTO, a country's legislation must be WTO-compliant. The Legislative Action Plan is a document that can be used as a framework for legislative reform. It includes the laws and regulations that must be brought into compliance with WTO Agreements and indicates the schedule for review and revision of the listed legislation. The Legislative Action Plan must be submitted to WTO and regularly updated as necessary.</p> <p>TFI has provided continued assistance to the GOU on updating their legislative action plan in preparation of the next working party meeting throughout the contract year. Recommendations on updating the Legislative Action Plan with regard to TBT and SPS laws were submitted to the Cabinet of Ministers. However, they are still being reviewed by the Cabinet of Ministers and cannot be submitted to the WTO Secretariat until approved by the Cabinet. They are expected to be approved in first quarter of the next contract year, and previous to the next Working Party which is anticipated in no sooner than October 2005.</p> <p>*****</p> <p>USAID - "WTO-compliant Customs Legislation"</p> <p>Uzbekistan's Customs legislation does not</p>

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				<p>satisfy the requirements of the Revised Kyoto Convention and WTO Agreements. The adoption of the Customs Code and other customs legislation that is compliant with WTO requirements and Revised Kyoto Convention principles will be a foundation for implementation of internationally accepted customs practices and essential for Uzbekistan's WTO accession.</p> <p>TFI has been providing assistance in drafting the new Customs Code to the GOU, which will include the provisions on Customs Valuation. Following the expected submission of the completed draft Customs Code to the Cabinet of Ministers in July 2005, TFI's further assistance is needed in providing presentations on the new Customs Code in the Parliament, among various GOU ministries and agencies and business community.</p> <p>The WTO Customs Valuation Interpretative Notes cannot be drafted or presented to the Government for approval until the Customs Code is completed and approved. Therefore TFI plans to continue its efforts to finalize the Customs Code in the coming contract year.</p> <p>*****</p> <p>USAID - "TRIPS Implementation"</p>

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				<p>Compliance with the requirements of the WTO Agreement on Trade Related Intellectual Property Rights (TRIPS) is one of the key conditions for acceding countries. Uzbekistan's IPR laws and mechanisms do not meet minimal standards set by the WTO TRIPS Agreement. Therefore, Uzbekistan must bring its IPR legislation into conformity with the TRIPS Agreement, which includes revision of existing laws and joining international conventions on IPR. The current status of Uzbekistan's IPR legislation and practices is reported to the WTO in WT/ACC/9 - Information on implementation of TRIPS Agreement.</p> <p>Thanks to TFI's assistance, the GOU joined the Bern Convention on protection of artistic and literary works in January 2005. TFI has been providing assistance to the Uzbekistan Copyright Agency on drafting the new edition of the Law on Copyright and Related Rights. As a result, the draft Law was submitted to the Parliament. Once approved by the Parliament it will officially be adopted.</p> <p>Currently the updated ACC/9 checklist is being reviewed by the Cabinet of Ministers. It is expected to be submitted to the WTO Secretariat in the first quarter of the next contract year. Once that is submitted, and if follow up questions are asked, TFI will continue to assist in the preparation of those answers.</p>

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				<p>TFI held a workshop on Copyright laws with the participation of WIPO experts on the revision of the draft Copyright Law and made specific recommendations to the GOU on bringing the law into conformity with the WTO requirements including the implementation of Article 18 of Bern Convention, to which the GOU had reservations concern retroactive protection of pre-existing works. On May 19th, there was the first reading of the draft Law in the Parliament. It's expected that TFI's recommendations will be adopted. TFI will continue to assistance in drafting provisions for IPR related legislation on IPR enforcement mechanisms. The draft law is expected to be adopted by September 2005.</p> <p>*****</p> <p>USAID - "TBT and SPS Implementation"</p> <p>Uzbekistan's legislation and practices in the areas of standardization and sanitary and phytosanitary measures do not meet requirements set by the WTO's TBT and SPS Agreements, implementation of which is one of the key conditions for acceding countries. Achieving compliance with the TBT and SPS Agreements requires fundamental transition of Uzbekistan's standardization system from mandatory standards to voluntary. The implementation of the latter will require</p>

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				<p>the adoption of a WTO-compliant Law on Technical Regulations and establishment of the Information Inquiry Points required by the TBT and SPS Agreements. The current status of Uzbekistan's legislation and practices in the area of standards and sanitary and phytosanitary measures is reported to the WTO in WT/ACC/8a and ACC/8b -information on TBT and SPS implementation.</p> <p>Thanks to TFI's assistance, the GOU decided to establish a single TBT/SPS Inquiry Point. It's expected that the GOU resolution will be issued during summer 2005. TFI has been providing assistance in drafting the Law on Technical Regulating that would include the provisions on Conformity Assessment. Currently, the GOU assigned AFER to draft the Law on Conformity Assessment. Following TFI recommendations, AFER will prepare the new draft as a unified version of the Law on Technical Regulating including the provisions on Conformity Assessment. Further TFI's assistance is needed in completing the preparation of the draft law.</p> <p>Membership in Codex Alimentarius is one of the prerequisites of the SPS Agreements. The necessary documentation for Membership was prepared and is currently being reviewed by the Ministry of Foreign Affairs. It is expected to approved by the second</p>

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Taxation	LAW OF THE REPUBLIC OF UZBEKISTAN from 23.05.2005 # ZRU-2 ABOUT MODIFICATION OF SOME ACTS OF THE REPUBLIC OF UZBEKISTAN	Support of state reforms Modification in following laws: 1. The law of the Republic of Uzbekistan from December 22, 1995 " About collecting of taxes not brought in time and other obligatory payments " 2. The tax code of Republic Uzbekistan 3. The law of Republic Uzbekistan from August 29, 1997 " About state tax service " 4. The law of Republic Uzbekistan from April 30, 1998 " About dekhkan farming " Through these, the prior existing law regulations were changed and improved the system of pension and road funds.	Structural changes in Pension and Road funds (passed to department of Ministry of Finance)	quarter of the coming contract year. The Code of Good Practice can only be adopted once the Law on Technical Regulating is adopted. Therefore, TFI will continue its efforts in the coming year to get the Law and the Code adopted.
	DECREE OF THE CABINET OF MINISTERS OF THE REPUBLIC OF UZBEKISTAN FROM 28.12.2004 # 610 «ABOUT PARAMETERS OF STATE BUDGET OF THE REPUBLICS OF UZBEKISTAN FOR 2005 »	Olly Majlis, Cabinet of Ministries, Ministry of Finance Establishment of tax rates for 2005 and formation of state budget. Improving conditions within the state budget.	Formation of state budget	

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	DECRETE OF THE PRESIDENT OF UZBEKISTAN FROM 20.06.2005 # UP-3620 "ABOUT ADDITIONAL ACTIONS ON STIMULATIONS OF DEVELOPMENT OF MICROFIRMS AND SMALL ENTERPRISES"	<p>State Tax Committee</p> <p>With a view of further stimulation of accelerated development of small business and cardinal increase of their role and share in national economy.</p> <p>Improving tax environment for the private sector development.</p>	Indulgence of tax regime for small business	
Currency	<p>Enactment of Central Bank from 28.06.2005 # 610 (11/8) "About statement of Rules of making open currency policy" (It was registered by Ministry of Justice in 15.07.2005 # 1497)</p>	<p>Central Bank</p> <p>Establishes limits of open currency positions, defines order of their calculation, regulation and realization feature of supervision of observance by authorized banks of established limits of open currency positions with a view of providing of stability of bank system of the Republic of Uzbekistan.</p> <p>There are cases of cash shortage among local banks in Uzbekistan and therefore, this act shall limit the need of cash circulation on the market.</p>	Perfection of currency transactions of commercial banks	
	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated by June 11, 2003 No 260 "On measures for further liberalization of currency market and unification of exchange rates"	<p>Cabinet of Ministers</p> <p>With the purpose of further liberalization of monetary policy, simplification of transaction on inter-bank currency auctions and unification of exchange rates.</p> <p>There are cases of cash shortage among local banks in Uzbekistan and therefore,</p>	Adoption of this legal enactment implies further liberalization of the monetary policy and unification of exchange rates in the Republic of Uzbekistan..	

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Banking/Finance	ENACTMENT OF CENTRAL BANK OF THE REPUBLIC OF UZBEKISTAN 09.04.2005 # 563-1 (6/3) « About entering additions into regulations about the order of giving credits by commercial banks to farms on the security of future crop » Inures from May 10, 2005 (It is REGISTERED BY THE MINISTRY OF JUSTICE OF THE REPUBLICS OF UZBEKISTAN FROM 30.04.2005 # 1337-1)	Central bank, Ministry of Agriculture and Water Resources, Association of farmers and dekhkans Change of system of farms crediting. The previous problems did not allow proper crediting to Uzbek farming enterprises. This act shall reduce burdens of obtaining credits.	Problems with realization of concepts of farming development In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports. The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	EBRD - "Implementation of Business Bank Institutional Building Programme" (35692) The European Bank for Reconstruction and Development (the "EBRD" or the "Bank") intends to support Business Bank ("BB"), a privately-owned bank in Uzbekistan, through the provision of a loan and trade facilities. The EBRD has developed an institution building programme ("IBP") for BB and intends to engage a consultant to implement the IBP. The consultant will be required to assist BB's management in its efforts to implement the IBP and ensure that the appropriate institutional foundations are put in place to enable the bank to grow and fulfil its business objectives. The objectives are: a) produce a Master Plan for the implementation of the IBP; b) assist in the creation of a separate unit to be responsible for the implementation of the IBP and for the staffing of the unit; c) provide assistance in strategic planning, business plan preparation and implementation; d) assist in the application of the principles of good corporate governance and improvement of organisational structure.
	ENACTMENT OF CENTRAL BANK OF THE REPUBLIC OF UZBEKISTAN FROM 19.03.2005 # 426-2 (5/3) « About modification and additions to	Central Bank It regulates the order of modification of size of authorized capital, structure of	Updating procedures of size of authorized capital, simplification of procedures of registration	

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	regulations about the order of change of size of authorized capital, structure of shareholders, names and location, registration of changes and additions in the charter of bank » Inures from May 7, 2005. REGISTERED BY MINISTRY OF JUSTICE OF THE REPUBLIC OF UZBEKISTAN FROM 27.04.2005 # 573-2	shareholders, names and locations of bank, registration of changes and additions in the charter of commercial bank. To improve the control of the banking system and restrict banking malfunction.	In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports. The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	***** ADB - "Financial Sector Infrastructure Development" (AOTA: UZB 37686-01) The goal of this TA is to promote development of the financial sector to facilitate allocation of domestic resources to productive sectors. The purpose of the TA is to recommend a comprehensive strategy for development of the financial sector. The outputs of the TA will be (i) a diagnostic study of the banking sector that identifies, and recommends measures to address constraints to development of the sector; and (ii) a diagnostic study of the nonbank financial institution (NBF) sector that identifies, and recommends measures to address constraints to development of the sector. ***** ADB - "Small and Medium-Sized Enterprise (SME) Development" (LOAN: UZB 31575-01) The Project's principal goal is to promote balanced and sustainable economic growth and thereby reduce poverty. In pursuit of this goal, the Project is expected to: (i) revitalize, diversify, and enhance the competitiveness of, Uzbekistan's private sector SMEs; (ii) improve the policy, legal, and regulatory framework for SMEs; (iii)
	Enactment from 19.03.2005 of Central Bank # 228-V-2 (5/4) and Center on coordination and control over functioning of a securities market at State Committee of property # 2005-1216-02 " About modification and additions in Regulations about the order of issue, state registration and repayment (cancellation) of issue of securities by commercial banks " (was registered by Ministry of Justice in	State Property Committee, Central Bank With a view of establishment of issuance and state registration of issued securities, and also about stopping of their issue and repayment (cancellation) of state registration of issued securities by commercial banks This act brings legislation closer to the	Change in conformity with infrastructure of market. In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and	

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	27.04.2005 # 1216-2)	International Standards in securities market.	commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports. The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	create increased value addition through backward and forward linkages with primary and tertiary sectors, respectively; (iv) generate and sustain additional employment opportunities; (v) increase foreign exchange earnings through export promotion and savings through import substitution; and (vi) help improve financial intermediation of the banking system. ***** EBRD - "Banking Sector Legislation Assessment" (30623) The main objective of this Assignment is to conduct an assessment of the current status of the banking sector legislation in each of the countries of operations of the European Bank for Reconstruction and Development (the "EBRD"), benchmarked against relevant international standards, in particular, the Core Principles for Effective Banking Supervision issued by the Basel Committee on Banking Supervision. More specifically, the consultant engaged for this Assignment is expected to: a) Help refine the Checklist developed by the EBRD for assessing the soundness of the banking sector legislation in a country; b) Develop an appropriate country rating system in connection with the assessment conducted under the Assignment; c) Produce a detailed and verified analysis (individually and comparatively) of the
	Enactment of Central Bank from 12.05.2005 # 429-1 (10/3) "About making additions to the regulations about requirements to credit policies of commercial banks" (registered by Ministry of Justice in 28.05.2005 # 905-1)	Central Bank Establishment of requirements of credit policy of commercial banks with a view of development of small and medium enterprises, and also perfection of banking system. Additional support to the MSE sector and improving banking sector.	Improvement of banking system, improvement of conditions of reception of credits In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them	

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			<p>in the official financial reports.</p> <p>The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)</p>	<p>banking sector of the EBRD's countries of operations using the Checklist, and determine an assessment rating for each country assessed;</p> <p>d) Produce assessment, rating and analysis reports of all of the EBRD's countries of operations; and</p> <p>e) Produce one annual update of the assessment, rating and analysis reports initially made.</p> <p>*****</p> <p>World Bank - "Financial Institution Building Project"</p> <p>The Financial Institution Building Project for Uzbekistan aims to a) improve corporate governance and management capacity of the commercial banks in preparation for privatization; b) increase competition between commercial banks and boost the efficiency and innovation of the banking system; and c) improve prudential regulations and strengthen the supervision capacity of the central bank. There are six components. The first provides technical assistance to selected banks addressing treasury and financial risk management, strategic planning, accounting, internal audits, management information systems (MIS), and credit risk management. Experts will be placed in participating banks in order to design and implement reforms. The second component provides technical assistance</p>
	<p>Enactment of Central Bank of the Republic of Uzbekistan from March 12, 2005 # 3-A/1 " About statement of Regulations about order of use of corporate banks' cards in national currency by legal entities ". Registered in 18.04.2005, Registration # 1470 (inures from 28.04.2005).</p>	<p>Central Bank</p> <p>Establishes the order of payments for goods and services with use of corporate bank s' cards in national currency by legal entities with enterprises of trade and service in territory of the Republic of Uzbekistan</p> <p>There are cases of cash shortage among local banks in Uzbekistan and therefore, this act shall limit the need of cash circulation on the market.</p>	<p>Improvement of banking system</p> <p>In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports.</p> <p>The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)</p>	<p>*****</p> <p>World Bank - "Financial Institution Building Project"</p> <p>The Financial Institution Building Project for Uzbekistan aims to a) improve corporate governance and management capacity of the commercial banks in preparation for privatization; b) increase competition between commercial banks and boost the efficiency and innovation of the banking system; and c) improve prudential regulations and strengthen the supervision capacity of the central bank. There are six components. The first provides technical assistance to selected banks addressing treasury and financial risk management, strategic planning, accounting, internal audits, management information systems (MIS), and credit risk management. Experts will be placed in participating banks in order to design and implement reforms. The second component provides technical assistance</p>

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	Enactment from 30.05.2005, Ministries of Finance # 50, boards of Central bank # 259-V-2 "About entering additions and changes into Regulations about order of crediting by commercial banks of expenses of agricultural enterprises on manufacture of raw cotton and grain, purchased for state needs" (Registered by Ministry of Justice from 10.06.2005 # 1448-2)	Central Bank Simplification of procedures of crediting agricultural enterprises realizing production for state needs. The previous problems did not allow proper operation and sale of Uzbek farming enterprises. This act shall reduce burdens of selling farm products.	Strategic plan of state In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports. The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	to all commercial banks, and funds training in critical risk management areas. The third component strengthens the legal/regulatory and supervisory capacity of the central bank. The fourth component strengthens the MIS available to support bank manager decisionmaking; upgrades payments systems, improves telecommunications performance supporting MIS and payments systems; and establishes a global security system to safeguard the commercial banks' data transfer networks. The fifth component funds bank privatization and restructuring. The sixth component supports the strengthening of the project implementation unit.
	Enactment of Central Bank from 12.05.2005 # 10/2 "About modification and additions in Regulations about requirements on carrying out operations with securities by commercial banks" (registered by Ministry of Justice from 13.06.2005 # 571-4)	Central Bank With a view of protection of financial stability of banks against existing risks during investment of banks in securities of Central bank of Republic Uzbekistan establishes requirements and specifications regulating activity of	Improvement of circulation of securities in the market In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account	

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		banks in securities market Protection of banking system from operations failure due to investment in unstable securities.	this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports. The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	
	Enactment of Central bank from 16.07.2005 # 15/3 "About modification in regulations about order of registration and licensing of banks" (registered by Ministry of Justice from 21.07.2005 # 630-9)	Central Bank With a view of restriction of growth of money supply and increase of responsibility for observance of financial discipline Protection of banking system.	Ordering of second level of banking system In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs	

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			<p>hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports.</p> <p>The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)</p>	
	<p>Enactment of Central bank from 11.06.2005 # 571-1 (13/7) " About modification and additions in regulations about order of deposition of obligatory reserves in the Central bank by commercial banks " (registered by Ministry of Justice in 16.07.2005 # 1444-1)</p>	<p>Central Bank</p> <p>Establishes order of deposition by commercial banks of obligatory reserves in Central bank of the Republic of Uzbekistan.</p> <p>Protection of banking system.</p>	<p>Improvement of basic tools of regulation of general liquidity of banking system and support at necessary level of money supply during carrying out monetary and credit policy</p> <p>In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports.</p> <p>The entrepreneurs have indicated one</p>	

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			more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	
	DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 15.04.2005 PP-56 "ABOUT ACTIONS ON FURTHER REFORMING AND LIBERALIZATION OF BANKING SYSTEM"	Administration of President Further reforming and liberalization of banking system. Protection of banking system.	Maintenance of steady development, increase of overall performance of commercial banks, increases level of their capitalization, wide participation in investment processes and structural transformations of economy In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports. The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit.	

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			(JICA Legal Study, 2004 / IFC SME Survey)	
	Enactment of Central bank from 11.06.2005 # 242-1 (13/8) " About modification and additions in order of classification of quality of assets, formations and uses of reserves created by commercial banks on covering of probable losses on them " (Registered by Ministry of Justice in 20.06.2005 # 632-1)	<p>Central Bank</p> <p>Establishes criteria of classification of assets, order of formation and use of reserves created by commercial banks for a covering of probable and current losses on assets.</p> <p>Protection of banking system.</p>	<p>In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports.</p> <p>The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit.</p> <p>(JICA Legal Study, 2004 / IFC SME Survey)</p>	
	Enactment of Central bank from 12.05.2005 # 420-3 (10/1) " About modification and additions in regulations about requirements to adequacy of commercial banks' capital " (Registered by Ministry of Justice of 20.06.2005 # 949-3)	<p>Central Bank</p> <p>Establishes order of definition of commercial banks' capital and standards of adequacy of capital</p> <p>Protection of banking system.</p>	<p>In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and</p>	

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			<p>commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports.</p> <p>The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)</p>	
	<p>DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN FROM 15.04.2005 # PP - 57 « ABOUT ADDITIONAL ACTIONS ON IMPROVEMENT OF CASH CIRCULATION AND REDUCTION OF OUT-OF-BANK CIRCULATION OF CASH»</p>	<p>Administration of President</p> <p>With a view of further improvement of mechanisms of monetary circulation, sharp reduction out-of-bank circulation of cash, maintenance of timely remuneration of labor, social and other payments</p> <p>Protection of banking system. There are cases of cash shortage among local banks in Uzbekistan and therefore, this act shall limit the need of cash circulation on the market.</p>	<p>Decrease in deficiency of available funds by bank institutions</p> <p>In total, in spite of the fact that there was a positive modification in the legislative level, they appeared not successful in conditions of toughened monetary policy. Taking into account this usual situation, it is possible to make the supposition, that the government of republic and commercial banks should apply considerable contributions to reestablish the confidence of the entrepreneurs in the banking system, together with that the entrepreneurs hereinafter will conduct a part of operations in cash, not reflecting them in the official financial reports.</p>	

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Price liberalization	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated by June 3, 2003 No 240 "On improvement of the mechanism of settlement for the produced and sold cotton fiber"	<p>Cabinet of Ministers</p> <p>With the purpose of broad implementation of market principles and mechanisms in production and selling of cotton fiber, development of competitive environment in the Republican market of cotton fiber, implementation of common for the international practice forms and systems of settlements for the produced cotton and cotton products.</p> <p>Support to the local enterprises and local farms in selling their goods made.</p> <p>One of the major tasks, stipulated by this legal enactment, is inventory of all local industrial enterprises, performing processing of cotton fiber and linter, by the 1st of September, 2003 and their complete privatization with establishment of private enterprises. Additionally, adoption of this legal enactment implies unification of most of the legislative enactments, regulating</p>	The entrepreneurs have indicated one more key problem in bank crediting - necessity of a realization of informal payments to the employees of bank for deriving the necessary credit. (JICA Legal Study, 2004 / IFC SME Survey)	

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		mechanism of settlements between "Khlopkoprom" ("Cotton Industry") Joint Stock Company and foreign trade companies (established under the Agency for Foreign Economic Relations).		
	DECREE OF THE PRESIDENT OF REPUBLIC OF UZBEKISTAN FROM 11.02.2005 # PP - 5 «ABOUT MEASURES ON BANNING OF UNREASONABLE GROWTH OF TARIFFS AND INCREASE OF RESPONSIBILITY OF CONSUMERS FOR TIMELY AND FULL SETTLEMENT FOR MUNICIPAL SERVICES»	Administration of President, Cabinet of Ministers With a view of improvement of mechanism and increase of responsibility for timely and full settlement of consumers for municipal services, banning of unreasonable growth of tariffs, and also mobilization of necessary funds for realization of exploitation, technical modernization and re-equipment of municipal networks, strengthening of material base of enterprises of public service.	Organizations of commission under tariffs at Cabinet of Ministers with a view of implementation of Program of reforms in housing and communal services	
Anti-Monopoly	Decree of the President of the Republic of Uzbekistan from 02.05.2005 # PP - 66 "About organization of activity of State committee of the Republic of Uzbekistan on demonopolization, support of competition and business"	Administration of President With a view of further activation of work on demonopolization of economy, development of competitive environment, support of business and protection the rights of consumers. This act shall improve state organs structure, so that to improve their functioning at the best interest of the private sector.	Structural transformation of state bodies Nowadays, many import-export restrictions have reduced competition in the market and, as they are not distributed to the large companies, became discriminatory for small business. According to the law, the large trade enterprises should have assets (including cash), appropriate to the volume of trade operations. It	ADB - "Institutional Strengthening of State Committee on Demonopolization and Competition Development" (AOTA: UZB 36497-01) The TA will help promote private sector growth by creating a better enabling environment to promote development of a more competitive and healthy enterprise sector that better protects consumers. To achieve this goal, the TA will (i) help the Government develop a comprehensive strategy for promoting competition, (ii)

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			<p>means that they should comprise 6000 minimum salaries. Moreover, cash should comprise 2000 minimum salaries. For large enterprises that have monopoly to resources, production and materials, these measures have affected insignificantly, while the small and private businesses has suffered very much.</p> <p>The entrepreneurs state that unless equal conditions and reinforced norms of the right is not created, the economy of Uzbekistan will decline even more. In this situation many local entrepreneurs have transferred their business in adjacent countries. In Kazakhstan and Kyrgyzstan the private sector comprises considerably large proportion of GDP.</p> <p>(JICA Legal Study, 2004 / IFC SME Survey)</p>	<p>support incorporation of behavior-based regulation into the legal and regulatory framework and enhance the ability of CDCD to evaluate anticompetitive behavior and proposed mergers, and (iii) develop recommendations for regulating natural monopolies.</p> <p>*****</p> <p>World Bank - "Financial Institution Building Project"</p> <p>The Financial Institution Building Project for Uzbekistan aims to a) improve corporate governance and management capacity of the commercial banks in preparation for privatization; b) increase competition between commercial banks and boost the efficiency and innovation of the banking system; and c) improve prudential regulations and strengthen the supervision capacity of the central bank.</p> <p>There are six components. The first provides technical assistance to selected banks addressing treasury and financial risk management, strategic planning, accounting, internal audits, management information systems (MIS), and credit risk management. Experts will be placed in participating banks in order to design and implement reforms. The second component provides technical assistance to all commercial banks, and funds training in critical risk management areas. The third component strengthens the</p>
	Decree of Cabinet of Ministers of the Republic of Uzbekistan from 19.05.2005 # 129 "About actions on realization of protective actions, antidumping and countervailing duties"	<p>Cabinet of Ministries, Agency on External Economic Relations</p> <p>Purpose of current Law is regulation of relations in scope of protective actions, antidumping and countervailing duties during import of goods for elimination of serious damage or threat causing serious damage of economy.</p>	<p>Protection the rights of consumers and domestic market</p> <p>Nowadays, many import-export restrictions have reduced competition in the market and, as they are not distributed to the large companies, became discriminatory for small business. According to the law, the large trade enterprises should have assets (including cash), appropriate to the volume of trade operations. It</p>	<p>provides technical assistance to selected banks addressing treasury and financial risk management, strategic planning, accounting, internal audits, management information systems (MIS), and credit risk management. Experts will be placed in participating banks in order to design and implement reforms. The second component provides technical assistance to all commercial banks, and funds training in critical risk management areas. The third component strengthens the</p>

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			<p>means that they should comprise 6000 minimum salaries. Moreover, cash should comprise 2000 minimum salaries. For large enterprises that have monopoly to resources, production and materials, these measures have affected insignificantly, while the small and private businesses has suffered very much.</p> <p>The entrepreneurs state that unless equal conditions and reinforced norms of the right is not created, the economy of Uzbekistan will decline even more. In this situation many local entrepreneurs have transferred their business in adjacent countries. In Kazakhstan and Kyrgyzstan the private sector comprises considerably large proportion of GDP.</p> <p>(JICA Legal Study, 2004 / IFC SME Survey)</p>	<p>legal/regulatory and supervisory capacity of the central bank. The fourth component strengthens the MIS available to support bank manager decisionmaking; upgrades payments systems, improves telecommunications performance supporting MIS and payments systems; and establishes a global security system to safeguard the commercial banks' data transfer networks. The fifth component funds bank privatization and restructuring. The sixth component supports the strengthening of the project implementation unit.</p> <p>*****</p> <p>World Bank - "State Committee on De-monopolization and the development of competition"</p> <p>To support the development of institutional capacity in anti-monopoly and competition policies, through the provision of consultant services in legal and organizational issues, and training of staff in the modern tools of competition policy, particularly as they relate to issues of natural monopolies, the regulation of domestic trade, the role of Government in business, and interdependence with macroeconomic policies. To facilitate the access to specialized information through procurement of electronic databases of legislative information on competition policy, access to specialized journals,</p>

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Legal System	Decree of the President of the Republic of Uzbekistan from 14.06.2005 # UP-3619 "About measures on further improvement of system of legal protection of business entities"	Administration of President Liberalization of judicial - legal system, reduction of intervention of supervising bodies in activity of business entities, maintenance of protection of their rights and legitimate interests, banning of unreasonable restrictions of enterprise activities	Development of democratic bases and conditions for market economy The current legislation of Uzbekistan includes more than 300 Legal Acts, 15 Codes, 80 Laws and 120 bylaws, regulating entrepreneurs' activity. Most of them contradict each other, which together with the excessive control creates high barriers for entrepreneurs and leads to flourishing of bureaucracy, corruption and pushes entrepreneurs in to, so-called, "shadow" economy. Nowadays, the right of the legislative initiative is given to 8 bodies in Uzbekistan. Only they, in the correspondence with the main law, can introduce the draft laws to parliament. But the work with the projects of the laws requires careful preparation, as it is complicated polyhedral and long process. If the law does not absorb innovations - it is dead and impractical. In this connection there is a problem - what should be the practice of elimination of these discordances; is it possible to participate in process of creating laws.	electronic knowledge through internet connectivity. EU-TACIS - "Further deepening of democratic reforms in Uzbekistan" (EuropeAid/116336/C/SV/UZ) Project wider objective: The wider objective of the project is to reinforce the development of civil society based on the supremacy of law, principles of human rights and freedom, by providing appropriate technical assistance to the Oliy Majlis in order to improve its relations with citizens after the reform towards a two-chamber system. The main specific objectives of the present project are: a) to provide training to the deputies of the Legislative Chamber and other legal specialists of the Oliy Majlis directly involved in drafting of laws through a comparative analysis and evaluation of acting legislation - mainly legislation related to human rights and democratic principles - in accordance with international standards; b) to provide project beneficiaries with techniques, know-how and practical aspects of preparation and adoption by western-European countries of normative regulations and application laws, as well as to implement the mechanisms of

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				<p>international norms;</p> <p>c) to provide technical assistance and policy advice to the drafting and preparation of subordinated legislation (regulations and other application laws), by ensuring full compliance with constitutional principles;</p> <p>d) to provide support and policy advice to the Secretariat of the Oliy Majlis in the organisation and methodological functioning of the two chambers;</p> <p>e) to provide technical assistance and policy advice on improvement of control and supervision mechanisms for implementation of laws;</p> <p>f) to provide technical assistance and policy advice to the establishment of a system and joint procedures and interaction mechanisms between the Oliy Majlis, the Constitutional Court and the Supreme Court of Uzbekistan.</p> <p>*****</p> <p>EU-TACIS - "Extended Support for the Implementation of the Partnership and Co-operation Agreement between the EU and Uzbekistan (phase III)" (EuropeAid/119759/C/SV/UZ)</p> <p>The implementation of the PCA EU-Uzbekistan has received support for its</p>

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				<p>implementation under successive Tacis Programmes since 1999. The first two phases of support (SIPCA I and II) have focused on assisting in the approximation of key commercial legislation, the preparation of Uzbekistan eventual accession to the WTO, institution building for government entities, as well as public awareness raising on key aspects of the PCA, including democracy and human rights. The third phase of the project (SIPCA III) will focus on strengthening initiatives under the previous phases, including preparation for WTO accession and public awareness-raising, but will also broaden the scope of legal approximation, focus on the implementation of modified legislation, provide institution building for the PCA secretariat and provide advice and training on strategy development and implementation.</p> <p>*****</p> <p>ADB - "Corporate Governance Reform Program" (PPTA: UZB34032-01)</p> <p>The objective of the TA is to prepare a program of corporate governance reforms at the enterprise level, with the aim of enhancing transparency and disclosure and safeguarding investors' rights. This will be achieved through (i) a review of the adequacy of the policy, legal and regulatory framework for corporate governance, and an assessment of the state</p>

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				<p>of corporate governance practices in PTAs and enterprises; (ii) developing a suitable framework for efficient management of the Government's shares in enterprises; and (iii) capacity building for efficient and impartial supervision and regulation of enterprises. The TA will include a diagnostic review of the constraints of good governance, and of the existing laws, resolutions, decrees, and company charters. Based on this review, the TA will formulate a set of guidelines on corporate governance that are in conformity with international standards.</p> <p>***** ADB - "Rural Savings and Credit Union Development Project" (PPTA: UZB33196-01) *****</p> <p>The objectives of the TA are to support the development of a legal and regulatory framework for the establishment of SCUs and to help Government prepare a project to be financed with Bank support. The TA will be implemented in two phases. Phase 1 will identify policy constraints and assist Government in the establishment an appropriate legal and regulatory framework for SCUs. Phase 2 will continue and expand activities initiated under Phase 1 and assist the Government in the preparation of a project.</p> <p>*****</p>

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				<p>EBRD - "Legal Technical Assistance - Concession Assessment"</p> <p>The main objective of this Assignment is to conduct an assessment of the current status of the concessions related legislation in each of the countries of operations of the European Bank for Reconstruction and Development (the "EBRD"), benchmarked against relevant best international standards, in particular, the UNCITRAL Legislative Guide on Privately Financed Infrastructure projects. More specifically, the consultant engaged for this Assignment is expected to:</p> <p>a) Help refine the Checklist developed by the EBRD for assessing the soundness of the concessions related legislation in a country;</p> <p>b) Develop an appropriate country rating system in connection with the assessment conducted under the Assignment;</p> <p>c) Produce a detailed and verified analysis (individually and comparatively) of the concessions related legislation of the EBRD's countries of operations using the Checklist, and determine an assessment rating for each country assessed;</p> <p>d) Produce assessment, rating and analysis reports for all of the EBRD's countries of operations; and</p> <p>e) Produce one annual update of the assessment, rating and analysis reports initially made.</p> <p>*****</p>

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Registration, Permit, License, Inspection	Resolution # 357 of the Cabinet of Ministers dated August 20, 2003 'On a Radical Improvement of the System of Registration Procedures in Arranging Entrepreneurial Activity'	<p>Cabinet of Ministers</p> <p>with the aim of creating enabling conditions for businesses and a phased introduction of the registration principle and removing bureaucratic barriers in the development of private enterprise.</p> <p>This Resolution helped to solve problems that entrepreneurs face during registrations.</p> <p>Previously, economic entities after registration had to complete on their own all formalities related to technical conditions required for connection to supply lines (gas, electricity, water, sewerage, heat, telephone), transfer</p>	<p>Adoption of this regulatory act further simplifies the registration process and the process to receive permits and approvals from relevant authorities. This may have a positive impact on reducing the time required to receive it and red tape in obtaining permits and approvals.</p> <p>The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)</p>	<p>EBRD - "Securities Market Legislation Assessment"</p> <p>The main objective of this Assignment is to conduct an assessment of the current status of the securities market legislation in each of the countries of operations of the European Bank for Reconstruction and Development (the "EBRD"), benchmarked against relevant international standards, in particular, the Objectives and Principles of Securities Regulation issued by the International Organization of Securities Commissions.</p>
				<p>EU-TACIS - "Land registration Phase 3" (EuropeAid/120291/C/SV/UZ)</p> <p>The overall objective of the project of which this contract will be a part is to support the transition to a market economy through addressing the establishment of real property rights in Uzbekistan.</p> <p>The specific objectives are:</p> <p>a) Provide support to 'Goskomzemgeodeskadastre' in capacity building for this new single organisation responsible for the registration of properties and the rights to them.</p> <p>b) Strengthen the establishment of state guaranteed, transferable and registered</p>

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		residential premises into non-residential category, and obtain permits for stamps and seals. Now all formalities related to registration, and some key permits and approvals will be completed by Entrepreneurial Agents Registration Inspectorates under Khokimiyats in the "one-window" process.		property rights. c) Achieve substantial and sustainable working results in the real property registration. ***** USAID - "Collaboration with local partners to identify and reduce barriers to business operation"
	Resolution # 360 of the Cabinet of Ministers of the Republic of Uzbekistan of August 22, 2003 'On Approving Regulations and Licensing Certain Types of Activities in the Transportation Area'	Administration of President Improve regulations on licensing passenger and freight carriage activity by railways on domestic and international routes; Improve regulations on licensing passenger and freight carriage activity by air on domestic and international routes; Improve regulations on licensing the service of aircraft at airports related to transportation by air; Improve regulations on licensing aviation-related activities; Improve regulations on licensing urban, suburban, interurban and international passenger and freight motor transportation; Improve regulations on licensing passenger and freight carriage by river transport;	Adoption of this regulatory act specifies the procedure of licensing for certain types of activities. Now the legislative framework has become more transparent regarding the regulation of the procedure of licensing transportation activities. It should also be pointed out that the present Resolution has radically changed the amounts and equivalents of state duties. While previously the state duty was calculated in US dollars (as an equivalent to the national currency - the soum) at the exchange rate established by the Central Bank at the moment of payment of the duty, now the state duty is calculated based on the minimum monthly wage. The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those	In Uzbekistan, in order to effectively advocate for business interests of their members, local associations and Chambers of Commerce often require technical and methodological assistance. Through the continuing cooperation of TFI, the activities of these partners will be enhanced in order to identify existing constraints, develop recommendations and implement solutions. In collaboration with the district Khokimiyat of Andijan Region and Coordination Council of Andijan Khokimiyat, TFI assisted in introduction of a more advanced software program in the process of business registration. As a result of setting up new software, less time is spent for applicants when registering with the district inspection. In collaboration with the Coordination Council of Andijan Khokimiyat, TFI assisted in identifying barriers in the

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		Improve regulations on calculation of the state duty for issuing transportation licenses.	required by regulations. (USAID)	process of obtaining two kinds of licenses, such as trading in Pharmaceuticals and transportation services. Coordination Council worked out recommendations on removing the barriers by proposing the following: 1) setting up a representative office of the Ministry of Health in Andijan region in order to businesses in Andijan to avoid extra trips to Tashkent; reducing the fee for transportation services license in Andijan region.
	PLAN - SCHEDULE OF CHECKS OF LEGAL ENTITIES BY SUPERVISING BODIES OF THE REPUBLIC OF UZBEKISTAN IN MAY, JUNE, JULY, AUGUST 2005 REPUBLICAN COUNCIL ON COORDINATION OF ACTIVITY OF SUPERVISING BODIES	<p>State Tax Committee</p> <p>The list of enterprises scheduled for planned check, and also the list of checking bodies.</p> <p>Prior to this act, state bodies had more power over the enterprises and could "inspect" the enterprise at any time they wanted. From now on, they have limits and the procedures on check-up of enterprises is also made more transparent.</p>	<p>Transparency of activity of checking bodies</p> <p>The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)</p>	<p>In the coming contract year, TFI plans to continue its Consultative Council work in Ferghana, and closely monitor the situation in Andijan to determine when and how we can collaborate once again in Andijan.</p>
	Order of director of State patent agency of the Republic of Uzbekistan from December 30, 2004 # 62 " About statement of Rules of preparation, submission and consideration of application for taking patent of the Republic of Uzbekistan on selective achievement " . Registered in 14.01.2005. Registration # 1443 (inures from 24.01.2005)	<p>State patent agency</p> <p>Define the order of preparation, submission and consideration of application for taking patent for selective achievement.</p> <p>Thus, this resulted in an improved environment in obtaining patents. Prior, there was a big bureaucratic burden process, which is solved by the act.</p>	<p>Creation of institutional infrastructures</p> <p>The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)</p>	
	Enactment of Central bank of the Republic of Uzbekistan from January, 29, 2005 # 1/7 " About statement of Regulations about order of establishments about qualifying requirements of Central bank of the	<p>Central Bank</p> <p>Establishes system of qualifying requirements for candidates for supervising positions.</p>	<p>Increase of professionalism of bankers</p> <p>The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for</p>	

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	Republic of Uzbekistan for candidates recommended for positions of managers, chief accountants, members of board of commercial banks and their branches and also head of executing agencies of credit unions " (in a new wording). Registered in 10.03.2005. Registration # 1455 (inures from 20.03.2005)	This act's goal is to solve organizational and managerial issues that often faced in banking sector and to improve the skills and background of top management.	information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)	
	Enactment of State committee of the Republic of Uzbekistan on management of state property and support of business from March 23, 2005 # 01/06-RBN/01 "About statement of Regulations about order of carrying out of auction tenders at the Republican Stock Exchange of real estate " . Registered in 9.04.2005. Registration #1467 (inures from 19.04.2005)	State Committee of the Republic of Uzbekistan on management of state property and support of business Defines order of organization and carrying out of auction tenders at Republican Stock Exchange of real estate, and also its divisions on places. The ultimate goal is to improve transparency and increase volume of transactions at the Stock Exchange.	Improvement system of carrying out of auction tenders The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)	
	Enactment of Central Bank of the Republic of Uzbekistan from March 19, 2005 # 5/2 " About modification and additions in Regulations about order of registration and licensing of banks ". Registered in 27.04.2005. Registration # 630-8 (inures from 7.05.2005)	Central Bank Regulates order and conditions of registration and licensing of banks on the territory of the Republic of Uzbekistan. Supports institutional strengthening of the banking sector and protection against its malfunction and/or possible bank failure that would negatively affect the economy, in general.	Institutional development of bank system The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)	
	Enactment of Central bank, Center on	Central Bank, State Committee on	Creation of structure of issue of	

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	coordination and control over functioning of securities market at State Committee of property from March 19, 2005 NN 5/4, 2005-1216-02 " About modification and additions in Regulations about the order of issue, state registration and repayment (cancellation) of issue of securities by commercial banks ". Registered in 27.04.2005. Registration # 1216-2 (inures from 7.05.2005)	<p>management of state property</p> <p>With a view of establishment of issuance and state registration of issued securities, and also about stopping of their issue and repayment (cancellation) of state registration of issued securities by commercial banks</p> <p>One of the ultimate goals is to improve the investment climate in Uzbekistan and attract FDIs. This act is one of the steps towards liberalization of the securities market and investors' protection.</p>	<p>securities</p> <p>The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)</p>	
Standardization, Metrology, Certification	Decree of the President of the Republic of Uzbekistan dated by May 6, 2003 No UP-3240 "On major areas of further deepening of economic reforms in the sphere of capital construction"	<p>Administration of President</p> <p>with the purpose of further deepening of economic reforms in the sphere of capital construction, broad introduction into this sector economic relations, conforming to the principles of and requirements of market economy, formation of developed market of contractors', design work and construction materials, improvement of the mechanism of pricing in construction sector, increase of responsibility of all actors of investment process for the final results and efficiency of the projects implementation.</p>	<p>Adoption of this regulatory act in principle implies continuation of the process of economic reforms in new construction sector and implementation of a new system of economic relationships in this sector, meeting the requirements of a market economy.</p> <p>This is demonstrated in Item 1 of this Decree. In particular, this implies a conclusion of the process of restructuring and privatization of design and construction organizations, and development of a competitive environment in the market of design and construction works.</p> <p>Today, there is no systematized information basis, directories on</p>	<p>EU-TACIS - "Development of Maintenance Excellence in NIS Gas Companies" (EuropeAid/120572/C/SV/Multi)</p> <p>The objective of this project is to support the modernization of maintenance policies and practices in the gas companies of the participating NIS countries, by facilitating the introduction of international standards in maintaining gas transportation systems, taking into account environmental and safety concerns.</p> <p>Through a training program targeted on their management staff, the Gas Companies will be supported in the introduction of good maintenance practice in their management. Furthermore the practical transfer of know-how, through specific trainings for the technical staff,</p>

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			<p>standardization and certification, which would be accessible for an inspection and study by all interested parties, and first of all by entrepreneurs, which immediately can require similar information. For deriving similar information it is necessary for the subject of business to address, in written form, the Uzbek Agency of standardization, certification and metrology (UzStandard), so that it will provide relevant information, necessary for the business. (JICA Legal Study, 2004 / IFC SME Survey)</p> <p>*****</p> <p>USAID - "Steps taken by Uzstandard to bring MAS-Q infrastructure into compliance with international norms"</p> <p>In addition to legislative changes, the transition to an internationally-recognized MAS-Q system will require certain institutional reforms. Namely, needed reforms include the creation of an internationally-recognized national accreditation program for laboratories, certification authorities and quality management systems and the adoption and application of international standards for certification.</p> <p>Accreditation and certification systems can only be reformed according to international standards once a WTO-compliant Law on Technical Regulating is adopted. Since this has not yet occurred in Uzbekistan, TFI's assistance has been limited to informing the Cabinet of Ministers of the importance of including international principles in reforming their systems and the equal importance and dependence on a the Law on Technical Regulating.</p>	<p>will improve the technical level of the participating Gas Companies; a qualified technical staff will assure the efficient application of the introduced modern maintenance practices.</p> <p>*****</p> <p>USAID - "Steps taken by Uzstandard to bring MAS-Q infrastructure into compliance with international norms"</p> <p>In addition to legislative changes, the transition to an internationally-recognized MAS-Q system will require certain institutional reforms. Namely, needed reforms include the creation of an internationally-recognized national accreditation program for laboratories, certification authorities and quality management systems and the adoption and application of international standards for certification.</p> <p>Accreditation and certification systems can only be reformed according to international standards once a WTO-compliant Law on Technical Regulating is adopted. Since this has not yet occurred in Uzbekistan, TFI's assistance has been limited to informing the Cabinet of Ministers of the importance of including international principles in reforming their systems and the equal importance and dependence on a the Law on Technical Regulating.</p>
	<p>Enactment of Agency on External Economic Relations of the Republic of Uzbekistan from 25.05.2005 # NN-01/10-2298</p> <p>"About modification and additions in Regulations about order of carrying out of certification process of origin of goods in the Republic of Uzbekistan"</p> <p>(Registered by Ministry of Justice in 01.06.2005 # 945-1)</p>	<p>State customs committee, Agency on certification, standardizations and metrology</p> <p>Updating order about certification of origin of goods in conformity with Cabinet of Ministers of the Republic of Uzbekistan from March 31, 1998 N 137</p> <p>"About additional measures on liberalization of foreign trade activities in the Republic of Uzbekistan"</p>	<p>Application of updated order of certification of goods</p> <p>Today, there is no systematized information basis, directories on standardization and certification, which would be accessible for an inspection and study by all interested parties, and first of all by entrepreneurs, which immediately can require similar information. For deriving similar information it is necessary for the subject of business to address, in written form, the Uzbek Agency of standardization, certification and metrology (UzStandard), so that it will provide relevant information, necessary for the business. (JICA Legal Study, 2004 / IFC SME Survey)</p>	<p>Accreditation and certification systems can only be reformed according to international standards once a WTO-compliant Law on Technical Regulating is adopted. Since this has not yet occurred in Uzbekistan, TFI's assistance has been limited to informing the Cabinet of Ministers of the importance of including international principles in reforming their systems and the equal importance and dependence on a the Law on Technical Regulating.</p>
	Rules of carrying out of inspection	Agency on certification,	Improvement of certification bodies	

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	control of activities of accredited bodies on certification and test laboratories (centers) (Authorized by Order of General Director of Uzstandart in 01.02.2005 # 24-OS/AIL, registered by Ministry of Justice in 20.04.2005 # 1472)	standardizations and metrology Regulate activities of bodies on certification and test laboratories. Basically protects domestic producers and stimulates local production.	structure Today, there is no systematized information basis, directories on standardization and certification, which would be accessible for an inspection and study by all interested parties, and first of all by entrepreneurs, which immediately can require similar information. For deriving similar information it is necessary for the subject of business to address, in written form, the Uzbek Agency of standardization, certification and metrology (UzStandard), so that it will provide relevant information, necessary for the business. (JICA Legal Study, 2004 / IPC SME Survey)	***** USAID - "Achieve regional and international mutual recognition of defined MAS-Q activities of the Gosstandards of Central Asia" The MAS-Q program is focused on improving trade facilitation and market access by elevating present Central Asian MAS-Q governmental infrastructures and legislation to a level that is consistent with international norms and compliant with the World Trade Organization's TBT and SPS Agreements. Mutual recognition of accreditation and certification schemes facilitates access to international markets and provides technical underpinning to international trade by promoting cross-border stakeholder confidence and acceptance of accredited test data and certified results. This is made possible through a network of mutual recognition arrangements among international accreditation bodies. Global mutual recognition offers the most efficient way to permit test data and certification results produced in any country to be accepted in other countries without duplication of testing or certification, thus reducing cost and eliminating non-tariff barriers to trade and market access delays. Activities under the first set of intermediate objectives depend largely on
	Regulations about order of declaring of conformity of production to requirements of its safety (Authorized by Order of General Director of Uzstandart in 04.03.2005 # 83, Registered by Ministry of Justice in 06.04.2005 # 1465)	Agency on certification, standardizations and metrology Production safety requirements and order of its declaring. Basically protects domestic producers and stimulates local production.	Improvement of certification bodies structure Today, there is no systematized information basis, directories on standardization and certification, which would be accessible for an inspection and study by all interested parties, and first of all by entrepreneurs, which immediately can require similar information. For deriving similar information it is necessary for the subject of business to address, in written form, the Uzbek Agency of standardization, certification and metrology (UzStandard), so that it will provide relevant information, necessary	border stakeholder confidence and acceptance of accredited test data and certified results. This is made possible through a network of mutual recognition arrangements among international accreditation bodies. Global mutual recognition offers the most efficient way to permit test data and certification results produced in any country to be accepted in other countries without duplication of testing or certification, thus reducing cost and eliminating non-tariff barriers to trade and market access delays. Activities under the first set of intermediate objectives depend largely on

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			for the business. (JICA Legal Study, 2004 / IFC SME Survey)	the pace of the legislative and institutional reforms in each country. In the Kyrgyz Republic and Kazakhstan, where new laws On Technical Regulations came into effect, the foundation has been laid for the development of a voluntary system of standardization and conformity assessment activities. In Uzbekistan and Tajikistan these reforms progressed but rather slowly, even though these initiatives are requirements for WTO accession.
	Rules of carrying out of inspection control of certificated production and services (Authorized by the Order of General Director of Uzstandart in 01.02.2005 # 24-E, registered by Ministry of Justice in 06.04.2005 # 1464)	Agency on certification, standardizations and metrology Structure of carrying out of inspection control of certificated production and services. Basically protects domestic producers and stimulates local production.	Improvement of certification bodies structure, protection the rights of consumers Today, there is no systematized information basis, directories on standardization and certification, which would be accessible for an inspection and study by all interested parties, and first of all by entrepreneurs, which immediately can require similar information. For deriving similar information it is necessary for the subject of business to address, in written form, the Uzbek Agency of standardization, certification and metrology (UzStandard), so that it will provide relevant information, necessary for the business. (JICA Legal Study, 2004 / IFC SME Survey)	The second and third sets of intermediate objectives were to be undertaken through the regional cooperation body - CAC-MAS-Q. Unfortunately, several events undermined TFI's ongoing support of this organization. First, TFI found it difficult to gather the heads of Gosstandards for a regional meeting. Without the participation of decision makers, little progress can be achieved. Second, events in Kyrgyzstan and later Uzbekistan in early 2005 limited TFI's ability to provide any support to the CAC-MAS-Q members from these countries. In the case of Kyrgyzstan, the director of NISM, and the champion of the CAC-MAS-Q, was no longer in a position of authority and was later removed, while in the case of Uzbekistan, TFI was restricted from providing direct financial support to the Uzbek central government. Third, in early 2005, new rules and procedures for regional accreditation bodies were
	Rules of certification of production (Authorized by the Order of General Director of Uzstandarta in 25.02.2005 # 59, registered by Ministry of Justice in 18.03.2005 # 1458)	Agency on certification, standardizations and metrology Rules of certification of production Basically protects domestic producers and stimulates local production.	Institutional frameworks of certification of production Today, there is no systematized information basis, directories on standardization and certification, which would be accessible for an inspection and study by all interested parties, and first of all by entrepreneurs, which immediately can require similar information. For deriving similar information it is necessary for the	

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Infrastructure (IT, Communication, Electricity, Transport, etc)			subject of business to address, in written form, the Uzbek Agency of standardization, certification and metrology (UzStandard), so that it will provide relevant information, necessary for the business. (JICA Legal Study, 2004 / IFC SME Survey)	introduced jointly by ILAC and IAF that will require the CAC-MAS-Q to undertake new and more demanding steps to achieve mutual recognition. As TFI has not had an opportunity to bring the parties together to explain these new requirements and provide assistance in developing and agreeing to a new Road Map, this has severely limited our ability to push forward the development of the CAC-MAS-Q. As the political uncertainty continues in both Kyrgyzstan and Uzbekistan into the next project year, TFI will limit its support to the CAC-MAS-Q to informal information sharing, translation and adoption of international practices and maintaining contact with international organizations.
	Decree of the President of the Republic of Uzbekistan from 24.01.2005 # UP-3557 " About modifying in Decree of the President of the Republic of Uzbekistan from July 23, 1997 # UP-1823 " About actions on reorganization and improvement of management information systems sphere "	Administration of President With a view of the further improvement of management of mail services, information systems and telecommunications, deepening of trade relations, deepening of privatization processes and attraction foreign investments in this sphere	Creation of favorable conditions of sector development	EU-TACIS - "Tashkent District Heating - Project Implementation Unit Advisory Services" (Europeaid/119490/D/SV/UZ) The objectives of the assignment are to provide advice on project preparation and implementation to a separate to-be-created Tashkent District Heating Company ("the company") for an investment programme that will address the rehabilitation needs of the district heating systems in Tashkent. The consultants also assist the city and the company in the design, the procurement and the administration of the contracts relating to the investment programme.
	Decree of President of Republic Uzbekistan from 08.07.2005 # PP - 117 "	Administration of President, Agency on communication and information	Creation of favorable conditions of sector development	

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	About additional action on further development of informational and communicatory technologies "	Execution of Decree of the President of the Republic of Uzbekistan from 24.01.2005 N UP-3557 and creation of favorable conditions of sector development		***** EU-TACIS - "Tashkent Water Supply Improvement Project (Europeaid/119900/D/SV/UZ)" *****
	Program of modernization of network of mail services, introduction and development of new kinds of services on the basis of informational and communicatory technologies till 2010 (Appendix to the Decree of Cabinet of Ministers from 19.05.2005 # 128)	Administration of President, Agency on communication and information With a view of improvement of management structure and increase of efficiency of functioning of mail services Creation of favorable conditions of sector development, privatization of enterprise	Creation of favorable conditions of sector development; privatization of enterprise	"The main objective of this assignment is to assist the Tashkent Municipal Water Company "SuvSoz" in preparation and implementation of a Financial and Operational Performance Improvement Programme ("FOPIP"). The FOPIP includes the establishment of the strategy and timetable to: (i) outsource a key service of the State Enterprise SUVSOZ Trust (Project Entity); (ii) implement the Tariff Reform Plan; (iii) attract private sector investment into the capital of the Project Entity; and (iv) develop and implement IT strategy for the Project entity. *****
	Decree of Cabinet of Ministers of the Republic of Uzbekistan from 12.10.2004 # 470 " About actions on organization of activities of Uzbek association of transport and transport communications "	Cabinet of Ministries With a view of further improvement of coordination of activities of various types of transport on territory of republic Structurization of state bodies in sphere of transport	Structurization of state bodies in sphere of transport	EBRD - "Tashkent Solid Waste Management Improvement Programme" (35690) The project's overall objectives are to (a) return the existing municipal solid waste collection system to a satisfactory level of service; and (b) improve the technical, financial, and institutional basis for its future operation and development. The Project is being implemented by IB-Spestrans - the solid waste collection

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				<p>company of Tashkent.</p> <p>*****</p> <p>UNDP - "Capacity Building for Internet Technologies Development and Promotion"</p> <p>Information and Communications Technologies (ICT) are powerful tools for knowledge sharing, enhancing local and global development opportunities, promoting political accountability, and improving the delivery of basic services. Without innovative and inclusive ICT policies and initiatives, some segments of the population may be left behind or further marginalized in the transition to knowledge-based societies.</p> <p>The project aims at further facilitating Uzbekistan's integration into the global information community by providing Internet access to the population, which is vital in creating an open society and sustainable human development.</p> <p>*****</p> <p>UNDP - "Digital Development Initiative"</p> <p>Information and communication technologies (ICT) have become a comprehensive tool that is being used to resolve a broad range of socio-economic issues arising in Uzbekistan's transition</p>

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				<p>period. The country has declared the improvement of ICT capabilities a national priority. The DDI project supports this initiative by: (a) Helping decision-makers gain access to information via ICT; (b) Enhancing public access to information; (c) Reinforcing decentralized and transparent governance through e-governance initiatives; and, (d) Enabling the maximum use of achievements and advantages in the ICT sector in Uzbekistan</p> <p>*****</p> <p>UNDP - "Promotion of ICT Units in Rural Areas to Foster Small and Micro-Credit Enterprise Development"</p> <p>This project—the first of its kind in Uzbekistan—reaches out to rural communities and promotes the use of Information & Communications Technologies (ICT) for business development as a tool for community empowerment. Building ICT capacity requires a range of concerted efforts comprising technological infrastructure development, information management and administration, and the creation of a supportive legislative and policy environment with a strong focus on human capacity development.</p> <p>The project compliments UNDP's success and experience in the area of small- and micro-enterprise (SME) development.</p>

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Anti-corruption				Through the creation of tele-cottages, the project assists in the development of social partnerships, information delivery, local economic development and building the capacities of local government services in rural areas.
	DECREE OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN in 04.04.2005 # UP-3592 « ABOUT IMPROVEMENT OF THE ORGANIZATION OF ACTIVITIES OF ACCOUNTING CHAMBER OF THE REPUBLIC OF UZBEKISTAN»	Administration of President With a view of maintenance of deeper and all-round analysis of budgetary process and the control over its performance	Control and ordering of expenditures of budgetary funds The business registration process lacks transparency as the process is not clearly articulated by the government. Businesses often pay bribes for information and expedience, make repeated trips to government bodies, and are charged fees in excess of those required by regulations. (USAID)	
Land Ownership and Lease				EU-TACIS - "Land registration Phase 3" (EuropeAid/120291/C/SV/UZ)
	Instruction on order of state registration of the rights on land areas in Republic of Uzbekistan (Authorized in 30.03.1999 by State committee on land resources and Central administrative board of geodesy, cartography and state cadastre. Registered by Ministry of Justice in 27.05.1999 # 736)	State committee on land resources Order of registration of the rights on land areas. Land tenure is still the main issue in Uzbekistan and its failure also reflects in the farming industry. The instruction is supposed to give a guideline on state registration of the rights on land areas. However, some of the articles are still doubtful and misused.	Ordering system of land tenure	The overall objective of the project of which this contract will be a part is to support the transition to a market economy through addressing the establishment of real property rights in Uzbekistan. The specific objectives are: a) Provide support to 'Goskomzemegeodescadastre' in capacity building for this new single organisation

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	Land code of the Republic of Uzbekistan (Authorized by Law of the Republic of Uzbekistan in 30.04.1998 # 598-1)	<p>Oliy Majlis</p> <p>Regulation of land relations in creations of conditions for development of all forms of managing, protection of rights of legal entities and individuals on land areas and also strengthening of legality in this sphere</p> <p>Land tenure is still the main issue in Uzbekistan and its failure also reflects in the farming industry.</p>	Introduction of the main regulating document	<p>responsible for the registration of properties and the rights to them.</p> <p>b) Strengthen the establishment of state guaranteed, transferable and registered property rights.</p> <p>c) Achieve substantial and sustainable working results in the real property registration.</p> <p>*****</p>
	Decree of Oliy Majlis of the Republic of Uzbekistan from 26.05.2000 # 84-II "About joining of the Republic of Uzbekistan to Convention of International Institute of the United Nations on unification of private law (UNIDROIT) about international financial leasing "	<p>Oliy Majlis</p> <p>Adjusts transactions of financial leasing.</p> <p>This Decree improves the situation in financial leasing, a sector which is relatively new for the Uzbek market. Application of the Decree brings the market conditions to the International Standards.</p>	Integration into the world community	<p>ADB - "Developing an Integrated Cadastre System for Land Resources Management and Property Right Registration" (AOTA: UZB 36534-01)</p> <p>The purpose of the TA is to (i) strengthen the agencies involved in land resources management through cadastre surveys; (ii) work out and introduce optimal land management systems at provincial level, and a centralized land management system at national level. It is expected the following components would be included</p>
	Law of the Republic of Uzbekistan from 14.04.1999 # 756-1 " About leasing "	<p>Oliy Majlis</p> <p>Regulates process of realization of leasing.</p> <p>Serves as a guideline for leasing operations and transactions.</p>	Base for leasing	<p>(i) cadastre surveys of land resources through aerospace photography, topographic, geodesic, agrochemical, geobotanic studies and mapping; (ii) automation of field works through the use of photogrammetric stations, electronic tachometers, GPS systems, arm mapping, storing of information in digital format; (iii) establishment of land Cadastre Information System based on</p>

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				<p>computerized database, improved inter-ministerial interaction on land resources management; and (iv) development of the mechanism for protection of rights of land owners and tenants. During the implementation of the TA, all the agencies involved in land resource management at central and local levels, and beneficiaries will be consulted through workshops to ensure good coordination, cooperation and implementation. It is expected that the TA result would provide an efficient mechanism and procedures for country-wide dissemination and operation.</p> <p>*****</p> <p>IFC - "Central Asia Leasing Project"</p> <p>The Central Asia Leasing Project is a technical assistance initiative of the International Finance Corporation (IFC), the private sector investment arm of the World Bank, and is operating through the IFC's Private Enterprise Partnership program. This initiative has been funded by the Swiss Secretariat for Economic Affairs (SECO) and currently is being implemented in three Central Asian countries: Kyrgyz Republic, Tajikistan and Uzbekistan.</p> <p>The Central Asia Leasing Project was designed to develop a competitive leasing industry in Central Asia. The project will advise governments on creating</p>

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				<p>appropriate leasing legislation to create a favorable environment for the sector's growth. To develop technical expertise on leasing in Central Asia, the project will train leasing companies, banks, and potential leasing clients on leasing techniques as well as provide consultations to local enterprises and foreign investors on the legal, taxation, and accounting aspects of leasing transactions. Since leasing is a relatively new financial product in Central Asia, the project will educate private enterprises, financial institutions and regulatory agencies about leasing and its advantages through specialized publications and mass media.</p> <p>The Central Asia Leasing Project will draw specifically on the experience and expertise of the IFC Russia Leasing Development Group which has had success in Russia, both on the legislative front and in the attraction of foreign and domestic investment to the leasing industry.</p> <p>*****</p> <p>USAID - "Regulations and procedures governing land site acquisition and construction activities" (UZR RIC FV-01)</p> <p>The process of acquiring permission to engage in construction or even repair of a building is lengthy, expensive, non-</p>

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				<p>transparent and involves multiple government agencies. Initial review of procedures for land site acquisition and construction shows the processes are overly burdensome, require excessive time and money to complete and are not transparent. Also, new regulations are under consideration in Tashkent.</p> <p>In the last contract year, TFI analyzed land acquisition procedures in Ferghana and Andijan in collaboration with businesses and relevant government agencies. As a result, TFI identified the following constraints related to this process: 1) lack of regulatory framework in the regions, 2) lack of transparency in existing procedures, and 3) absence of clear criteria for granting/ revoking/ suspending land rights.</p> <p>TFI is in the process of drafting regulations for Ferghana and Andijan that will address the constraints identified. This is unfortunately a very sensitive political issue on the local level as it is in the best interest of the local government officials to maintain the status quo by controlling the process. There is no clear political will to collaborate on this issue. The recent political events in May 2005, strained the working relationship between TFI and the local government even further. However TFI plans to continue to work on this issue through collaboration with progressive lawyers in the Ministry</p>

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				of Justice and the Tashkent Khokimiyat to complete the draft regulation, and present it and having it approved on the local level. This work will continue in the coming contract year.
Investment Promotion				
Labor Environment				
	Decree of Cabinet of Ministers, dated 11.02.2005 # 60 "On approval of rules concerning damage compensation, which affects workers by mutilation, occupational or other health diseases caused by execution labor duties."	Cabinet of Ministers Procedure to compensate the damage from professional activity. The Decree shall provide more protection to the employees and put more responsibility on the employers regarding the safety of the staff.	Updating system of measures on labor protection	EU-TACIS - "Development of Employment Opportunities in Uzbekistan" (EuropeAid/112349/C/SV/UZ) The objective of this project is to assist the Ministry of Labour (at central and regional levels) and the local authorities to develop training and other related measures in two regions.
	Decree of the President of Republic Uzbekistan, dated 13.04.2005 # UP-3596 "On increase of WAGES, PENSIONS, GRANTS AND SUBSIDIES."	Administration of President With a view of further increase of living standards of population and amplification of social support of citizens of republic. On another hand, massive increase in wages, usually brings to the increase in interest rates, which may be the case for Uzbekistan.	Increase of wages	The project is expected to develop an efficient distribution system of relevant training courses and to implement training courses and other supporting measures in the two selected regions in order to help unemployed find their way to world of work. This should include a programme of entrepreneurship for unemployed persons to become self-employed entrepreneurs and to adapt existing courses and procedures where necessary. The project will support employment opportunities for job seekers in the regions of Surkhandarya and Kashkadarya through a widening implementation of employment and job-creation policies, by enhancing the capacity of the employment

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				<p>service, local and regional authorities, public organisations and NGOs to place more people in sustainable employment and by promoting local employment initiatives and placing people in employment.</p> <p>*****</p> <p>World Bank - "Ministry of Social Maintenance"</p> <p>The purpose of the Grant is to develop the institutional capacity of the Ministry for policy analysis and improvement of the current pension system. The activities under the Grant include: Training and advisory services/or pension policy; Improving pensions actuarial modeling capacity; Enhancing the capacity of the MSM, pension Fund and other relevant agencies in administration and reflation; Study tours; Strengthening the hardware and software base of the MSM; Strengthening capacity to conduct effective public information campaigns on the improvement of the current pension system.</p>
Investment – related Laws	Resolution of Cabinet of Ministers of the Republic of Uzbekistan dated by April 30, 2003 "On Measures for Further Development of the Secondary Market of Securities"	<p>Cabinet of Ministers</p> <p>With the purpose of further development of the secondary market of securities, improvement of market infrastructure and attraction of foreign</p>	Adoption of this legal act implies development and more intensive transactions in the secondary market of securities.	<p>EU-TACIS - "Support for the Implementation of the PCA between EU-Uzbekistan Phase II (Uzbekistan Policy & Legal Advice Centre)" (EUROPEAID/I14164/C/SV/UZ)</p> <p>The Partnership and Cooperation Agreement establishes a framework for</p>

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		<p>investments to the securities market in Uzbekistan</p> <p>It should be noted out that this tax privilege is given to joint stock companies, whose shares are included into the highest categories of the listing (A Category), i.e. characterized by liquidity, market activity, as well as stable financial and economic position of the enterprise (emitter), and might to a significant extent result in withdrawal of the capital of these enterprises from the informal economy</p>		<p>the EU and Uzbekistan to develop closer cooperation in the areas of trade, investment, economic, legislative and cultural cooperation, immigration and the prevention of illicit trafficking, and provides for a regular formal process of political dialogue.</p> <p>European technical assistance will seek to strengthen the capacity of the Uzbek authorities to implement and monitor a sound PCA strategy by:</p> <p>a) offering advice on specific technical issues</p> <p>b) assisting in the process of approximation of EU and Uzbek legislation</p> <p>c) improving the quality of the debate in the political dialogue</p> <p>*****</p> <p>ADB - "Corporate Governance Reform Program" (PPTA: UZB34032-01)</p> <p>The objective of the TA is to prepare a program of corporate governance reforms at the enterprise level, with the aim of enhancing transparency and disclosure and safeguarding investors' rights. This will be achieved through (i) a review of the adequacy of the policy, legal and regulatory framework for corporate governance, and an assessment of the state of corporate governance practices in PTAs and enterprises; (ii) developing a suitable</p>
	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated by May 2, 2003 "On additional Measures for Strengthening of Legal Protection of Foreign Direct Investments"	<p>Cabinet of Ministers</p> <p>with the purpose of provision of more favorable conditions for attraction of direct foreign investments, establishment of effective mechanism of their legal protection, and thus, further improvement of investments climate in the country</p> <p>Adoption of this regulating document implies provision of additional guarantees of protection against illegal actions of state bodies towards foreign investors and companies with foreign investments, with the purpose to further increase of the flow of foreign investments to the Republic and protection of the currently existing companies with foreign investments.</p>		

"Project Formulation on Business Promotion Programs" (Uzbekistan)

SECTOR	(a) Major Policies / Laws / Programs / Actions adopted recently (or currently being adopted)	(b) Objectives to be achieved and problems to be solved by (a)	(c) Remaining/ current problems from businesses' perspectives	(d) Donors' activities / programs to support (a) or to solve (c)
	Decree of Cabinet of Ministers, dated 30.11.2004 # 560 "On Investment Program of the Republic of Uzbekistan for 2005."	<p>Cabinet of Ministers, Agency for foreign economic affairs</p> <p>With a view of maintaining of steady growth of gross domestic product, deepening of structural transformations of economy, full-scale realization of strategic social programs, creation of new workplaces, and also expansion of attraction of direct foreign investments.</p> <p>This Decree also provided an improved environment for the FDIs and privatization process, so that to increase the flow of investments into Uzbekistan.</p>	Revision of investment projects	<p>framework for efficient management of the Government's shares in enterprises; and (iii) capacity building for efficient and impartial supervision and regulation of enterprises. The TA will include a diagnostic review of the constraints of good governance, and of the existing laws, resolutions, decrees, and company charters. Based on this review, the TA will formulate a set of guidelines on corporate governance that are in conformity with international standards.</p> <p>*****</p> <p>ADB - "Strengthening the Legal and Policy Framework for Foreign Investment" (AOTA: UZB 37558-01)</p> <p>The purpose of the TA is to assist the Government in its efforts to effectively promote foreign direct investment through (i) creating conducive policy environment for foreign direct investment (FDI), (ii) establishing a legal framework to ensure protection of foreign investors, and (iii) strengthening capacity of government agencies concerned. The output will include FDI related policy assessment and recommendation; establishment of legal protection for foreign investments and entities with foreign investments; medium-term strategy to promote FDI; website to promote FDI with information regarding Uzbekistan's policy and regulatory</p>
	Decree of the President of Republic Uzbekistan, dated 11.04.2005. UP-3594 "On additional measures to stimulate attraction of foreign private direct investment."	<p>Administration of President</p> <p>With a view of the further improvement of investment climate in the country, wide attraction of private direct foreign investments for realization of programs of privatization, modernization and reconstruction of manufacture, creation of new workplaces in remote regions of republic, and also maintenance of reliable legal protection and guarantees for foreign investors.</p> <p>This Decree also provided an improved environment for the FDIs and privatization process, so that to increase the flow of investments into Uzbekistan.</p>	Improvement of investment climate, application of tax privileges	
	Decree of Cabinet of Ministers, dated 27.01.2005 # 38	Cabinet of Ministers, "Uzyengilsanoat"	Modernization of proper industrial base	

"Project Formulation on Business Promotion Programs" (Uzbekistan)

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	"ON MEASURES TO ATTRACT INVESTMENT INTO TEXTILE BRANCH OF THE REPUBLIC."	<p>With a view of further stimulation of investments attraction into textile industry, rational distribution of enterprises on the basis of presence of reliable proper raw-material base of cotton manufacture.</p> <p>This Decree also provided an improved environment for the FDIs and privatization process, so that to increase the flow of investments into Uzbekistan.</p>		<p>framework; upgraded repository of regulatory acts in the area of FDI; and trained officials in FDI promotion and protection.</p> <p>*****</p> <p>World Bank - "Enterprise Institution Building Project"</p> <p>The Enterprise Institution Building Project 1) helps accelerate Uzbekistan's reform efforts in the enterprise sector; 2) facilitates the development and growth of a highly qualified domestic consulting industry; 3) supports the efficient and transparent privatization of larger state enterprises; and 4) further develops capital markets.</p> <p>There are three components. Component 1, Post-Privatization Advisory Services, carries out diagnostic studies of enterprises that are candidates for financial assistance; prepares terms of reference for subsequent assistance, relating to rehabilitating and restructuring enterprises, including developing marketing strategy and quality management systems, providing partner search, and upgrading products to international standards, as well as implementing modern accounting, financial, and commercial management systems; and procures advisory services from outside consultants. Component 2, Case-by-Case Privatization, establishes an independent bureau to conduct</p>

"Project Formulation on Business Promotion Programs" (Uzbekistan)

SECTOR	(a) Major Policies / Laws / Programs / Actions adopted recently (or currently being adopted)	(b) Objectives to be achieved and problems to be solved by (a)	(c) Remaining/current problems from businesses' perspectives	(d) Donors' activities / programs to support (a) or to solve (c)
				<p>transparent privatization of larger state enterprises. Component 3, Capital Markets Development, 1) helps develop the Securities Center, improving securities market regulation and investor protection; 2) bolsters the Stock Exchange and over-the-counter market participants to assist in supporting secondary trade in securities; 3) technically upgrades the National Depository; and 4) establishes the Securities Center as training coordinator for all market participants.</p> <p>*****</p> <p>World Bank - "Public Finance Management Reform Project"</p> <p>The Public Finance Management Reform Project for Uzbekistan aims to improve transparency and accountability of public finances, and to strengthen institutional capacity to use public resources more effectively, efficiently and transparently, in line with Government priorities. The project has the following components:</p> <p>Component 1) will improve overall expenditure control, and intersectoral resource allocation. Component 2) will finance consulting services, goods and training for the modernization of treasury operations through the implementation of a Government Financial Management Information System (GFMIS). Component 3) consists of Change management and training to support the establishment of</p>

"Project Formulation on Business Promotion Programs" (Uzbekistan)

SECTOR	(a) Major Policies / Laws / Programs / Actions adopted recently (or currently being adopted)	(b) Objectives to be achieved and problems to be solved by (a)	(c) Remaining / current problems from businesses' perspectives	(d) Donors' activities / programs to support (a), or to solve (c)
Taxation in favour FDI	Decree of the President of Republic Uzbekistan, dated 24.06.2005 # UP-3622 "On liberalization of financial responsibility of subjects of business for economic offences."	Administration of President With a view of further improvement of rights protection and legitimate interests of business subjects system, formation of favorable legal and economic conditions for entrepreneurship, and also proceeding from internationally accepted principles. Prior to the Decree, financial infringements had criminal conviction. It is unfair to treat financial issues and criminal issues in one row. Therefore, from now on, financial infringements are replaced with administrative punishments.	Replacement of criminal conviction for financial infringements with administrative punishments.	the Treasury. Component 4) will finance the costs of the Project Implementation Unit (PIU) staff (including PIU director, Procurement specialist, Accountant, Financial Management Specialist, Treasury / IT expert, and translator / office manager).
	Regulation about granting of delay and (or) installment regarding payment of debts, termination of default interest charge, and penal sanctions on payments to the budget and state trust funds (Authorized by Decree of Republican commission on reduction of delayed debtor and creditor debts and	State Commission on reduction of delayed debtor and creditor debts and strengthening the discipline of payments to budget Defines the procedure of granting of delay and (or) installment regarding debt payment (principal, interest, penal	Creation of more flexible system of updating of state budget	ADB - "Strengthening the Legal and Policy Framework for Foreign Investment" (AOTA: UZB 37558-01) The purpose of the TA is to assist the Government in its efforts to effectively promote foreign direct investment through (i) creating conducive policy environment for foreign direct investment (FDI), (ii) establishing a legal framework to ensure protection of foreign investors, and (iii) strengthening capacity of government agencies concerned. The output will include FDI related policy assessment and recommendation; establishment of legal protection for foreign investments and entities with foreign investments; medium-term strategy to promote FDI; website to promote FDI with information regarding Uzbekistan's policy and regulatory framework; upgraded repository of regulatory acts in the area of FDI; and trained officials in FDI promotion and protection.

"Project Formulation on Business Promotion Programs" (Uzbekistan)

SECTOR	(a) Major Policies / Laws / Programs / Actions adopted recently (or currently being adopted)	(b) Objectives to be achieved and problems to be solved by (a)	(c) Remaining/current problems from businesses' perspectives	(d) Donors' activities / programs to support (a) or to solve (c)
	strengthening of discipline of payments to the budget, dated 10.12.2004 # 60, registered by Ministry of Justice on 14.01.2005 # 1442	sanctions), termination of default interest charge, and penal sanctions on payments to the budget and state trust funds		
	Decree of the President of Republic Uzbekistan, dated 20.06.2005 # UP-3620 "On additional measures to stimulate development of microfirms and small enterprises."	State Tax Committee With a view of further stimulation of accelerated development of subjects of small business and cardinal increase of their role and share in national economy.	Indulgence of tax mode for small business	
Database	Decree of Cabinet of Ministers, dated 16.02.2005 # 66 "On approval the regulations about inspection of the State Geodetic Supervision at the State Committee of the Republic of Uzbekistan on land resources, geodesy, cartography and state cadastre, on the state control over usage and protection of land, on order of introduction of unisystem for state cadastres."	Cabinet of Ministers Improvement of supervision system and unified system of database (cadastres). Also, this shall improve the procedure of database management as before there was no unified system that could be relied on.	Inventory and updating of available database	
Statistics	Decree of the President of Republic Uzbekistan, dated 15.06.2005 # PP-100 "On improvement of reporting system represented by subjects of business, and amplification of responsibility for its illegal reclamation."	Administration of President With a view of creation of more favorable conditions for business activity, perfection of reporting system and its representation according to the international standards, and also not allowing events of illegal reclamation of	Restriction of activity of regulatory bodies	EU-TACIS - "Reform of Official Statistics - Statistics 8" (EuropeAid/120570/C/SV/Multi) The foreseen statistical cooperation with Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan aims to strengthen the technical capacities of the National Statistical Offices

"Project Formulation on Business Promotion Programs" (Uzbekistan)

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				<p>concerned in selected areas, in order to provide appropriate, accurate and reliable data to policy makers, compiled according to international standards and methods.</p> <p>The areas of cooperation are: agriculture, classifications, IT, business statistics.</p> <p>*****</p> <p>World Bank - "State Department of Statistics of the RU under the MMS"</p> <p>To design a new system of macroindicators and a new data collection system through sample surveys and training personnel to collect data using the new system; to advise and train staff in SNA methodology and its implementation; to design a new system for data processing, transmission, sharing and storing and train staff in utilizing new hardware and software; to build the capacity to timely derive and disseminate macro-information via installation of local area network at the State Dept. of Statistics.</p>
SME Promotion				
SME Promotion Policy/Law	Decree of the President of Republic Uzbekistan, dated 14.06.2005 # UP-3619 "On measures to further improvement of subjects of business legal protection system."	Administration of President Liberalization of judicial - legal system, reduction of intervention of regulatory bodies into activity of subjects of	Development of democratic bases and conditions of market economy	<p>EU-TACIS - "Development of the Rural Economy" (EuropeAid/112131/C/SV/UZ)</p> <p>The project objectives are:</p> <p>a) To strengthen institutional capacity in rural development at both national and</p>

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		business, maintenance of protection of their rights and legitimate interests, eliminating unreasonable restrictions of enterprise activity		district levels through a series of pilot actions and to build up rural development management skills;
	Decree of the President dated 24.01.2003 "On measures for radical increase in share and importance of private sector in Uzbekistan economy".	Administration of President - Implementation of a new privatization program core angle of which is a sale of state participatory share in acting JSCs, where it does not exceed 25% of paid-up capital. - Liberalization of corporate governance by decreasing state interference with company management decisions. - Private sector development. Concurrently, a newly imposed requirement to increase paid-up capital of open joint stock companies (OJSC) to US\$50,000 may lead to the overall decrease in the share of JSCs in the private sector, and, consequently, to a growth in the number of private enterprises and LLPs. It should be noted, that this decree formally limits the ability of the state as a shareholder to control company management decisions.	These changes in corporate governance are intended to help attract private sector capital into the semi-state corporate sector, leading to an increase in private capital share in paid-up capital of joint stock companies (JSCs) and limited liability partnerships (LLPs)- (assuming that the State Property Committee (GKI) will set acceptable pricing on the state share for sale). The next factor which significantly weakens state interference with JSCs operations is the prohibition of unjustified interference by state-run associations, corporations, holdings with operations of member-enterprises or their shareholders. This should be considered a step towards greater company management rights.	b) To create and enhance sustainable rural livelihoods by developing a range of economic coping strategies and alternative income generating activities, that can be adopted by private farmers and other stakeholders in rural communities; c) To enhance job creation, not only in agriculture but also in small and medium sized industry, in rural areas; d) To elaborate advice and recommendations for further development to the Uzbek authorities based on practical project experiences. ***** ADB - "Small and Medium-Sized Enterprise (SME) Development" (LOAN: UZB 31575-01) The Project's principal goal is to promote balanced and sustainable economic growth and thereby reduce poverty. In pursuit of this goal, the Project is expected to: (i) revitalize, diversify, and enhance the competitiveness of, Uzbekistan's private sector SMEs; (ii) improve the policy, legal, and regulatory framework for SMEs; (iii) create increased value addition through backward and forward linkages with
	Resolution #439 of the Cabinet of Ministers of the Republic of Uzbekistan	Cabinet of Ministers	In general, the average annual number of employees engaged in	

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	<p>'On Approving Classification of Enterprises and Organizations Referred to as Small Enterprises (Businesses)' dated October 11, 2003</p>	<p>1. Classification of enterprises and organizations referred to as small enterprises (businesses) has been approved.</p> <p>2. The Ministry of Finance, the State Taxation Committee, the State Committee of the Republic of Uzbekistan on Statistics, the Council of Ministers of the Republic of Karakalpakstan, and khokimiats of oblasts and Tashkent City shall, starting with January 1, 2004, be strictly guided by the approved classification in determining the types of enterprises, statistical accounting and reporting, and making tax and financial settlements.</p> <p>This Resolution was passed pursuant to the Decree of the President of the Republic of Uzbekistan August 30, 2003 'On Introducing Amendments and Alterations into the Decree of the President of the Republic of Uzbekistan "On Further Incentives to the Development of Private Enterprise and Small and Medium-Sized Businesses"' to change the classification of enterprises and organizations referred to as small businesses.</p> <p>Thus, starting with January 1, 2004, enterprises will be classified into micro-firms and small enterprises based on the above Resolution.</p>	<p>entrepreneurial activity and meeting the criteria of micro-firms and small businesses has increased.</p>	<p>primary and tertiary sectors, respectively; (iv) generate and sustain additional employment opportunities; (v) increase foreign exchange earnings through export promotion and savings through import substitution; and (vi) help improve financial intermediation of the banking system.</p> <p>*****</p> <p>UNDP - "Development Support Service Programme (DSSP)"</p> <p>DSSP was created as a forum for research, discussion and the advancement of policy formulation at all levels of government. It provides targeted advice, policy formulation assistance, training and other development support services in areas that are vital to the national development context and where UNDP possesses a comparative advantage. The programme's mission is to provide these services to the Government of Uzbekistan in order to meet the development challenges facing the country while strategically addressing identified priority needs.</p> <p>*****</p> <p>World Bank - "Enterprise Institution Building Project"</p> <p>The Enterprise Institution Building Project 1) helps accelerate Uzbekistan's reform</p>

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				<p>efforts in the enterprise sector; 2) facilitates the development and growth of a highly qualified domestic consulting industry; 3) supports the efficient and transparent privatization of larger state enterprises; and 4) further develops capital markets. There are three components. Component 1, Post-Privatization Advisory Services, carries out diagnostic studies of enterprises that are candidates for financial assistance; prepares terms of reference for subsequent assistance, relating to rehabilitating and restructuring enterprises, including developing marketing strategy and quality management systems, providing partner search, and upgrading products to international standards, as well as implementing modern accounting, financial, and commercial management systems; and procures advisory services from outside consultants. Component 2, Case-by-Case Privatization, establishes an independent bureau to conduct transparent privatization of larger state enterprises. Component 3, Capital Markets Development, 1) helps develop the Securities Center, improving securities market regulation and investor protection; 2) bolsters the Stock Exchange and over-the-counter market participants to assist in supporting secondary trade in securities; 3) technically upgrades the National Depository; and 4) establishes the Securities Center as training coordinator for all market participants.</p>

FINAL REPORT

prepared for Japan International Cooperation Agency (JICA)

"Project Formulation on Business Promotion Programs" (Uzbekistan)

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				<p>*****</p> <p>World Bank - "Public Finance Management Reform Project"</p> <p>The Public Finance Management Reform Project for Uzbekistan aims to improve transparency and accountability of public finances, and to strengthen institutional capacity to use public resources more effectively, efficiently and transparently, in line with Government priorities. The project has the following components:</p> <p>Component 1) will improve overall expenditure control, and intersectoral resource allocation. Component 2) will finance consulting services, goods and training for the modernization of treasury operations through the implementation of a Government Financial Management Information System (GFMS). Component 3) consists of Change management and training to support the establishment of the Treasury. Component 4) will finance the costs of the Project Implementation Unit (PIU) staff (including PIU director, Procurement specialist, Accountant, Financial Management Specialist, Treasury/IT expert, and translator/office manager).</p>
Ministry in charge of SME Promotion	Decree of the President of Republic	Administration of President	Structural transformation of state	

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	Uzbekistan, dated 30.04.2005 # UP-3602 "On formation of State committee of Republic Uzbekistan on demonopolization, support the competition and entrepreneurship."	With a view of stimulation of accelerated development of private sector, amplification of control over activity of enterprises of natural monopolies, maintenance of realization of cardinal measures on reorganization of enterprises - bankrupts and monopolists, formation of competitive environment, creation of market system of supporting competition and business, and also maintenance of reliable protection of the rights of consumers	bodies	
SME Promotion Agency	Law of Republic Uzbekistan, dated 03.12.2004 # 712-II "On Commercial and Industrial Chamber of Republic Uzbekistan."	<p>Oliy Majlis</p> <p>Creation of noncommercial organization on business development.</p> <p>According to the decree, the chamber will serve to creation of favorable conditions for development of private entrepreneurship, improvement of business environment, assistance to establishment of business contacts between Uzbek and foreign businesses, promotion of domestic products and services to foreign markets, and attraction of investments to produce competitive products.</p> <p>The chamber should also assist business entities in information support and consulting, organize publication of business catalogues on various products</p>	<p>Improvement of conditions of overall performance of entrepreneurs</p> <p>Also it is necessary to mark, that among the respondents (entrepreneurs), only 13 percents are the members CCI. It may mean, that, probably, the obtained data from the representatives of CCI are overstated or many members of the CCI are those only formally and do not consider themselves as the members of CCI in practice. (JICA Legal Study, 2004)</p>	<p>UNDP - "Centre for Economic and Social Studies (CESS)"</p> <p>CESS was launched in 1998 to provide a framework for the establishment of the Centre for Economic Research – an independent research institution that provides policy advice to the Government of Uzbekistan in key development areas.</p> <p>The project builds national economic research and policy-making capacity and triggers proactive dialogue on socio-economic issues. It takes advantage of relevant international and national experience through networking, joint research projects, information and knowledge sharing, and skills transfer.</p> <p>The development objective of the project for the current period is to accelerate governance reform at national, sectoral</p>

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		<p>and services, introduction of international business norms and standards in Uzbekistan, etc.</p> <p>The chamber has the right to open legal cases against state bodies, which restrain activity of businesses with their actions or decisions.</p>		<p>and regional economic policy levels. Reaching this objective will provide an efficient institutional environment for elaborating and promoting sound, effective and predictable policies on both macro- and micro-economic levels. The immediate objectives of the CESS project include:</p> <p>a) Making policy recommendations in key areas of concern for macroeconomic management;</p> <p>b) Providing a mechanism through which the impact of different policy options can be discussed;</p> <p>c) Enhancing the capacities of national personnel in economic analysis and policy making.</p> <p>*****</p> <p>World Bank - "Enterprise Institution Building Project"</p> <p>The Enterprise Institution Building Project 1) helps accelerate Uzbekistan's reform efforts in the enterprise sector; 2) facilitates the development and growth of a highly qualified domestic consulting industry; 3) supports the efficient and transparent privatization of larger state enterprises; and 4) further develops capital markets. There are three components. Component 1, Post-Privatization Advisory Services, carries out diagnostic studies of enterprises that are candidates for financial assistance; prepares terms of</p>

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				<p>reference for subsequent assistance, relating to rehabilitating and restructuring enterprises, including developing marketing strategy and quality management systems, providing partner search, and upgrading products to international standards, as well as implementing modern accounting, financial, and commercial management systems; and procures advisory services from outside consultants. Component 2, Case-by-Case Privatization, establishes an independent bureau to conduct transparent privatization of larger state enterprises. Component 3, Capital Markets Development, 1) helps develop the Securities Center, improving securities market regulation and investor protection; 2) bolsters the Stock Exchange and over-the-counter market participants to assist in supporting secondary trade in securities; 3) technically upgrades the National Depository; and 4) establishes the Securities Center as training coordinator for all market participants.</p> <p>*****</p> <p>IFC - "SME Survey Project"</p> <p>The Uzbekistan SME Survey Project was launched in November 2001 with the ultimate goal to improve the business enabling environment for the SME sector in Uzbekistan.</p>

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				<p>This goal is to be accomplished by providing factual information on the issues facing the sector to the public and the government of Uzbekistan, creating a mechanism for monitoring SME sector development, and contributing to the improvement of the local regulatory and administrative environment including legislation governing SME sector.</p> <p>To accomplish the goal the project:</p> <ul style="list-style-type: none"> - Conducts an analysis of current legislation governing SME sector in Uzbekistan to determine issues of concern to be covered by the survey; - Conducts an unprecedented large-scale baseline survey of 2500 SMEs throughout Uzbekistan in order to determine: (i) the current state of SME development in Uzbekistan; and (ii) most significant administrative, regulatory, business and financial barriers facing Uzbek SMEs; - Develops and disseminates a final report on the survey findings along with proposals and recommendations/policy advice for the Uzbek Government regarding changes to the regulatory, administrative, and legislative framework, in which SMEs operate. - Develops and disseminates an "SME Map" to outline the current efforts, both government and donor-driven, which

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SME Loans				address SME issues in Uzbekistan, that will serve as a useful planning tool for the Government and donor agencies.
	Enactment of Central Bank, dated 09.04.2005 # 563-1 (6/3) "On introduction additions into Regulations concerning procedure of crediting farms by commercial banks on the security of future crop." (Registered by Ministry of Justice on 30.04.2005 # 1337-1)	Central Bank, Ministry of Agriculture and Water Industry, Association of farmers and dehkans Central Bank's regulation of the farming industry and control through the banking system. Also, the act shall help farmers in obtaining new credits. The act also links the transactions on the farmer's future harvest, which is international practice in most cases.	With a view of realization the concept of farms development	USTDA - "Small and Medium Enterprise Project in Uzbekistan" United States Trade and Development Agency's (USTDA) provided technical assistance to facilitate Uzbek SMEs' access to a new \$50 million medium term credit guarantee facility funded by the United States Export Import Bank. The credit that was signed as a medium term credit guarantee that will support the purchase of U.S. goods and services by Uzbek SMEs. This credit guarantee facility, implemented by the National Bank of Uzbekistan (NBU) will support transactions between SMEs in Uzbekistan and the United States. This USTDA grant provided the NBU and Uzbek SMEs with technical assistance that will strengthen applications (i.e., business plans) in line with Ex Im Bank requirements. ***** ADB - "Small and Medium-Sized Enterprise (SME) Development" (LOAN: UZB 31575-01)
	Enactment of Central Bank, dated 29.11.2004 # 203-B-3 and Ministry of Finance # 128 "On approval of amendments in Regulations in the procedure of crediting individual entrepreneurs, subjects of small business by commercial banks at the expense of credit lines of off-budget funds" (Registered by Ministry of Justice on 13.12.2004 # 1074-3)	Central Bank Establishment of procedure for crediting individual entrepreneurs. Before this act, individual entrepreneurs were not able to obtain credits/loans. This act now allows them to get more financial resources from the banking sector and improve their activities.	Development of entrepreneurship. The benefit is that now individual entrepreneurs can self-develop and decrease the level of unemployment.	The Project's principal goal is to promote balanced and sustainable economic growth and thereby reduce poverty. In

"Project Formulation on Business Promotion Programs" (Uzbekistan)

SECTOR	(a) Major Policies / Laws / Programs / Actions adopted recently (or currently being adopted)	(b) Objectives to be achieved and problems to be solved by (a)	(c) Remaining/current problems from businesses' perspectives	(d) Donors' activities / programs to support (a) or to solve (c)
Microcredit	Enactment of Central Bank, dated 06.11.2004 # 24/16 "On modifying the Procedure of microcrediting farms and other subjects of small business by commercial banks functioning with formation of the legal person in national and foreign currencies." (Registered by Ministry of Justice on 16.11.2004 # 903-6)	Central Bank Updating procedures of microcrediting by commercial banks. Provides support to the farming industry and extends credit lines for them. Also, provides a possibility to get small credits, which were a problem for the farming industry.	Liberalization of relationship between credit institutions and farms	<p>pursuit of this goal, the Project is expected to: (i) revitalize, diversify, and enhance the competitiveness of, Uzbekistan's private sector SMEs; (ii) improve the policy, legal, and regulatory framework for SMEs; (iii) create increased value addition through backward and forward linkages with primary and tertiary sectors, respectively; (iv) generate and sustain additional employment opportunities; (v) increase foreign exchange earnings through export promotion and savings through import substitution; and (vi) help improve financial intermediation of the banking system.</p> <p>ADB - "Rural Savings and Credit Union Development Project" (PPTA: UZB33196-01)</p> <p>The objectives of the TA are to support the development of a legal and regulatory framework for the establishment of SCUs and to help Government prepare a project to be financed with Bank support. The TA will be implemented in two phases. Phase 1 will identify policy constraints and assist Government in the establishment an appropriate legal and regulatory framework for SCUs. Phase 2 will continue and expand activities initiated under Phase 1 and assist the Government in the preparation of a project.</p> <p>*****</p>

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				<p>ADB - "Small and Microfinance Development Project" (LOAN: UZB 33196-01)</p> <p>The overall goal of the small and microfinance development facility (SMDF) is to create a viable and sustainable institutional framework and mechanism for effective delivery of financial services particularly to the poor, low-income households and small and micro enterprises. To support the large small and microfinance (SMF) requirements of the country, the SMDF advocates the development of a broad and sustainable delivery mechanism for the SMF. The Project has four major elements: (i) development of an enabling policy, legal and regulatory cum supervisory framework for savings and credit unions (SCUs); (ii) promotion of the establishment of an institutionally and financially sustainable network of a minimum of 20 SCUs in accordance with the Law on Credit Unions supervised and regulated prudentially by the Central Bank of Uzbekistan (CBU); (iii) development of institutional capacities of the designated commercial banks to effectively mobilize deposits from and intermediate to households, and micro and small enterprises; and (iv) institutional capacity building both at the banks and SCUs for SMF delivery capacities. These four elements reinforce each other and are designed to develop an effective and well-</p>

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				<p>funded financial system which mobilizes savings and provides poor with financial support to set up opportunities for income generation. The Project is critical to support Uzbekistan's transition and poverty reduction efforts.</p> <p>*****</p> <p>UNDP - "Microcredit Development for Income Generation and Job Creation in Kashkadarya"</p> <p>Kashkadarya is a semi-arid region of Uzbekistan where changes in climatic conditions during the last years and ongoing economic burdens of transition have resulted in significant increases in unemployment and continual declines in income. The lack of knowledge in regard to entrepreneurial skills and business has had a negative effect on both development of new economic infrastructure in the country as well as the socio-economic situation of the population.</p> <p>In order to address such challenges, and build upon UNDP's successful experience in the area of micro-credit loans, the project aims at developing and expanding micro-credit programmes in Kashkadarya. Through the establishment of non-banking financial institutions, the project assists poor families in accessing credit and contributing to the economic development of the region. It focuses on the generation</p>

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				<p>of additional income sources and the creation of new jobs.</p> <p>*****</p> <p>UNDP - "Promotion of ICT Units in Rural Areas to Foster Small and Micro-Credit Enterprise Development"</p> <p>This project—the first of its kind in Uzbekistan—reaches out to rural communities and promotes the use of Information & Communications Technologies (ICT) for business development as a tool for community empowerment. Building ICT capacity requires a range of concerted efforts comprising technological infrastructure development, information management and administration, and the creation of a supportive legislative and policy environment with a strong focus on human capacity development.</p> <p>The project compliments UNDP's success and experience in the area of small- and micro-enterprise (SME) development. Through the creation of tele-cottages, the project assists in the development of social partnerships, information delivery, local economic development and building the capacities of local government services in rural areas.</p>
Guarantee	Law of Republic Uzbekistan, dated	Oliy Majlis	Creation of stimulus for development	USTDA - "Small and Medium Enterprise Project in Uzbekistan"

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	01.05.1998 # 614-I "On modification and additions to Law of Republic Uzbekistan "On pawning"	Regulation of pawning activities.	of pawning activities	<p>United States Trade and Development Agency's (USTDA) provided technical assistance to facilitate Uzbek SMEs' access to a new \$50 million medium term credit guarantee facility funded by the United States Export Import Bank.</p> <p>The credit that was signed as a medium term credit guarantee that will support the purchase of U.S. goods and services by Uzbek SMEs. This credit guarantee facility, implemented by the National Bank of Uzbekistan (NBU) will support transactions between SMEs in Uzbekistan and the United States. This USTDA grant provided the NBU and Uzbek SMEs with technical assistance that will strengthen applications (i.e., business plans) in line with Ex Im Bank requirements.</p>
Equity Investment	Decree of Cabinet of Ministers, dated 09.02.2004 # 58 "On perfection the mechanism of foreign direct investment attraction for realization of priority investment projects."	<p>Cabinet of Ministers</p> <p>With a view of perfection of mechanism development and realization of priority investment projects, improvement of coordination of activity of the state bodies of republic during attraction of financial resources and grants from international financial structures, foreign financial and insurance institutes and countries - donors.</p> <p>This Decree also provided an improved environment for the FDIs and</p>	Perfection of investment mechanisms	<p>EBRD - "Implementation of Business Bank Institutional Building Programme" (35692)</p> <p>The European Bank for Reconstruction and Development (the "EBRD" or the "Bank") intends to support Business Bank ("BB"), a privately-owned bank in Uzbekistan, through the provision of a loan and trade facilities. The EBRD has developed an institution building programme ("IBP") for BB and intends to engage a consultant to implement the IBP.</p> <p>The consultant will be required to assist</p>

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		privatization process, so that to increase the flow of investments into Uzbekistan.		<p>BB's management in its efforts to implement the IBP and ensure that the appropriate institutional foundations are put in place to enable the bank to grow and fulfil its business objectives.</p> <p>The objectives are:</p> <p>a) produce a Master Plan for the implementation of the IBP;</p> <p>b) assist in the creation of a separate unit to be responsible for the implementation of the IBP and for the staffing of the unit;</p> <p>c) provide assistance in strategic planning, business plan preparation and implementation;</p> <p>d) assist in the application of the principles of good corporate governance and improvement of organisational structure.</p> <p>*****</p> <p>EU-TACIS - "Tashkent District Heating - Project Implementation Unit Advisory Services" (Europeaid/119490/D/SV/UZ)</p> <p>The objectives of the assignment are to provide advice on project preparation and implementation to a separate to-be-created Tashkent District Heating Company ("the company") for an investment programme that will address the rehabilitation needs of the district heating systems in Tashkent. The consultants also assist the city and the company in the design, the procurement and the administration of the contracts relating to the investment programme.</p>

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Leasing	Decree of the President of the Republic of Uzbekistan #UP-3342 'On the Concept of Development of Leased Farms for 2004-2006' dated October 27, 2003	<p>Administration of President</p> <p>with the aim of accelerating economic reforms in agriculture based on priority development of leased farms, which in future are supposed to become the main producers of farm products</p> <p>It has been established that in the formation of leased farms on a competitive basis and allocation of lands to them for a long-term lease, a principle should be strictly observed according to which all expenses incurred in raising a harvest of farm crops, primarily grain and cotton, shall be compensated from the own income of leased farms obtained from the sale of farm produce. All settlements with the suppliers of electricity, fuel, lubricants, mineral fertilizers and other services provided to leased farms shall be made in time. Leased farms that have systematically failed to observe this principle for at least three years shall be dissolved, and the land lease agreement abrogated.</p> <p>It shall be established that non-targeted use of farmlands leased to a farm including the sowing of crops other than stipulated in the agreement, shall be regarded as a gross violation of the lease agreement, with all the</p>	<p>The adoption of this regulatory act signifies further reforms in agriculture including, among other things, reorganization of shirkats into leased farms.</p> <p>The proceeding from paragraph 3 of the Resolution reading, 'It has been established that in the formation of leased farms on a competitive basis and allocation of lands to them for a long-term lease, a principle should be strictly observed according to which all expenses incurred for raising a harvest of farm crops, primarily grain and cotton, shall be compensated from the own income of leased farms obtained from the sale of farm produce',</p> <p>This can be interpreted as the Government of Uzbekistan is taking measures to liberalize the system of public purchasing prices on cotton, which will be set based on the level of world prices with due regard for standard expenses on processing, sale and transportation, and right after liberalization, farms will cover their own expenditures.</p>	<p>IFC - "Central Asia Leasing Project"</p> <p>The Central Asia Leasing Project is a technical assistance initiative of the International Finance Corporation (IFC), the private sector investment arm of the World Bank, and is operating through the IFC's Private Enterprise Partnership program. This initiative has been funded by the Swiss Secretariat for Economic Affairs (SECO) and currently is being implemented in three Central Asian countries: Kyrgyz Republic, Tajikistan and Uzbekistan.</p> <p>The Central Asia Leasing Project was designed to develop a competitive leasing industry in Central Asia. The project will advise governments on creating appropriate leasing legislation to create a favorable environment for the sector's growth. To develop technical expertise on leasing in Central Asia, the project will train leasing companies, banks, and potential leasing clients on leasing techniques as well as provide consultations to local enterprises and foreign investors on the legal, taxation, and accounting aspects of leasing transactions. Since leasing is a relatively new financial product in Central Asia, the project will educate private enterprises, financial institutions and regulatory agencies about leasing and its advantages through specialized publications and mass</p>

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		consequences stemming from it as stipulated by applicable law.		media. The Central Asia Leasing Project will draw specifically on the experience and expertise of the IFC Russia Leasing Development Group which has had success in Russia, both on the legislative front and in the attraction of foreign and domestic investment to the leasing industry.
Venture Capital	Decree of Cabinet of Ministers, dated 26.04.2004 # 199 "On measures to further development of leasing services."	Cabinet of Ministers Development of leasing services market. This Decree improves the situation in leasing, a sector which is relatively new for the Uzbek market. Application of the Decree brings the market conditions to the International Standards.	Creation of favorable conditions for development of business	EU-TACIS - "Tashkent District Heating - Project Implementation Unit Advisory Services" (Europeaid/119490/D/SV/UZ) The objectives of the assignment are to provide advice on project preparation and implementation to a separate to-be-created Tashkent District Heating Company ("the company") for an investment programme that will address the rehabilitation needs of the district heating systems in Tashkent. The consultants also assist the city and the company in the design, the procurement and the administration of the contracts relating to the investment programme.
Database	n/a	Ministry of Finance, SPC Perfection of legislation on joint-stock companies management.	Perfection of management of state share holdings at the enterprises.	
Marketing Support	Cabinet of Ministers Resolution №427 dated December 5, 2002 "On improving import of consumer goods into Uzbekistan"	Cabinet of Ministers Improvement in import regime. Enactment of this legal act is aimed at unification of procedures and the system for labeling imported consumer	Whilst a new procedure may seem to be problematic, it should be noted that labeling of imported goods in the state language of the importer country is a routine international practice, already followed in Kazakhstan and Russia, not	EU-TACIS - "Development of the Rural Economy" (EuropeAid/112131/C/SV/UZ) The project objectives are: a) To strengthen institutional capacity in rural development at both national and

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		goods.	to mention developed countries. At the same time, a new procedure for labeling may become costly for the majority of SME importers	a) district levels through a series of pilot actions and to build up rural development management skills; b) To create and enhance sustainable rural livelihoods by developing a range of economic coping strategies and alternative income generating activities, that can be adopted by private farmers and other stakeholders in rural communities; c) To enhance job creation, not only in agriculture but also in small and medium sized industry, in rural areas; d) To elaborate advice and recommendations for further development to the Uzbek authorities based on practical project experiences.
	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No 164 dated by 31.03.2003 r. on Amendments to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No 390 dated by 13.11.2002 "On the Measures for Promotion of Saturation of a Market with Consumer Goods and Improvement of the Relationships between Manufacturers and Trading Companies"	Cabinet of Ministers In accordance with the newly introduced clause 8 and Annex No 1 to the Resolution of the Cabinet of Ministers No 390, there is determined specific list of consumer goods manufactured by the enterprises to which privileges are extended by the clauses 1 and 2 of the Resolution.	Adoption of this statutory act means concrete determination (restriction) of manufactured consumer goods to which tax privileges determined in the Resolution of the Cabinet of the Republic of Uzbekistan No 390 dated by November, 13, 2002 "On the Measures for Promotion of Saturation of the Market with Consumer Goods and Improvement of the Relationships between Manufacturers and Trading Companies" are extended. Only essential consumer goods are specified in the list.	***** USTDA - "Small and Medium Enterprise Project in Uzbekistan" United States Trade and Development Agency's (USTDA) provided technical assistance to facilitate Uzbek SMEs' access to a new \$50 million medium term credit guarantee facility funded by the United States Export Import Bank. The credit that was signed as a medium term credit guarantee that will support the purchase of U.S. goods and services by Uzbek SMEs. This credit guarantee
	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated by July 7, 2003 "On additional measures for saturation of the internal market of timber"	Cabinet of Ministers With the purpose of creation of conditions for expansion of housing construction, meeting requirements of the population and enterprises of the Republic in timber and woodpile, saturation of internal consumer market with these goods. Adoption of this legal enactment implies significant promotion of importing of lumber to Uzbekistan.	This contributes to increasing production in the construction sector. This can have an effect on the development of production of construction materials out of wood, considering privileges granted for importing of equipment and component items for enterprises and organizations specialized on production of construction materials.	

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R&D Support	n/a			<p>facility, implemented by the National Bank of Uzbekistan (NBU) will support transactions between SMEs in Uzbekistan and the United States. This USDTA grant provided the NBU and Uzbek SMEs with technical assistance that will strengthen applications (i.e., business plans) in line with Ex Im Bank requirements.</p> <p>UNDP - "Centre for Economic and Social Studies (CESS)"</p> <p>CESS was launched in 1998 to provide a framework for the establishment of the Centre for Economic Research - an independent research institution that provides policy advice to the Government of Uzbekistan in key development areas.</p> <p>The project builds national economic research and policy-making capacity and triggers proactive dialogue on socio-economic issues. It takes advantage of relevant international and national experience through networking, joint research projects, information and knowledge sharing, and skills transfer.</p> <p>The development objective of the project for the current period is to accelerate governance reform at national, sectoral and regional economic policy levels. Reaching this objective will provide an efficient institutional environment for elaborating and promoting sound, effective and predictable policies on both</p>

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				<p>macro- and micro-economic levels. The immediate objectives of the CESS project include:</p> <p>a) Making policy recommendations in key areas of concern for macroeconomic management;</p> <p>b) Providing a mechanism through which the impact of different policy options can be discussed;</p> <p>c) Enhancing the capacities of national personnel in economic analysis and policy making.</p> <p>*****</p> <p>IFC - "SME Survey Project"</p> <p>The Uzbekistan SME Survey Project was launched in November 2001 with the ultimate goal to improve the business enabling environment for the SME sector in Uzbekistan.</p> <p>This goal is to be accomplished by providing factual information on the issues facing the sector to the public and the government of Uzbekistan, creating a mechanism for monitoring SME sector development, and contributing to the improvement of the local regulatory and administrative environment including legislation governing SME sector.</p> <p>To accomplish the goal the project:</p> <p>- Conducts an analysis of current</p>

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				<p>legislation governing SME sector in Uzbekistan to determine issues of concern to be covered by the survey;</p> <p>- Conducts an unprecedented large-scale baseline survey of 2500 SMEs throughout Uzbekistan in order to determine: (i) the current state of SME development in Uzbekistan; and (ii) most significant administrative, regulatory, business and financial barriers facing Uzbek SMEs;</p> <p>- Develops and disseminates a final report on the survey findings along with proposals and recommendations / policy advice for the Uzbek Government regarding changes to the regulatory, administrative, and legislative framework, in which SMEs operate.</p> <p>- Develops and disseminates an "SME Map" to outline the current efforts, both government and donor-driven, which address SME issues in Uzbekistan, that will serve as a useful planning tool for the Government and donor agencies.</p>
Incubators	n/a			
Associations	n/a			
Taxation in favor of SME	<p>Cabinet of Ministers Resolution No. 455, dated December 30, 2002, "On forecast of the key macroeconomic indicators, and parameters of the state budget for 2003"</p>	<p>Cabinet of Ministers</p> <p>- Revision of the list of entrepreneurial activities in which entrepreneurs can be engaged without registering as legal</p>	<p>In general, shortening the list of entrepreneurial activities available to entrepreneurs without legal entity status could, most likely, result in a general increase in the number of</p>	

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		<p>entity: organization of catering business is excluded from the list.</p> <p>- Increase in rates for majority of taxes payable by SMEs in 2003</p> <p>Enactment of this legal act means that all Individual Entrepreneurs (IEs) engaged in catering are subjected to re-registration into private enterprises with legal entity status. The potential decrease in the number of active IEs engaged in catering business (such as cafe or restaurant) may be partially offset by an adequate increase in the number of IEs engaged in pre-order food delivery and take-out catering.</p>	<p>enterprises, established in the form of private enterprises, microfirms and LLPs.</p> <p>The subjects of small business can use all these privileges only in frameworks of the generalized system of taxation. Therefore for those categories of the taxpayers, for whom the indicated privileges are distributed, the generalized system of taxation can be more preferable. It depends on a size of a privilege, accordingly, reduction of an incidence of taxation.</p> <p>The regional representatives of Chamber of commerce and industry consider that the system of taxation in Uzbekistan is developed on a low level and does not promote development of business. As a main problem, the representatives of CCI select the excessively overstated tax rates. (JICA Legal Study, 2004)</p>	
	Decree of the President of Republic Uzbekistan, dated 28.03.2005 # UP-3588 "On measures to further development of national art crafts and applied art."	<p>Administration of President</p> <p>With a view of stimulation of national art crafts and an applied art development, creation of favorable conditions for involving in sphere of national creativity of population as a whole.</p>	<p>Creation of favorable conditions for cultural development</p> <p>The subjects of small business can use all these privileges only in frameworks of the generalized system of taxation. Therefore for those categories of the taxpayers, for whom the indicated privileges are distributed, the generalized system of taxation can be more preferable. It depends on a size of</p>	

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			<p>a privilege, accordingly, reduction of an incidence of taxation.</p> <p>The regional representatives of Chamber of commerce and industry consider that the system of taxation in Uzbekistan is developed on a low level and does not promote development of business. As a main problem, the representatives of CCI select the excessively overstated tax rates. (JICA Legal Study, 2004)</p>	
	Decree of the President of Republic Uzbekistan # 3594, dated 11.04.2005 "On additional measures to stimulate attraction of private foreign direct investments."	<p>Administration of President</p> <p>With a view of the further improvement of investment climate in the country, wide attraction of private direct foreign investments for realization of programs of privatization, modernization and reconstruction of manufacture, creation of new workplaces in remote regions of republic, and also maintenance of a reliable legal protection and guarantees for foreign investors.</p>	<p>Improvement of investment climate, application of tax privileges</p> <p>The subjects of small business can use all these privileges only in frameworks of the generalized system of taxation. Therefore for those categories of the taxpayers, for whom the indicated privileges are distributed, the generalized system of taxation can be more preferable. It depends on a size of a privilege, accordingly, reduction of an incidence of taxation.</p> <p>The regional representatives of Chamber of commerce and industry consider that the system of taxation in Uzbekistan is developed on a low level and does not promote development of business. As a main problem, the representatives of CCI select the excessively overstated tax rates. (JICA Legal Study, 2004)</p>	

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	Decree of the President of Republic Uzbekistan, dated 20.06.2005 # UP-3620 "On additional measures to stimulate development of microfirms and small enterprises."	State Tax Committee With a view of the further stimulation of accelerated development of subjects of small business and cardinal increase of their role and share in national economy	Indulgence of a tax mode for small business The subjects of small business can use all these privileges only in frameworks of the generalized system of taxation. Therefore for those categories of the taxpayers, for whom the indicated privileges are distributed, the generalized system of taxation can be more preferable. It depends on a size of a privilege, accordingly, reduction of an incidence of taxation. The regional representatives of Chamber of commerce and industry consider that the system of taxation in Uzbekistan is developed on a low level and does not promote development of business. As a main problem, the representatives of CCI select the excessively overstated tax rates. (JICA Legal Study, 2004)	
Business service providers	Decree of the President of Republic Uzbekistan, dated 15.06.2005 # PP-100 "On improvement of reporting system represented by subjects of business, and amplification of responsibility for its illegal reclamation."	Administration of President With a view of creation of more favorable conditions for business activity, perfection of reporting system and procedure of its representation according to the international standards, and also eliminating events of illegal reclamation of additional	Restriction of activity of the supervising organizations	

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		reporting		
	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No 189 dated by April 22, 2003 "On the measures for improvement of corporate management of privatized companies"	Cabinet of Ministers with the view of the further introduction of principles of corporate management at the privatized enterprises.	Adoption of this statutory act means continuation of the process of liberalization of private sector in Uzbekistan and it will contribute to the increase of the share of private sector in national economy. However, as before, there are contradictions in the legislation.	
SME Human Resource Development				
Business Courses by SME Support organization/BSP	N/a			<p>EU-TACIS - "Social Partnership in Education and Training in Uzbekistan" (EuropeAid/116304/C/SV/UZ)</p> <p>The wider objective of the project is to promote mechanisms and practices for social partnership in training and education. It is the purpose of the project to go beyond the national institutional level to address concrete strategic interests of stakeholders and in particular enterprises.</p> <p>The specific objectives are as follows:</p> <p>a) to build capacity of trustee bodies of professional colleges to play a role in improving vocational education at local level;</p> <p>b) to build the capacity of the central authorities to develop policy on social partnership in vocational education and</p>

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				<p>training.</p> <p>*****</p> <p>EU-TACIS - "Development of Employment Opportunities in Uzbekistan" (EuropeAid/112349/C/SV/UZ)</p> <p>The objective of this project is to assist the Ministry of Labour (at central and regional levels) and the local authorities to develop training and other related measures in two regions.</p> <p>The project is expected to develop an efficient distribution system of relevant training courses and to implement training courses and other supporting measures in the two selected regions in order to help unemployed find their way to world of work. This should include a programme of entrepreneurship for unemployed persons to become self-employed entrepreneurs and to adapt existing courses and procedures where necessary.</p> <p>The project will support employment opportunities for job seekers in the regions of Surkhandarya and Kashkadarya through a widening implementation of employment and job-creation policies, by enhancing the capacity of the employment service, local and regional authorities, public organisations and NGOs to place more people in sustainable employment</p>

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				<p>and by promoting local employment initiatives and placing people in employment.</p> <p>*****</p> <p>World Bank - "Public Finance Management Reform Project"</p> <p>The Public Finance Management Reform Project for Uzbekistan aims to improve transparency and accountability of public finances, and to strengthen institutional capacity to use public resources more effectively, efficiently and transparently, in line with Government priorities. The project has the following components:</p> <p>Component 1) will improve overall expenditure control, and intersectoral resource allocation. Component 2) will finance consulting services, goods and training for the modernization of treasury operations through the implementation of a Government Financial Management Information System (GFMIS). Component 3) consists of Change management and training to support the establishment of the Treasury. Component 4) will finance the costs of the Project Implementation Unit (PIU) staff (including PIU director, Procurement specialist, Accountant, Financial Management Specialist, Treasury/IT expert, and translator/office manager).</p>
Business Courses by	N/a			

"Project Formulation on Business Promotion Programs" (Uzbekistan)

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Universities Vocational/Training Schools	N/a			<p>EU-TACIS - "Social Partnership in Education and Training in Uzbekistan" (EuropeAid/116304/C/SV/UZ)</p> <p>The wider objective of the project is to promote mechanisms and practices for social partnership in training and education. It is the purpose of the project to go beyond the national institutional level to address concrete strategic interests of stakeholders and in particular enterprises.</p> <p>The specific objectives are as follows:</p> <p>a) to build capacity of trustee bodies of professional colleges to play a role in improving vocational education at local level;</p> <p>b) to build the capacity of the central authorities to develop policy on social partnership in vocational education and training.</p>
Trade Promotion				
Trade Promotion Agency	Decree of the President of Republic Uzbekistan, dated 21.07.2005 # UP-3631 "On improvement of control system in sphere of foreign economic and trading affairs, attraction of foreign investments."	Administration of President With a view of development and deepening of foreign economic relations, activation of attraction of foreign investments and maintenance of reliable guarantees to foreign investors,	Transformation of state body	EU-TACIS - "Extended Support for the Implementation of the Partnership and Co-operation Agreement between the EU and Uzbekistan (phase III)" (EuropeAid/119759/C/SV/UZ) The implementation of the PCA EU-Uzbekistan has received support for its implementation under successive Tacis

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		further liberalization of foreign trade, formation of long-term steady partner attitudes between domestic manufacturers and foreign firms.		<p>Programmes since 1999. The first two phases of support (SIPCA I and II) have focused on assisting in the approximation of key commercial legislation, the preparation of Uzbekistan eventual accession to the WTO, institution building for government entities, as well as public awareness raising on key aspects of the PCA, including democracy and human rights. The third phase of the project (SIPCA III) will focus on strengthening initiatives under the previous phases, including preparation for WTO accession and public awareness-raising, but will also broaden the scope of legal approximation, focus on the implementation of modified legislation, provide institution building for the PCA secretariat and provide advice and training on strategy development and implementation.</p> <p>*****</p> <p>UNDP - "Centre for Economic and Social Studies (CESS)"</p> <p>CESS was launched in 1998 to provide a framework for the establishment of the Centre for Economic Research – an independent research institution that provides policy advice to the Government of Uzbekistan in key development areas.</p> <p>The project builds national economic research and policy-making capacity and triggers proactive dialogue on socio-</p>

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				<p>economic issues. It takes advantage of relevant international and national experience through networking, joint research projects, information and knowledge sharing, and skills transfer.</p> <p>The development objective of the project for the current period is to accelerate governance reform at national, sectoral and regional economic policy levels. Reaching this objective will provide an efficient institutional environment for elaborating and promoting sound, effective and predictable policies on both macro- and micro-economic levels. The immediate objectives of the CESS project include:</p> <p>a) Making policy recommendations in key areas of concern for macroeconomic management;</p> <p>b) Providing a mechanism through which the impact of different policy options can be discussed;</p> <p>c) Enhancing the capacities of national personnel in economic analysis and policy making.</p>
Credit/Guarantee	Enactment of Central bank, dated 12.05.2005 # 429-1 (10/3) "On making additions to Regulations concerning requirements to credit policy of commercial banks." (Registered by Ministry of Justice on 28.05.2005 # 905-1)	Central Bank Establishment of requirements of credit policy of commercial banks with a view of development of small and medium business, and also perfection of banking system.	Improvement of bank system, improvement of conditions of reception of credits	<p>USTIDA - "Small and Medium Enterprise Project in Uzbekistan"</p> <p>United States Trade and Development Agency's (USTDA) provided technical assistance to facilitate Uzbek SMEs' access to a new \$50 million medium term credit guarantee facility funded by the United States Export Import Bank.</p>

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				The credit that was signed as a medium term credit guarantee that will support the purchase of U.S. goods and services by Uzbek SMEs. This credit guarantee facility, implemented by the National Bank of Uzbekistan (NBU) will support transactions between SMEs in Uzbekistan and the United States. This USTDA grant provided the NBU and Uzbek SMEs with technical assistance that will strengthen applications (i.e., business plans) in line with Ex Im Bank requirements.

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