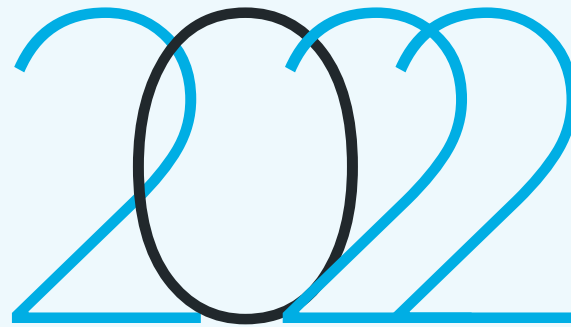


Secretariat of the Foreign Investors Council under the President of the Republic of Uzbekistan



ANNUAL REPORT



**Ministry of Investment,
Industry and Trade of the
Republic of Uzbekistan**



European Bank
for Reconstruction and Development

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1 INTRODUCTION

Following a number of discussions between the EBRD and the Government of Uzbekistan, including talks between the Presidents of EBRD and Uzbekistan, the Memorandum of Understanding was signed in Paris, on 8 October 2018. The MoU, inked between the State Committee for Investments of Uzbekistan (SCI) and the EBRD, envisages setting up a Foreign Investors Council (FIC) and lays out its foundations and parties' cooperation points. In January 2019, the SCI was transformed into the Ministry for Investment and Foreign Trade (MIFT).

Resolution of the President of the Republic of Uzbekistan No. PP-4519 *"On measures for the establishment and organization of activities of the Foreign Investors Council under the President of the Republic of Uzbekistan"*, dated 13 November 2019, endorses the status and structure of the FIC.

In March 2022 new Head of FIC Secretariat was appointed through a competitive selection process. In September 2022 other members of the Secretariat team were recruited.

The main objective of this report is to present an overview of the work performed by the FIC Secretariat during the period of January – December 2022 in view of the accomplishment of the tasks as specified in:

- ◆ Memorandum of Understanding signed between the Government of Uzbekistan and EBRD on 8 October 2018;
- ◆ Terms of the Reference related to the Head of the Secretariat of the Foreign Investors Council position;
- ◆ Resolution of the President of the Republic of Uzbekistan *"On measures for the establishment and organization of activities of the Foreign Investors Council under the President of the Republic of Uzbekistan"* dated 13 November 2019 No. PP-4519



2 ABOUT FIC

Foreign Investors Council under the President of the Republic of Uzbekistan (hereinafter – the “Council” or “FIC”) operates in accordance with the Resolution of the President of the Republic of Uzbekistan “On measures for the establishment and organization of activities of the Foreign Investors Council under the President of the Republic of Uzbekistan” dated 13 November 2019 No. PP-4519 (hereinafter - the “Resolution”). The full text of the Resolution is available at the following link: <http://lex.uz/docs/4593913>

The FIC is an institutional platform for direct dialogue between the Government of Uzbekistan and investors (including international financial institutions) doing business or investing in Uzbekistan.

The work of the FIC is focused on identifying and analyzing key impediments to the investment attraction and investors' activity, developing solutions to address those impediments in cooperation with the government authorities, ensuring favorable business environment and investment climate in Uzbekistan. The tasks of the Council are described in detail in the Annex No.1 to the Resolution - the Regulation on the Council (hereinafter - the Regulation).

The Chairman of the FIC is the President of the Republic of Uzbekistan. The President of EBRD is co-chair of the FIC. FIC plenary session chaired by the President of the Republic of Uzbekistan and co-chaired by the President of EBRD shall be held once a year. Interim session headed by the Minister of Investments and Foreign Trade of the Republic of Uzbekistan shall be held at least twice a year.

FIC working groups is the main structure for preparing recommendations and providing expert support to the activities of the FIC. Working groups are analyzing suggestions of FIC members, conduct research, prepare analytical reports, recommendations, assessments and summarize opinions in order to prepare detailed proposals for the FIC interim and plenary sessions. FIC working groups consist of representatives of government authorities and investors, as well as representatives of wider business community, local companies and business associations.

FIC carries out its activities under the coordination of the Ministry of Investments, Industry and Trade of the Republic of Uzbekistan with the assistance of the European Bank for Reconstruction and Development.

Overall coordination, organizational and practical support of the work of the FIC is carried out by the FIC Executive Committee, which consists of:

- ◆ The Minister of Investments and Foreign Trade of the Republic of Uzbekistan – Head of the FIC Executive Committee;
- ◆ Head of the Representative Office of the European Bank for Reconstruction and Development in the Republic of Uzbekistan;
- ◆ Head of the FIC Secretariat.

The FIC Secretariat, set up with the assistance of the European Bank for Reconstruction and Development, is a standing body, which provides technical support to the daily activities of the FIC. The FIC Secretariat organizes the work of the FIC plenary and interim sessions, working groups and other activities of the FIC (consultations with FIC members, collection and summarizing proposals, etc.). The FIC Secretariat shall be staffed by full-time head of the secretariat, and economic and legal experts (currently only head of secretariat and an economic expert, with further experts being recruited).

Both legal entities and individuals are eligible to become FIC members.

To become a member, the applicant is required to meet:

- (1) at least one of the main (technical) criteria; and
- (2) at least two of the additional (qualitative) criteria.

MAIN (TECHNICAL) CRITERIA

To meet main (technical) criteria a legal entity shall be either:

- ◆ a foreign enterprise; and/or;
- ◆ a joint enterprise with a share of foreign capital of more than 30 percent; and/or;
- ◆ a branch or representative office of a foreign company in the Republic of Uzbekistan; and/or;
- ◆ an enterprise employing at least 15 professionals, providing consulting services primarily to foreign investors in the territory of the Republic of Uzbekistan; and/or;
- ◆ an international financial institution / foreign governmental financial organization (IFI/FGFO), a foreign association, representation or educational institution, which through their activities contributes to the development of international economic cooperation and accepts the goals of the Council.

To meet main (technical) criteria an individual (public figure, scientist, diplomat etc.) shall be able to make a significant contribution to the creation of favorable conditions for increasing foreign direct investments in Uzbekistan and overall development of the country.

ADDITIONAL (QUALITATIVE) CRITERIA

In addition to the main (technical) criteria, a legal entity or an individual must meet at least two of the additional (qualitative) criteria:

- ◆ have significant experience and excellent business reputation;
- ◆ carry out activities significant for the economic and social development of the Republic of Uzbekistan;
- ◆ invest actively, including in the Republic of Uzbekistan, and be willing to strategically expand investment activities in the country;
- ◆ participate actively in the promotion of a positive investment image of the Republic of Uzbekistan abroad;
- ◆ participate actively in the work of FIC working groups.

When choosing potential FIC members, the FIC Executive Committee is guided by the principle of wide representation so that each strategic industry and country of origin of investments are represented by one or more members. FIC members should be guided by the interests of the entire industry and a wider community of investors, rather than the interests of their company or personal gain.

Applications shall be reviewed by the FIC Executive Committee within 15 calendar days. Based on the submitted applications, the FIC Executive Committee chooses initial pool of candidates for subsequent submission for the approval of the Chairman of the Council.

The final composition of the Council is approved by the Chairman of the Council based on the proposals of the FIC Executive Committee.

The FIC Executive Committee may submit for approval of the Chairman of the Council a member rotation scheme after two years from the first plenary or interim session, based on the need to include new members, as well as on the results of activities of current members and the level of their contributions to the effectiveness of the FIC.

3 FIC – QUICK FACTS



Co-Chairmanship of EBRD

In September, 2022 President of EBRD Odile Renaud-Basso accepted proposal of The Government of Uzbekistan and become co-chair of Foreign Investors Council of Uzbekistan.

Plenary Session:

On November 16, 2023 the First Plenary Session of the Foreign

Investors Council chaired by President of Uzbekistan Shavkat Mirziyoyev, co-chaired by President of European Bank for Reconstruction and Development Odile Renaud-Basso was held at the «Kuksaroy» Residence.

Heads of such leading companies and banks as «Suez», «Calik Holding», «Cengiz Enerji», «Halyk Bank», «VEON Group», «TBC Bank»,



«Abu Dhabi Development Foundation», «ACWA Power», «Zepelin International AG», «EDF», «AME International», «CNH Industrial», «Youngone Corporation», «Procter & Gamble», «Mitsui», «Sojitz Generation DMCC», «KIA Motors», «General Electric», «John Deere», «Silverleaf», «Knauf», «White&Case», as well as representatives of international financial institutions - the World Bank, International Finance Corporation, Asian Development Bank and Islamic Development Bank attended the event.



President of the Republic of Uzbekistan Shavkat Mirziyoyev:

- ◆ Welcomed members of Foreign Investors' Council and the invitees.
- ◆ Provided up-to date information on pace of reforms in the country including achieved milestone reforms, investment attraction and presented opportunities for investments in support of private sector development.
- ◆ Underlined importance of investments and developing private sector education and healthcare.



- ◆ Confirmed creation of Permanent Committee on Foreign Investors' Protection under the Council to protect the rights of investors with a view of introducing the best foreign practices and experience in Uzbekistan including creating single window and appointed Laziz Kudratov to lead implementation of these concepts.
- ◆ Provided information on priority areas for reforms including financial sector, privatization and PPPs, mining sector, digitalization, green economy and decarbonisation.



President of EBRD Odile Renaud-Basso:

- ◆ Thanked President Mirziyoyev for hosting the first plenary session and stated the importance of FIC as a platform for dialogue between foreign investors and the authorities, and strengthens the investment climate in Uzbekistan.
- ◆ EBRD supports FIC's Secretariat as in ten other countries, where they have been addressing major bottlenecks and facilitating private sector development to drive growth and create jobs.
- ◆ Active participation of FIC members in FIC working groups strengthens the business environment, proposing solutions to problems and presenting recommendations at the formal council meetings.
- ◆ EBRD invested in Uzbekistan €3.8 billion with €2.5 billion in the last five years. This year we expect to get closer to € 1 billion. Uzbekistan is now the Bank's top five recipients of funding overall and over 50% of our portfolio investment is in the private sector.
- ◆ EBRD is providing policy reform advice in many areas including the energy sector (renewables), privatization, especially state-owned banks, capital markets, mining sector and SMEs strategy.
- ◆ EBRD requested the government to maintain an effective dialogue with the Foreign Investors Council.
- ◆ The next plenary session of the Foreign Investors Council will take place on the margins of the EBRD's Annual Meeting in Samarkand next May.

MEMBERSHIP STATUS:

The following 51 applicants approved by the Executive committee, are proposed for approval by the Chairman of the Council – President of the Republic of Uzbekistan.

#	Name		
1	ACWA Power	26	World Bank
2	Veolia	27	Calik Holding
3	Knauf International GmbH	28	Cengiz Energy
4	ADB	29	EDF
5	Mitsui&Co	30	Sojitz
6	Zeppeline International AG	31	KIA
7	Total Eren	32	Huaxin Cement
8	EBRD	33	EPAM
9	IDB	34	Halyk Bank
10	IFC	35	Siemens
11	EIB	36	Mubadala
12	Ziraat Bank	37	SK ecoplant
13	TBC Bank	38	Youngone
14	Abu Dhabi Fund for Development	39	CLAAS
15	Indorama	40	Orano
16	VEON Group	41	CNH Industrial
17	Coca-Cola Company	42	Abbot
18	BAT	43	ICIEC
19	Carlsberg	44	London Stock Exchange
20	Suez	45	Shindong Enercom
21	Visa International	46	Sturgeon Capital
22	Masdar	47	ICD
23	General Electric	48	B2Gold
24	Mitsubishi Corporation	49	Proctor & Gamble
25	Silverleaf	50	AiIB
		51	JP Morgan

4 CREATION OF WORKING GROUPS

Building on the results of the First Plenary Session of the FIC, and aiming to address issues put forward by the business community, the Executive Committee recommends to expand FIC members working groups to cover the below outlined investment and business climate themes:

Financial sector and banking

Privatization of state-owned banks. Facilitation of M&A transactions. Digitalization of financial services. Capital market development. Islamic Finance development. Enhancing banking regulation and confidentiality. Financial infrastructure development.

Working group members:

#	Company
1	ADB
2	IDB/ICD
3	World bank
4	Mitsubishi
5	Coca-Cola
6	Visa International

#	Company
7	Halyk bank
8	Mitsui
9	TBC
10	JP Morgan
11	EBRD
12	International consulting and law companies

Privatization and private public partnership

Enhance effective and transparent privatization. Expand PPP. Foster business competitiveness and expansion. Develop corporate governance. Implementation of investment commitments.

Working group members:

#	Company
1	Cengiz
2	ADB
3	World bank
4	Masdar
5	Mitsui
6	CNH

#	Company
7	ACWA Power
8	Veolia
9	EBRD
10	International consulting and law companies
11	Calik
12	IFC

Digitalization and ICT

Promotion of digitalization, including in various sectors of economy and public services for business. Digital infrastructure. Enhance cybersecurity. Creation of conducive environment for ICT sector.

Working group members:

#	Company
1	Siemens
2	ADB
3	World bank
4	Coca-Cola
5	Visa International
6	Halyk bank

#	Company
7	Veon
8	EBRD
9	Silverleaf
10	International consulting and law companies
11	TBC

Investing across borders

Taxation, customs and barriers for foreign trade. Public services, including licensing. Rule of law. Connectivity, logistics and transport corridors. Supply chain issues. Government regulation of economy.

Working group members:

#	Company
1	Mitsui
2	ADB
3	World bank
4	Procter and Gamble
5	Mitsubishi
6	Caterpillar

#	Company
7	EBRD
8	International consulting and law companies
9	Coca-Cola
10	CNH
11	John Deere

Green economy

Clean energy, sustainability, promotion of economy-wide decarbonisation and climate resilience. Energy access and energy security. Development of carbon market. Enabling and enhancing private investments in green economy.

Working group members:

#	Company
1	GE
2	Cengiz
3	EDF
4	ADB
5	Masdar
6	Siemens
7	TBC

#	Company
8	EBRD
9	World bank
10	Zeppelin/Caterpillar
11	John Deere
12	International consulting and law companies
13	Suez

Sectors of economy

Specific issues of sectors. Agriculture (e.g. land reform), utilities, mining, healthcare and other sectors.

Working group members:

#	Company
1	AUCC
2	White and Case
3	CNH
4	Caterpillar
5	John Deere
6	Visa
7	Coca-Cola
8	Veolia
9	Abbott

#	Company
10	Procter and Gamble
11	GE
12	ADB
13	World bank
14	Silverleaf
15	Mitsubishi
16	Suez
17	International consulting and law companies

5 COMMUNICATION AND PUBLICITY

PUBLICATIONS IN ONLINE MEDIA

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INTERVIEW IN ONLINE MEDIA

1

287

SUBSCRIBERS

338

SUBSCRIBERS

40

SUBSCRIBERS

