

WORKING GROUP 3 – MINUTES

Event: Minutes of the FIC Working Group Meeting “Digitalization and ICT”

Date: Friday, March 3, 2023

Duration: 15.00-17.00

Moderated / Chaired by: Golib Kholjigitov, Head of FICS

Present from FIC: Golib K., Avazbek M., Gamlet K., Nargiza M., Gulnoza U.

Present from stakeholder and investors: EBRD - Mr.Kh.Narmuratov, MIIT – Tengiz Asanov, World Bank, ADB, IFC, Cengiz Energy, Silverleaf, CNHI, White and Case, Calik Holding.

Venue: MIIT Office, 1st floor, Tashkent

Next meeting: TDB

Representatives of EBRD - Mr.Kh.Narmuratov, MIIT – Mr. Tengiz Asanov gave opening remarks.

DISCUSSION TOPICS:

1. Kh.Narmuratov, EBRD – highlighted that creation of “single window” concept platform is very important in current stage. MIIT and EBRD are started to work on new electronic platform for investors and planning to present it during the interim session in April, 2023. EBRD with “Strategist” developed report about investment climate in ITC, in march 2023 will be presented.

Proposal: to draft and present concept of “Single window platform” in interim session.

2. Nargis Dustmatova, Fintech association – there is big room for improvement for Banks in Uzbekistan in fintech banking technologies, related to risk management, still a lot of manual work done. We need to think about clarification the rules of the game for startups, IT companies, it’s not reflected in tax code. We can’t link all systems in one platform.

Proposal: to create a regulatory framework for startups (rules, tax code and etc.).

3. Ruslan Daminov, Siemens – We are developing many software solutions for energy sector globally and ready to assist Uzbekistan to digitalize its energy sector. There are a lot of losses in transmission and distribution lines. We propose to start from technical audit of existing infrastructure. We have some differences in local and international standards, for example, certificates of origin, in XXI century doesn’t exist in any other country except Uzbekistan.

Proposal: to audit existing infrastructure for needs assessment and abolish the regulation that require certificate of origin, which many countries don’t have.

4. Bek Niyazov, Silverleaf – digitalization is important, in agriculture every step is related to digitalization, we need find consensus in what extend we are ready to digitalize agriculture in Uzbekistan. We are here to share our experience.

Proposal: to digitize agriculture processes for better efficiency and output.

5. Julien Maigne, SUEZ – utility especially water and waste management needs huge investments in Uzbekistan. We all utility operators (electricity, gas, water) need same information, geographic information (need build maps, base maps, GIS), data classification is problem. One more issue is lack of coordination between line ministries in project implementation phase.

Proposal: to create GIS mapping with data classification for the infrastructure, especially utilities and improve coordination between the line ministries in project implementation phase.

6. Nazi Aripjanova, Coca cola – track and trace is really a big problem, digitalization has to be pushed by private sector not the government. We are ready to share our experience.

Proposal: to abolish trace and track requirements for soft drink and non-alcoholic beverages companies (no international practice, voluntary, expensive, unmatching, adverse effect)

7. Shohruh Khakimov, Halyk bank – for loans customers need more than 8 documents, in our bank we don't need any document just passport. Today no need to come to bank, remote identification – all these cooperation between financial services and government services created synergy in Kazakhstan. Banks provide public services through mobile apps. You can get more than 30 documents through mobile apps in Kazakhstan. Remote identification will be possible in Uzbekistan from May 1, 2023. We propose to develop Gov-tech.

Proposal: to use and integrate banking services to gov-tech (wider reach, cheaper, more efficient)

8. Nika Kurdiani, TBC – in order to start any project in digitalization vertical analyses has to be done. User analyses are very important for all companies to be sustainable. Fully agree with the position of Tenge bank, remote ID is vital for digital banking. To make Gov-tech more efficient, it's better to let private sector to do this business.

Implementation of Gov-tech projects, international experience shows a direct correlation between the level of digitalization of public services, the availability of qualitative and reliable public databases with offering of modern digital services by the private sector.

Proposal: to create modern and efficient public databases in cooperation with the private sector.

9. World bank, Mikhail Bunchun – Cyber Security and Data protection, Internet of Things and cloud security, Artificial intelligence (AI), Building a security-aware culture are the areas World bank would like to cooperate. Business outsourcing, IT exports, legal framework needs to be improved.

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.

Proposal: to promote digitization on wider scale with the inclusions of all sectors, including public, digital infrastructure, cybersecurity and continuous improvement of the IT environment.

10. Adkham Kuchkarov, ADB – IT is very broad, in all our projects we add digitalization, human capacity development. ADB is launching joint project with Ministry of pre-school and public education to improve digital skills. Digital divide should not be high, digital literacy, we have digital components in all our projects.

Proposal: to improve digital literacy as part of wider national digitization program at pre-school and public-school levels.

RESOLUTION / ACTION PLAN

| Topics | Resolution /Proposal | Responsible | Timeline / Status |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------|
| 1. Single window platform | - <u>to draft and present concept of “Single window platform” in interim session</u> | MIIT EBRD FICS | 2023-2024 |
| 2. Startups | - <u>to create a regulatory framework for startups (rules, tax code and etc.).</u> | Mininfocom FICS Mininnovation IFI | 2023-2024 |
| 3. Infrastructure and Certification | - <u>to audit existing infrastructure for needs assessment;</u> - <u>abolish the regulation that require certificate of origin, which many countries don't have.</u> | Misconstruction IFI | TBD |
| 4. Digitization | - <u>to digitize agriculture processes for better efficiency and output.</u> | Minagro Mininfocom IFI | TBD |
| 5. Mapping and coordination | - <u>to create GIS mapping with data classification for the infrastructure, especially utilities;</u> - <u>improve coordination between the line ministries in project implementation phase.</u> | Minconstruct. IFI MIIT | 2023-2024 |
| 6. Trace and track | - <u>to abolish trace and track requirements for soft drink and non-alcoholic beverages companies (no international practice, voluntary, expensive, unmatching, adverse effect)</u> | MIIT Taxation Com. | 2023-2024 |
| 7. Gov-tech | - <u>to use and integrate banking services to gov-tech (wider reach, cheaper, more efficient)</u> | CB, Minfin Mininfocom | TBD |
| 8. Databases | - <u>to create modern and efficient public databases in cooperation with the private sector.</u> | Mininfocom IFI | TBD |
| 9. Digitization program | - <u>to promote digitization on wider scale with the inclusions of all sectors, including public, digital infrastructure, cybersecurity and continuous improvement of the IT environment.</u> | Mininfocom IFI | Continuous |

| | | | |
|----------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------|------------|
| 10. Digital literacy | - <u>to improve digital literacy as party of wider national digitization program at pre-school and public-school levels.</u> | Mineducation IFI | Continuous |
|----------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------|------------|