



2009 World Chambers Competition

APPLICATION FORM: PROJECT DESCRIPTION

Project name: Business Forum of Uzbekistan (BFU Project)

Implementing agency: Chamber of Commerce and Industry of the Republic of Uzbekistan (CCI)

Major partner/Donor: United Nations Development Programme Country Office in Uzbekistan (UNDP in Uzbekistan)

Category selected: Best Networking Project

1. Briefly, describe how your project originated. How did the idea come about, what needs were identified and why?

Background

It is commonly known that accelerated private sector development can make a substantial contribution to sustainable economic growth, employment generation, provision of sustainable income sources and reduction of goods and services prices. Thus private sector (especially SME) can foster poverty reduction and improvement of population's living standards while forming the middle class - important factor of political stability and sustainable development. To achieve these objectives effectively it was identified that there is a need to ensure participation of private sector representatives in elaboration, implementation and monitoring of the national, regional and sector-specific development strategies and policies. Therefore, it was decided to secure this through organization of policy dialogue between government and private sector.

Solution

In September 2006 the Chamber of Commerce and Industry of the Republic of Uzbekistan has initiated the "Business Forum of Uzbekistan" in partnership with United Nations Development Programme in Uzbekistan. The project is designed to create mechanisms for the private sector to actively participate in elaboration, implementation and monitoring of the national, regional and sector-specific development strategies and policies that should further strengthen sustainable development of the country.

Project Objectives

(a) Provision by the private sector of consolidated and well justified recommendations on national, regional, sector-specific development strategies and policies to the Government of Uzbekistan and other development stakeholders as well as participation in monitoring of their realization;

(b) Strengthening the capacity of the Chamber of Commerce and Industry to promote private sector development and its contribution to sustainable development of the country.



(c) Strengthening the capacity of the Chamber of Commerce and Industry in improving the provision of information and advisory services to private businesses by creating network of Business Facilitation Centers.

2. Describe your project based on the category selected (Context, innovative character, invested resources, difficulties met).

Uzbekistan government is undertaking economic and social reforms aimed to ensure diversification of economy, restructuring of corporate and agricultural sectors and creating new jobs. State plays leading role in the reform process and reducing poverty level. In Uzbekistan the private sector - mainly represented by small and medium businesses – is becoming one of the key players in the economy. However, representation of private sector in the reform of policy making process is still limited. CCI was reorganized with the purpose to fill the gap in the public-private dialogue (PPD) by consolidating and representing interests of business community to the government and parliament.

The initiation of PPD within the BFU project has become an instrumental in involving private sector in the discussion and formulation of laws related to business environment in Uzbekistan.

Innovative character of the BFU Project is its neutrality to the government and private sector, that enables live discussions and active participation of all stakeholders in business forums.

In the initial stage the project was launched for the period of 3 years, with the total budget 270 000 USD. Recently, a new component was added to the BFU Project, which resulted in extension of project duration and increase of budget to 685 400 USD. Currently, the project employs three core staff and on regular basis attracts consultants to accomplish specific tasks within the project activities.

Difficulties met in implementation of the project include the low capacity of local stakeholders in the regions to take part in public-private dialogue, which sometimes impeded open discussion of regional problematic issues. Also, low Internet coverage in the regions and limited access to IT among small businesses restricts effective discussion of issues.

3. What have been the results and influence of this project? (Short and long term impact, measurable data, benefits)

Major achievements of the project can be presented by considering its key area of intervention:

(a) Provision by the private sector of consolidated and well justified recommendations on development strategies and policies to the Government of Uzbekistan, participation in the monitoring of these policies.

First of all, it should be noted that since the launch of the project there were already conducted more than 50 Business Forums. The recommendations based on the

discussion of problems the meetings were presented to the decision-making governmental bodies for consideration. Usually, follow-up meetings conducted to review results and possible pending issues. As a result, recent regulatory and legislative acts related to private sector reflect the recommendations of the Business Forums. For example, the Tax Code of the Republic of Uzbekistan (in new revision) reflects many recommendations of private sector raised during the discussions. Further example include the elimination of problem in the application of VAT in textile industry, reduction of tariffs to obtain permissions for construction and renovation, gain access to utilities for businesses. Also, it is important to note that several recommendations drawn based on the results of Business Forums were included in the recently adopted anti-crisis program of Uzbekistan government. These achievements will be instrumental in promoting public-private dialogue in longer term. Recently, CCI and IFC has signed MOU to partner efforts in implementation of Regulatory impact assessment (RIA) system in Uzbekistan. This initiative will be implemented within the framework of BFU Project. In overall, this initiative place important role in strengthening private sector and consolidating its interests.

4. Can your idea be applied in other parts of the world? (Please explain how and why)

The project team believes that the project idea can be applied also in other parts of the world. The main reason for that is that it motivates private sector to actively participate in the process of initiation, elaboration and monitoring of various legislative acts in the business sphere, to activate knowledge sharing among the stakeholders and most importantly adoption of right legislative acts, the ones that really reflects interest of private sector – the driving force of the economy. Moreover, it may assist local business promoting institution to improve its performance in providing better services, provide innovative ideas of organizing and doing a business and etc.

In order to launch similar project there should be a strong willingness of national private sector promoting institution and government institutes to work actively in these areas. In addition, a reputable international organization should become partner to provide conceptual and technical assistance to the initiative.

5. Why do you feel your project should be selected as a finalist and presented at the 6th World Chambers Congress?

There are a number of reasons for BFU Project to be selected as a finalist and presented at the 6th World Chambers Congress, but the most strongest one is that the project managed to achieve substantial results in promoting public-private dialogue in Uzbekistan in the last 2 years. We believe that BFU project is one of the unique projects of its kind that perfectly fits under the category of "Best Networking Project". In addition, the project has already been awarded the best project award in the "Tashabbus-2007" contest, the most prestigious contest in Uzbekistan in the business sphere.

6. You may enclose a letter(s) of support which can attest to any measurable results and achievements of the project. The letters may be endorsed by a company, a chamber of commerce, an ICC national committee or a government agency.