

## Minutes of Pre-bidding meeting

Subject	RFP/016/21 - Development of legal and regulatory environment for Sukuk in Uzbekistan (for international companies)
Date and time	September 20, 2021
Participants	Kinstellar: Joel Benjamin (JB), DLA Piper: Sohail Ali (SA), Joywin Mathew (JM) AIFC International Finance & Business Hub: Madina Tukulova (MT) Centil Law: Jahongir Usmonov White&Case: Samir Safar-Aly (SS), Emma Snelling (ES) UNDP Uzb: Fayzulla Salakhuddinov (FS), Sukhrob Mukhsinov (SM), Olga Tarabrina (OT), Ulug Kadirov (UK)
Venue	Online via Zoom

## Introduction

- SM made an introduction of representatives from UNDP Uzbekistan participating during the call. This was followed by an introduction of participants representing potential bidding companies.
- SM informed the participants that the present call is a pre-bidding call to discuss the tender RFP/016/21 and gave the following summary of the tender submission requirements:
  - o Bids can be submitted before Sep 29, 2021 by 6 pm Tashkent time online by sending an email with required information to [bids@undp.org](mailto:bids@undp.org) or delivered physically to the address mentioned in the RFP
  - o Assessment of proposals consists of two parts; 70% of the score will be assigned based on technical proposal and 30% based on financial proposal
  - o Email submission should not exceed 10 Mb and mention RFP/016/21 in the subject line
  - o Proposal will be valid for 120 days
- FS briefed the participants that the tender is based on TA initiative which is supported by Islamic Development Bank and managed by UNDP Uzbekistan with the support of the Ministry of Finance of Uzbekistan.
- FS mentioned that the current assignment aims to achieve the 2d goal (in total 4) of the TA initiatives, i.e. the Development of relevant legal, regulatory, supervisory and tax regulations for Sukuks, Sharia governance framework, and green principles. The current assignment will be completed by two companies: one international and one local. An international company will lead the work of a local company.
- FS underlined that the tender RFP/016/21 is only for international companies whereas a local company will be contracted separately and the cost of hiring a local company should not form a part of the proposal from international companies.
- FS also proposed that UNDP Uzbekistan may consider extension of the deadline if candidates consider it too short. Requests to extend the deadline should be sent beforehand by email.
- UK discussed the split of responsibilities between international and local companies and displayed the following proposed table:

	Roles		Final responsibility
Deliverables	Local Company	International Company	

Comprehensive assessment of gaps, obstacles, disincentives, as well as existing laws and regulations and policy recommendations for promoting Sukuks in Uzbekistan developed and submitted	Prepares	NA	Local company
Concept Note with policy recommendations on enhancing the enabling environment and legislative framework for introduction of Plain Vanilla and Green Sukuks	Prepares	Guides and reviews	Both
Policy recommendations and guiding instructions on Sharia certification process developed and submitted	NA	Prepares	International company
Guidelines on the scope of eligible sukuk structures developed and submitted;	NA	Prepares	International company
Full package of documents for the operationalization of Sukuks and addressing legal and tax barriers for the issuance and circulation	Prepares	Guides and reviews	Both
Sukuk Implementation roadmap for regulatory and supervisory authorities prepared.	NA	Prepares	International company

## Q&A session

SS:

SS: Is there a scope for involving of a local company in discussions and round tables required to carry out before the concept note is delivered?

*Answer: Yes, a local company will be involved in discussing with local partners. We have already involved a local company into a discussion with the Ministry of Finance, which is going to be a key stakeholder as the proposed changes are expected to affect capital markets and taxation.*

SS: Is project methodology fixed? Considering all the deliverables mentioned in RFP can we suggest the project methodology in terms of internal inputs and marketing efforts based on our past experiences we have had. We would be happy to propose our own methodology.

*Answer: Yes. Proposed methodology is a part of the technical proposal where a bidder can propose their methodology along with expected activities and timeline. It is one of the reasons for inviting an international company who could bring their know-how and experience in this field.*

SS: In terms of the full package of documents expected in the assignment, do you expect this to be in the form of report that provides recommendations and guidelines or is it legislative amendments and consequently involves working with the parliament?

*Answer: Full package of documents mean legislative amendments. This will involve working with a local company who have the experience in drafting similar documents as well as coordinating with Ministry of Finance. However, it is not expected that international company will work with the parliament.*

SS: As an international law firm we would be drafting documents in English. Is the final output expected in Uzbek, Russian or both?

*Answer: We are expecting that the final output to be submitted to the Government will be in Uzbek, but we will accompany it with English version. The working documents could be in Uzbek, Russian, or English.*

SA: Will all the documents provided to an international company be in English? IF not, will translations be provided?

*Answer: A local company which is going to work with an international company speaks Russian and English, and one of the key partners in a local company is English-speaking.*

SA: In terms of the gap analysis in the current legislation, I believe it should be deliverable by both local and international companies. Local company will have an expertise in local legislation, whereas an international company will have insights in the field.

*Answer: RFP mentions that an international company will also review the local legislative and it would be good to have an international company to provide its assessment. You could include this activity into your proposal. Additionally, a pre-feasibility assessment for green sukuk in Uzbekistan was performed in 2020 by Istanbul International Center for Private Sector in Development which you could also use. The link to download the report is: [https://www.uz.undp.org/content/uzbekistan/en/home/library/environment\\_energy/pre-feasibility-study-for-green-sukuk-issuance-in-the-republic-o.html](https://www.uz.undp.org/content/uzbekistan/en/home/library/environment_energy/pre-feasibility-study-for-green-sukuk-issuance-in-the-republic-o.html)*

JM: Is the entire focus of the assignment on green sukuk and not on other non-sukuk fixed income bonds such as green bonds?

*Answer: Yes, the focus of the current assignment is on Sukuk. There was a three-party agreement signed between the Government of Uzbekistan, Islamic Development Bank and UNDP Uzbekistan. The scope of this agreement is Green Sukuk, as the gaps currently in place in Uzbekistan are related to Sukuk.*

JM. Are we extending the green scope into other green instruments, social sukuk, sustainable bonds and others

*Answer: There is another assignment under the TA initiative, which is separate from the current tender, whereby a national green finance framework will be developed. Although it would be better to extend the scope of the present assignment other related instruments, we have a limited budget which we will have to keep in mind*

SA: I know that there is an SDG bond framework for Uzbekistan. Does it cover green bonds? Are we developing a green sukuk framework in the absence of the green bond framework? Any legal or regulatory structure for green bonds?

*Answer: There isn't a green bond framework currently in Uzbekistan. It is a part of the TA initiative, but it is a separate assignment/tender. Uzbekistan has indeed issued SDG bonds in international market in June 2001. One of the objectives for developing green sukuk legislative framework is to develop local capital market where green framework does not exist now.*

SA: Is there a capital market association and it be involved as a regulator in addition to local exchanges?

*Answer: Capital Market Development Agency was the regulator of capital markets in Uzbekistan until April 2021 after which it was abolished, and its functions were transferred to the Ministry of Finance. The Ministry of Finance is now the regulator of capital markets in Uzbekistan.*

JB: Are we expected to combine the cost of hiring a local company into our proposal.

*Answer: No. A local company will be hired separately. Do not include their cost in your proposal.*

SA: Is travel to Uzbekistan required?

*Answer: If you propose travelling to Uzbekistan, it is acceptable, but we expect that all work could be done online.*

#### **Other comments:**

- There is a limited budget allocated for the project, please take this into account when formulating your proposal.
- This is a reannouncement of the tender and if your company applied in the previous announcement, you are still required to resubmit your proposal.
- If the deadline for submitting the proposal is too close, but you would be interested to apply, please notify us by email beforehand, and we may consider extending the deadline [pu.uz@undp.org](mailto:pu.uz@undp.org)
- Please send your email proposals to the following address only: [bids@undp.org](mailto:bids@undp.org)
- Financial proposal and technical proposal should be sent in two separate emails or attached separately in our email