Grant Monitoring Report

Project Code	UZB1033
Country	UZBEKISTAN
Grant Title	Technical Assistance (TA) to develop the enabling environment for Green Sukuk in Uzbekistan
Executing Agency	National Agency of Perspective Projects, Uzbekistan
Approval Date	23-12-2020
Effectiveness Date	30-01-2022
Approved Amount (USD)	220K USD
Last Date of Disbursement	30-03-2026
Quarter / Year	Q1/2022-Q2/2025

Components	IsDBI (USD)	Disbursed (USD)	% Completion
Component 1	170,000	160,000	94,1
Component 2	20,000	10,000	50
Component 3	30,000	30,000	100

Components	Progress on Deliverables
Component 1 (Green Sukuk Framework Gap Analysis and Documentation of Enabling Environment Policies)	1. A Concept paper for development of legal framework for Sukuk and Green Sukuk in Uzbekistan has been developed and presented/discussed with stakeholders during the Workshop on 30 June 2022. [O'zbekiston Respublikasi Moliya Vazirligi - O'zbekiston Respublikasida "Sukuk" va "Yashil Sukuk" uchun huquqiy-me'yoriy bazani ishlab chiqish bo'yicha vebinar (mf.uz)] 2. An International (White & Case) and local (Azizov & Partners) law companies have drafted the legal and regulatory documents including relevant amendments to the existing ones for introduction of Sukuk and Green Sukuk in Uzbekistan. The draft legal/regulatory documents have been submitted to the Government of Uzbekistan for further review and considerations. 3. The National Agency of Perspective Projects – a newly designated capital market regulator in Uzbekistan and the main beneficiary of the Green Sukuk initiative developed a new version of the draft Law "On Capital Market in Uzbekistan" that contains a specific Chapter on Islamic Securities. The draft Law was circulated among the relevant ministries and government agencies for collecting the comments and feedback as well as presented for public review in late August 2024. 4. UNDP Project team organized and facilitated the round table on "Introduction of Islamic Finance in Uzbekistan: opportunities and challenges" aimed to present the draft Law of "On Capital Market in Uzbekistan" focusing on the chapters related to introduction of Islamic (Sukuk) securities, as well as to facilitate the discussion and exchange

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	of views among key stakeholders with respect to the opportunities and existing challenges related to introduction of the new Islamic financing instruments in the country. The event was held on 13 September 2024 and attended by more than 40 representatives of the key stakeholders. UNDP in cooperation with the Islamic Development Bank supports the Government of Uzbekistan in developing the enabling environment for Islamic Finance instruments | United Nations Development Programme Currently the draft Law is in the process of further revision based on the feedback and comments received from the Administration of the President of Uzbekistan. 5. In late 2024 UNDP Project team facilitated the discussion of the developing the National Green Sukuk Framework for Uzbekistan that will be the main guidance document for future sukuk and green sukuk issuances. https://napp.uz/uz/news/yashil-sukuk-tuzilmasini-rivojlantirish-bo-yicha-uchrashuv 6. With the support of of UNDP Istanbul International Center for Private Sector in Development (IICPSD) a Framework document for the National Green, Social and Sustainability Sukuk was developed and submitted to the Governemnt for consideration and revew.
Component 2 (Awareness Campaign)	1. A webinar titled “Sukuk Bonds as a Promising Alternative Financing Source for Uzbek Issuers and Investors” has been conducted on 25 March 2022 jointly by UNDP, the Ministry of Finance, Islamic Corporation for Development of the Private Sector (ICD), and Ansher Capital LLC with participation of more than 60 participants (40 male and 20 female) representing the government, investors, private sector, public, international partners, etc. The event served as a convenient platform for discussing the ongoing reforms and activities related to the introduction of Islamic finance instruments including the green sukuk in Uzbekistan. Green Sukuk to Help Uzbekistan Achieve Sustainable Development Goals and Address Climate Change Issues | United Nations Development Programme (undp.org)
Component 3 (Capacity Building and Training)	1. The Project supported the participation of a selected staff of the Capital Markets Development Department with the Ministry of Economy and Finance at the Workshop on Islamic Banking and Finance conducted during 14-16 March 2023 in Tashkent, Uzbekistan by ALHUDA CIBE FZ LLE. 2. With the support of UNDP Istanbul International Center for Private Sector in Development (IICPSD) a 2-day intensive training workshop on Islamic Finance and Green Sukuk was organized for the key stakeholders. The main objective of the training was to strengthen and promote Islamic Finance and Sukuk, which serve as an alternative source of financing for sustainable development besides conventional finance. The event was held from 17-18 October 2024 in a hybrid format and attended by 60 representatives (including 30 online) of the government, private sector, academia and other stakeholders.

	3. A study visit to Türkiye was organized during 19-21 November 2024 for a group of Senior Officer form the NAPP and the MoEF to learn international good practices in Islamic Finance and Green Sukuk. The Uzbek delegation members have met with industry experts, practitioners, and stakeholders in Türkiye's Islamic finance sectors and established valuable networks, exchange knowledge, and explore potential collaboration opportunities.

Next steps:

1. To support the NAPP in revision of the draft Law "On Capital Market in Uzbekistan" that contains a specific Chapter on Islamic Securities and its further finalization.

2. To conduct a comprehensive awarenessrising event to present the Model Law and the National Framework for Green, Social and Sustainability Sukuk with participation of a broad range of stakeholders including the Parliament, government, investors, private sector, public, international partners, etc.

3. To finalize the analytical and knowledge products developed during the project implementation.

4. To initiate final reporting and operational closure of the Project.