

REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES – INDIVIDUAL CONSULTANT SELECTION)

Uzbekistan

Institutional Capacity Building Project

Credit No.: IDA 6431-UZ

Assignment Title: Selection of an Economist-Competition Specialist for development of a methodology for assessment of competition in markets of the Republic of Uzbekistan

Reference No.: AMC-CS-INDV-MANALYSIS

The Ministry of Finance of the Republic of Uzbekistan has received financing from the World Bank toward the cost of the Institutional Capacity Building Project and intends to apply part of the proceeds for consulting services on behalf of the Antimonopoly Committee of the Republic of Uzbekistan.

The consulting services (“the Services”) include the developing a market assessment guideline that includes the following topics: provision the overall framework for conducting a competition market assessment; provision of detailed description for each step of the process for conducting a competition assessment; guidelines for the outcomes and remedies of the market analysis. Implementation period up to 3 months, ensuring full consistency with the Terms of Reference (TOR) attached in this REOI.

The detailed TOR for the assignment could be found at following source: www.mf.uz, <https://www.linkedin.com/in/piu-icb-project-570420199/>.

The Ministry of Finance of the Republic of Uzbekistan on behalf of the Antimonopoly Committee of the Republic of Uzbekistan now invites eligible Individual Consultants (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services (reference to similar services, experience in similar assignments, availability, etc.) submitting a CV directly to the piu_mof@mail.ru.

The shortlisting criteria are:

- PhD or Master’s in Economics, Development or other relevant field for the assignment;
- At least 10 years of experience with public policy advice, and with drafting of high-level analytical reports and technical papers;
- Experience advising competition authorities on international best practices and standards in the area of competition policy enforcement and introduction of competition policy tools and practices as well as in developing recommendations for their improvement and putting in place methodologies for the implementation;
- Experience on competition law and economics, particularly in assessing market dynamics and price strategies;
- Experience dealing with price regulation, price assessment and market intelligence guidelines;
- Fluency in English and Russian is required.

The attention of interested Consultants is drawn to Section III of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016 ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest. In addition, please refer to the following specific information on conflict of interest related to this assignment: Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interests of the Ministry of Finance and the Agency of State Assets Management of the Republic of Uzbekistan.

Further information can be obtained at the address below during office hours from 9:00 a.m. to 18:00 p.m. Tashkent time.

Expressions of interest must be delivered in a written form in English, Russian or Uzbek languages to the address below (in person, or by mail, or by e-mail) by 24th September, 2020.

Project Implementation Unit under the
Ministry of Finance of the Republic of Uzbekistan
Attn: Foziljon Kalandarov, Manager of the Project
Uzbekistan, 100017, Tashkent city, 29, Istiklol St.
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TERMS OF REFERENCE

for selection of an Economist - Competition Specialist for the development of a methodology for competition assessment in markets of the Republic of Uzbekistan

1. Background information

Uzbekistan embarked on a series of economic reforms in 2016, which among other objectives aim to increase competition across multiple sectors, reduce number of State owned enterprises, improve the allocation of resources, increase enterprise productivity and, ultimately, improve the quality of goods and services available to the population.

Competition policy in Uzbekistan is enforced by the Antimonopoly Committee of the Republic of Uzbekistan (“Committee”). According to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan №402 as of 15.05.2019 The Antimonopoly Committee of the Republic of Uzbekistan is a government body in the field of antitrust regulation, development of a competitive environment, control over the activities of natural monopolies and licensing of commodity exchanges.

The main tasks of the Antimonopoly committee of the Republic of Uzbekistan are:

- Implementation of a unified state policy in the field of ensuring a competitive environment in product and financial markets;
- Implementation of a systematic analysis of the state of the competitive environment in product and financial markets, the identification and suppression of abuse of dominant position, “cartel” agreements and collusion, unfair competition of business entities;
- Antitrust regulation of tenders, economic concentration and state aid;
- Ensuring non-discriminatory access of market participants to highly liquid goods (works, services), including those produced by natural monopolies;
- Assessment of the impact of legislative acts on competition, prevention of decision-making and implementation of actions of state bodies restricting competition.

Within the area of implementation of a systematic analysis of the state of the competitive environment in product and financial markets, the identification and suppression of abuse of dominant position, “cartel” agreements and collusion, unfair competition of business entities Antimonopoly committee implements the following functions:

- Conducts study of the state of the competitive environment in commodity and financial markets and identifies the dominant position of an economic entity or group of persons, determines the composition of participants in a group of persons;
- Monitors the prices of goods and services produced by business entities or by a group of persons included in the State Register of business entities that occupy a dominant position in the product or financial market; forms and maintains state registers of business entities that occupy a dominant position in the commodity or financial market, and entities of natural monopolies;

The economy of Uzbekistan is still underdeveloped in many respects and a combination of excessive state participation, potentially restrictive policies and regulations and anticompetitive behavior or market players lead to inefficiency. The role of State-Owned Enterprises in markets is particularly worrisome as often poor performance is financed by significant and discriminatory state aid (e.g. preferential tax benefits, loans, a regulations). High concentration of powers and state participation remains in financial markets and the capital market (exchange, central depository, banks), which creates a conflict of interest and prevents the development of market mechanisms in the market.

In order to implement effectively the mandate of competition analysis the Antimonopoly committee of the Republic of Uzbekistan requires sound tools for conducting market diagnostics of the competition environment at product and financial markets both in internal and cross-border markets. In this context, the Committee would benefit from a methodology to determine the degree and nature of competition in markets. Such a methodology should be able to identify key variable affecting market performance and competition, such as (i) the economic characteristics of goods and services and their value chains, (ii) the regulatory environment, and (iii) the strategic behavior of market players. The analysis should provide a clear methodology on how to assess market dynamics, how to identify competition concerns (be they related to their economic nature, restrictive policy and regulation, or anticompetitive behavior), and how different competition concerns should be addressed (e.g. by regulation or de-regulation; antitrust enforcement; advocacy).

2. Objective

The Institutional Capacity Building Project (ICBP) brings together professionals in different areas of public management to develop innovative, integrated solutions to complex institutional problems. The practice utilizes a problem-driven, diagnostic approach, combining global comparative knowledge of reform successes and failures with keen understanding of the institutional challenges and opportunities of developing countries.

Antimonopoly Committee of the Republic of Uzbekistan is a recipient under Component 3: Improving Support Mechanisms for Reforms Technical Assistance to Regulatory Agencies and Other Public Sector Agencies performing economic regulatory functions of the ICPB.

Key objective of the assignment (the “Assignment”) under the Component 3 is to assist the Government of Uzbekistan to identify key regulatory and institutional methods to improve the system of enforcement of competition policy in Uzbekistan.

In general terms, Institutional Capacity Building Project (ICBP) in the competition sphere provides support to the Committee in:

1. Developing sound tools for antitrust policy by improving analytical, policy and methodology framework of the Antimonopoly Committee such as methodologies and guidelines in different directions of antitrust regulation;
2. Effective capacity building initiatives implementation and institutional strengthening for Antimonopoly committee employees;
3. Diagnostics of competition in different sectors and drafting sectoral competition development programs.

Under current terms of reference, the Antimonopoly Committee is looking to engage an economist with solid experience on market analysis, competition and regulated sectors to assist the government of Uzbekistan in developing a diagnostics methodology for competition assessment in markets. The guidelines will include a step-by-step process in conducting a thorough markets study in compliance with the accepted international standards and guidelines to draw conclusions and select remedies for the identified problems.

3. Scope of Work

The main objectives of this assignment is to develop a market assessment guideline that includes the following topics:

3.1 Provide the overall framework for conducting a competition market assessment

- Formulate definition, purpose and main outcomes of a market study
- Discuss key criteria used to select markets/products/services for competition studies
 - Sources (e.g. complaints; government priorities; sectors prone to anticompetitive behavior/outcome; competition authority own research)
 - Reasoning (e.g. economic relevance/impact; resources needed; strategic significance to the authority's work; risks of success/failure)
- Outline main steps in the market study process (e.g. study design/launch; stakeholder engagement process; data gathering and analysis; consultations; findings)
- Explain the rationale for choosing the process described.
- Assess the competition law and regulation of Uzbekistan and determine whether any reforms are needed in order to establish an effective market study mandate; Recommend any necessary legal and regulatory reforms (e.g. capacity to gather information from public and private stakeholders).

3.2. Provide detailed description for each step of the process for conducting a competition assessment

- Provide detailed description of main steps in the market study process
- Particularly regarding data gathering and market analysis, list methodologies on implementation of steps in the market study process (e.g. how to define markets, including when international trade is relevant; how to assess relevant value chains to understand market dynamics and outcomes; how to assess demand and supply including exports and imports to define shortages in the market; how to look into different economic characteristics of markets and how they are related to lack of competition dynamics; discuss key market failures associated with lack of competition; discuss how government policies and regulations can effect competition dynamics; how to assess infrastructural problems for competition development; discuss how to uncover barriers to entry to the market and running the business)
- Provide guidelines on choosing the right methodologies for each step in a study process and for testing studies hypothesis; the methodology has to explain how the different variables are able to cover different type of sectors (e.g. commodities; financial services; utilities; etc).
- Provide tools to implement each step of the market study process: for example qualitative or quantitative approach, questionnaires with the focus on questions, researching, using formulas and indexes, information request, use of formal powers where necessary etc.
- Provide approaches to drawing conclusions and outlining problems detected during a market study including detecting of a dominant position, collusions, concerted actions, behavioral aspects, regulatory constraints and alike Where possible list good practices (Dos) and bad practices (DONTs) in implementing market study
- Provide differences and similarities in analysis process for both product and financial markets
- Provide differences and similarities in analysis process for both internal markets and cross-border markets

3.3. Guidelines for the outcomes and remedies of the market analysis

- List types of competition problems that can be detected during a market study
- List potential recommendations and remedies as an outcome of the market analysis including antitrust investigation and enforcement, advocacy (e.g. for legislative,

regulatory or policy changes to address competition issues; Discuss the aspects that should be considered in terms of feasibility of reforms and strategies that could be used to successfully implement different remedies; Assess whether these remedies are available under the Uzbek legislation or whether updates to the competition law are needed;

- Approach to remedies implementation including analysis of costs and benefits when implementing a remedy, consumer protection and behavioral matters
- Create matrix matching potential remedies with a type of competition problem detected

The guidelines should follow robust economic theory and leading international practice on the implementation of similar mandates.

4. Deliverables and timelines

4.1 Deliverable

The main deliverable is a guideline written in English, in Word format (.doc), covering all the topics described in section 3 “scope of the work”. The document must include (i) executive summary, (ii) bibliography, and (iii) any data, graphs, tables or figures used in the guideline in editable format (e.g. background excel sheets and power points should be shared).

4.2. Timeline

Draft report: No later than 40 calendar days after the signing of the contract. The AMC will provide detailed comments and feedback within 10 days. Consultant will have 15 calendar days to address any issues raised by AMC. Follow up interactions shall take place if needed, until a final version is agreed on.

Final report: No later than 90 calendar days contract signing.

The project shall start with a kick-off meeting, in which all key parties – national stakeholders, Antimonopoly Committee, the World Bank team and the procured Consultant – will participate

NO.	DELIVERABLE	DUE
1.	Kick-off meeting	In the week of contract signing
2.	Inception report outlining approach and planned timeline for the assignment	One week after contract signing
3.	Draft Review Report*	Not later than 40 days following the contract signing
4.	The Committee comments	10 days following draft review report
5.	Second draft review report	15 days following receiving comments from the Committee
6.	Further discussion and coordination on the outstanding issues with the report	Not more than 25 days following second draft report
7.	Final report summarising the findings, final	Not later than 90 days after

	recommendations and reflecting the feedback provided by the national stakeholders	contract signing
8.	Workshop for presentation of findings and recommendations to national stakeholders and Antimonopoly Committee	Within two weeks after final report submission

*- During the draft report preparation consultants are able to reach out to Antimonopoly Committee for comments and clarification needed

5. Consultant required skills and experience

Education:

- PhD or Master's in Economics, Development or other relevant field for the assignment

Experience:

- At least 10 years of experience with public policy advice, and with drafting of high-level analytical reports and technical papers
- Experience advising competition authorities on international best practices and standards in the area of competition policy enforcement and introduction of competition policy tools and practices as well as in developing recommendations for their improvement and putting in place methodologies for the implementation
- The Consultant shall also have good understanding and demonstrated knowledge of issues related to the development of competition enforcement capacities in developing countries with underdeveloped or nascent competition policy frameworks.
- Experience on competition law and economics, particularly in assessing market dynamics and price strategies
- Experience dealing with price regulation, price assessment and market intelligence guidelines

Competencies

- Excellent oral and written communications skills.
- Fluency in English and Russian required.
- Ability to work effectively under pressure in a diverse, team-oriented environment.
- Modern approach to delivery of policy/technical advice, and experience of working with public institutions/bodies
- Ability to lead strategic planning, results-based management and reporting
- Builds strong relationships with clients, focuses on impact and result for the client and responds positively to feedback
- Consistently approaches work with energy and a positive, constructive attitude

6. Commitment and payment

The duration of the contract equals to 3 months starting from the effective date of the contract.

The ceiling of working days within period of 3 months starting from the Effective Date shall be 20 days. Travel time to or from the Governments' country shall not be calculated as working days.

7. Resources provided by the Agency:

The project will be managed by the Committee in consultation with the World Bank team and other stakeholders as will be communicated to the Consultant.

The Committee will secure adequate office space for the Consultant with internet connectivity, at the premises of the Agency. The Agency will ensure efficient communication and interaction of the Consultant with the relevant state agencies necessary for performing the tasks from this TOR;

The Committee will secure the appropriate premises and technical equipment for seminars and meetings with managers and specialists of the state agencies within the framework of the performance of the tasks from this ToR.

The Committee will provide a working contact person for coordination. The Committee will make available their experts and any documents, data and information necessary for the implementation of this Assignment. The Committee will ensure coordination with ministries and agencies and other national stakeholders. The need for the formation of the working group with the involved stakeholders will be discussed between the World Bank and the Committee.

The Consultant will provide English versions of all relevant materials and deliverables and will be responsible for presenting the work developed under the Assignment as/when necessary. The translation for the Consultant experts if those don't have Russian language capacity and of the deliverables and materials will be provided through the project funds with the support of World bank team.

8. Confidentiality Statement

All data and information received from the Committee for the purpose of this assignment are to be treated as confidential and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to the Antimonopoly Committee. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of the Antimonopoly Committee.