

8 July 2009

UNDP country programme document Uzbekistan (2010-2015)

Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1	2
I. Situation analysis.	2-8	2
II. Past cooperation and lessons learned.	9-19	3
III. Proposed programme.	20-26	4
IV. Programme management, monitoring and evaluation.	27-28	5
Annex		
Results and resources framework for Uzbekistan (2010-2015)		6

Introduction

1. The UNDP country programme for the Republic of Uzbekistan (2010-2015) is drawn from the United Nations Development Assistance Framework (UNDAF) and builds on lessons learned from the current country programme (2005-2009) as well as consultations that began with the UNDAF design workshop in June 2008. The 2010-2015 country programme is based on priorities set by nationally-adapted Millennium Development Goals and the 2008-2010 Welfare Improvement Strategy of Uzbekistan and should be read along with the UNDAF results matrix.

I. Situation analysis

2. Uzbekistan is classified as an upper low-income country, with per capita gross domestic product (at purchasing power parity) estimated at \$2,394 in 2007 according to the World Bank. Its population is estimated to be 27.3 million as of January 2008, of which more than half live in rural areas. Since gaining independence in 1991, Uzbekistan has implemented reforms aimed at creating a modern, diversified economy to compete in world markets, develop all regions of the country, distribute income fairly, and improve education, health, and other socially-significant services.

3. In 2007, the government endorsed its first poverty reduction strategy paper, known as the 'welfare improvement strategy' that establishes the main areas and measures for accelerating economic growth and enhancing living standards. The 2006 Millennium Development Goal Report for Uzbekistan suggested that while the country is on track towards achieving many targets, continued efforts are needed in the areas of mortality, environmental sustainability, and the spread of tuberculosis and HIV/AIDS.

4. Since 2004, the average annual growth rate of the gross domestic product has been quite high – over 7.8 per cent. Growth has been driven mainly by strong demand for major exports – gold, copper, cotton, natural gas, and machinery production, as well as chemical and food processing industries. However, problems in the job market are impacting economic growth and strides towards improving the welfare of the population. In 2007, the poverty rate was estimated at 23.6 per cent, with urban and rural poverty rates at 17.6 and 27.1 per cent, respectively. Recent restructuring of collectives into private farms has produced considerable loss of agricultural labour and has led to the migration of rural workers into cities and abroad (mainly Russia and Kazakhstan). Worsening economic conditions in Russia and Kazakhstan due to the global financial crisis are likely to reduce remittances, affecting the social safety nets of the most vulnerable groups. The decrease in commodity prices will likely reduce export revenues.

5. In 2008, Uzbekistan took steps to safeguard the rule of law and align legal practices with international standards. The national action plan on combating torture has been largely implemented; capital punishment has been abolished; the Second Optional Protocol of the International Covenant on Civil and Political Rights) was ratified; and *habeas corpus* procedures have been partly introduced. Uzbekistan acceded to the United Nations Convention against Corruption and ratified the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime. Further progress is needed to protect human rights and democratic norms, and promote transparency, accountability, decentralization, and citizen participation.

6. Uzbekistan has made progress in gender equality and the advancement of women. It is implementing the Convention on the Elimination of All Forms of Discrimination against Women and has achieved gender parity in primary, basic and vocational education. There is a need to further empower women and promote gender equality since issues such as lower representation of women in decision-making, economic empowerment of women

in rural areas, family conflicts, and traditional attitudes and stereotypes about the roles of women and men remain a concern.

7. Injecting drug use is still the major reason for increasing numbers of HIV-infected people in Uzbekistan. While there has been some success in improving access to HIV prevention, treatment, and care services, further capacity development for effective service delivery is needed to achieve universal access.

8. The overall framework of environmental governance needs strengthening to address environmental challenges, which are particularly acute in the Aral Sea basin. The main aim of governmental policy on water is to promote its rational use, protect water resources, and ensure the quality of drinking water. Biodiversity loss, land degradation, energy inefficiencies and the risk of earthquakes, floods and droughts pose serious challenges, especially for the poor and vulnerable.

II. Past cooperation and lessons learned

9. The UNDP country programme for Uzbekistan (2005-2009) focused on two overall, inter-linked objectives: (a) supporting the government in advancing economic and democratic reform; and (b) strengthening and fostering participation of civil society in development processes at national/local levels. Despite the overall decline of official development assistance to Uzbekistan, UNDP has been among the few international organizations to increase of its assistance. This has raised the profile of UNDP as a credible and trusted partner of the government, and one that can respond quickly and flexibly to development challenges. Major achievements during 2005-2008 include:

10. *Support to upstream policy advice* – UNDP played a key role in providing technical assistance in the formulation of the Millennium Development Goal-based welfare improvement strategy. UNDP also assisted the government with adapting the Millennium Development Goals to the context of Uzbekistan, resulting in a set of national goals, targets and time-bound indicators. The revision of the tax code (effective January 2008) helped create a more favourable environment for developing small and medium-sized enterprises. UNDP also engaged in policy-level advocacy, through the National Human Development Reports and other publications.

11. *Rural development and enhanced living standards* – Given the widening gap in living standards between urban and rural areas of Uzbekistan, assistance was provided by UNDP, mainly through the European Community-funded ‘enhancement of living standards’ programme as well as other interventions, such as livestock development in several regions. Rural development is a key area that UNDP continues to support.

12. *Harnessing information and communication technologies for governance* – UNDP assistance to Uzbekistan in promoting the use of information and communication technology for democratization processes included the provision of analyses and recommendations for information and communication technology policies, piloting e-government initiatives in various institutions and developing civil servant capacities.

13. *Market and community-based approaches for environmental protection* – UNDP has successfully served as a catalyst in attracting resources for environmental protection through, *inter alia*, the Millennium Development Goal carbon facility and the Global Environment Facility Small Grants Programme.

Lessons learned

14. Key lessons learned from the previous country programme and from the draft Assessment of Development Results report (conducted in 2008) include:

15. *Programme and partnership approach* – Responding quickly to national counterparts has enhanced the image of UNDP as a trusted and credible partner, but has sometimes resulted in an ad hoc and fragmented approach to programming. UNDP needs to balance response capacity with a more programmatic approach to its work and continue to deepen its partnerships with national counterparts including civil society as well as

identify opportunities for stronger coordination and joint collaboration with United Nations organizations and international partners.

16. *Sustainability and capacity development* – To achieve greater sustainability, project ownership should be with national partners; new programmes/projects should be developed according to participatory principles. UNDP should more strategically and systematically support capacity development at all levels to promote sustainability.

17. *Upstream–downstream linkages* – Linking policy-level interventions with concrete project activities will increase the effectiveness and impact of UNDP activities.

18. *Aid effectiveness* – Inadequate aid coordination among international development organizations contributed to the limited impact of some projects. Increasing aid efficiency will mean facilitating and supporting government coordination efforts.

19. *Stronger monitoring and evaluation systems* – Stronger monitoring and evaluation and a more systematic application of results based management are needed, as is more training for country office staff and project personnel for project counterparts.

III. Proposed programme

20. Within the overall framework of the UNDAF and during 2010-2015, UNDP assistance will focus on three programme areas: (a) economic governance and well-being of vulnerable groups; (b) effectiveness, inclusiveness and accountability of governance at central and local levels; and (c) integration of environmental and energy concerns into development. Attention will be paid to mainstreaming gender, capacity development, human-rights based approaches, as well as assisting the government in aid coordination and capitalizing on UNDP activities in the region.

Economic governance and well-being of vulnerable groups

21. UNDP will work on developing the capacity of the government to formulate and implement development strategies in key sectors, explicitly linking them with the national budget. Economic policy advice will be provided to the government on a wide range of issues such as public finance reform, macroeconomic forecasting, innovation, private sector development and job creation. UNDP will pay special attention to further aligning national capacity for data collection, analysis and reporting with international standards and commitments, including the Millennium Development Goals. UNDP will support aid coordination through strengthening the donor assistance database and using the welfare improvement strategy as a platform for broad-based policy dialogue on aid effectiveness.

22. Governmental efforts to advance private sector development will be supported through promoting trade and investment, development of small enterprises and facilitating public-private partnerships. Revitalizing microfinance by assisting in redrafting the legislation to reduce regulatory burdens and improve access to finance for rural poor will complement government efforts to create additional income-generating opportunities in lesser-developed regions. UNDP will apply integrated rural development approaches to empower local communities to participate in local development processes, develop institutional capacity at Mahalla/community level and support local economic development in poor rural and urban areas.

Democratic governance

23. UNDP assistance will support the creation of an equitable, accessible, transparent judicial system, and to promote the rule of law through expanding legal clinics, enhanced capacities of national human rights institutions and engaging civil society organisations. UNDP will assist parliamentary development and will pay particular attention in supporting local governance.

24. A comprehensive and consolidated gender programme will focus on various aspects of gender inequality, political and economic empowerment of women, and gender mainstreaming into other sectors. The programme will also focus on promoting e-

governance and delivering interactive government services, enhancing computer literacy of government employees and the populace, contributing to the formation of national information resources and ensuring affordable and secure access by all. UNDP support to HIV/AIDS has been mainly through project delivery services to government institutions (such as its support to the Global Fund to Fight AIDS, Tuberculosis and Malaria implementation). The new country programme will feature activities that will complement the work of other organizations where UNDP can add value.

Integrating environment and energy into development

25. UNDP will assist the government to meet international environmental obligations and integrate principles of sustainable development into national development policies and planning. In close cooperation with the Global Environment Facility, UNDP will focus attention on: biodiversity conservation; promoting sustainable land and water management; introducing new technologies and mechanisms for promoting energy efficiency and the use of renewable energy; and, strengthening preparedness and responsiveness to natural disasters by building capacities of responsible institutions and providing a platform for coordination among national/international partners.

26. Institutional and legal support will be provided to develop and expand the Uzbekistan protected area system; community-based approaches will be used to identify local solutions for conservation and nature protection. To achieve sustainable energy use and emissions reductions, support will be provided to the design and implementation of a national strategy for energy efficiency and renewable energy use, with a focus on removing technical, institutional and legal barriers to market transformation. Innovative market-based approaches to environmental finance, such as carbon financing and the 'clean development mechanism' will be promoted. National integrated water resource management and water efficiency will be promoted to integrate water users at all levels into one planning framework.

IV. Programme management, monitoring and evaluation

27. National execution will remain the main modality for the country programme, and UNDP will continue to provide direct implementation support services to the government. Direct execution may be used selectively in areas where national capacity still needs strengthening. Effective use of corporate learning management systems and resources will be undertaken to promote capacity-building of UNDP and key partners. Atlas and enhanced results-based management systems will be further mainstreamed.

28. Priority will be given to monitoring and evaluating major and/or new UNDP programme outcomes. Efforts will be made to ensure national ownership and wider participation of development stakeholders in programme monitoring and evaluation. UNDP will continue to mobilize additional resources from the government, donors and the private sector. Additional financing will be sought through global/regional programmes, thematic trust funds and other funding windows. An active outreach/communication strategy will improve dialogue with existing and potential funding partners.

Annex. Results and resources framework for Uzbekistan (2010-2015)

National priority or goals: Nationalized MDG Target 1 – Reduce poverty by half by 2015 Intended UNDAF outcome 1: Economic well-being of vulnerable groups is improved						
Programme Component	Country programme outcomes, including outcome indicators, baselines and targets	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative Resources by Goal	
Promoting inclusive growth, gender equality and Millennium Development Goal achievement	1. Enhanced capacity of the central and local authorities to develop and implement economic and social security policies aimed at welfare improvement of vulnerable groups; Indicator: Number and quality of government policies and programmes promoting inclusive growth in line with the Millennium Development Goals; Baseline: WIS; Target: At least three development policy documents promoting inclusive growth in line with Millennium Development Goals.	1.1 Strengthened government capacity at national and local levels to improve macroeconomic forecasting, innovation, and to collect, analyze and report data in line with the Millennium Development Goals and other international standards.	Indicator: Number of government officials trained on data collection and analyses, macroeconomic forecasting and innovation; Baseline: 0; Target: at least 200	United Nations organizations, Cabinet of Ministers, parliament, Ministries of Economy, Finance, Labour, State Statistics Committee, Centre for Economic Research, Institute of macroeconomic forecasting, regional and local authorities, European Union, World Bank, Asian Development Bank, Chamber of Commerce and Industry.	Regular: \$11,000,000 Other: \$2,500,000	
		1.2 Enhanced aid effectiveness and development coordination.	Indicator: Enhanced capacity of the aid coordination unit in the Ministry of Finance to effectively coordinate and manage aid; Baseline: not available; Target: available.			
	2. Increased employment opportunities and economic security for vulnerable groups; Indicator: Number of poor communities who benefit from increased employment opportunities, as well as from improved access to microfinance, business advisory facilities and basic social services; Baseline: 200; Target: 500.	2.1 Inclusive microfinance and business advisory and support services facilitated.	Indicator: Legal and regulatory framework on microfinance approved in compliance with Consultative Group to Assist the Poor standards, leading to inclusive microfinance and additional income generation; Baseline: no adequate legislation; Target: available.	Cabinet of Ministers, international financial institutions, central bank, National association of microfinance and credit organizations, Chamber of Commerce and Industry.	Regular: \$10,000,000 Other: \$5,000,000	
		2.2 Community-based infrastructure rehabilitated to improve access to basic social services.	Indicator: Number of community projects co-funded by communities for improved access to basic services; Baseline: 200 community infrastructure projects in 5 regions where income poverty is compounded by lack of access to utilities and basic services; Target: 400	Ministry of Economy, local authorities, and communities.		
	National priority or goal: Nationalized MDG Target 9 (Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources by 2015) Intended UNDAF outcome #4: Principles of sustainable development integrated into country policies and programs					
	Mainstreaming environment and energy	3. Increased availability of institutional products and services for the conservation and sustainable and equitable use of natural resources; Indicator: Number of such products and services available; Baseline: limited at all levels; Target: significant increase in such products and services.	3.1 Concrete interventions on sustainable energy use including renewable, soil, water and biodiversity resources, complemented with environment education/ training component	Indicator: Number of interventions achieving project objectives; Baseline: Interventions are often not complemented with education / training components; Target: One project in each area of intervention with education / training component.	United Nations organizations, Ministries of Economy, Finance, Foreign Economic Relations, Agriculture, Environment, Uzhydromet, local authorities, Aral Geno Fund, civil society.	Regular: \$6,318,000 Other: \$7,000,000
3.2 Strengthened legal and institutional frameworks and enhanced government capacities to meet international commitments and obligations			Indicator: Number institutional and legal framework changes to facilitate more sustainable natural resource use; Baseline: Existing frameworks does not stimulate sustainable natural resources use; Target: At least five new models of institutional and legal products and			

			services developed and brought to the attention of the governmental for adoption		
		3.3 Community based approaches to addressing environment security and socio economic development of vulnerable groups.	Indicator: Number of community-based approaches identified and promoted; Baseline: Not known; Target: At least five such community-based approaches tested, documented and promoted.		
Enhancing conflict and disaster risk management capabilities	4. Preparedness and responsiveness to natural disasters strengthened; Indicator: Capacity built in the Ministry of Emergency Situations and other stakeholder organizations in disaster risk management; Baseline: Capacity and coordination mechanism to be strengthened; Target: Strengthened capacity and better coordination among stakeholders.	4.1 Enhanced capacity of the Ministry of Emergency Situations and other stakeholders to prepare for and respond to major natural disasters in a timely and strategic manner in Tashkent and in other high-risk locations in Uzbekistan.	Indicator: Availability of a comprehensive national preparedness and response plan and capacity to implement it; Baseline: No plan in place yet; Target: Clear division of roles and responsibilities in preparedness, mitigation and response activities in Uzbekistan identified, comprehensively described and conveyed through trainings to all involved stakeholders.	United Nations organizations, Ministries of Emergency Situations, Uzhydromet, Health, Education, local authorities and civil society.	Regular: \$2,000,000 Other: \$500,000
National priority or goal: Welfare Improvement Strategy 2008-2010 – improving living standards including through better governance					
Intended UNDAF outcome #5: Effectiveness, inclusiveness, accountability of governance at the central and local levels enhanced					
Strengthening responsive governing institutions	5. Enhanced accessibility, transparency, fairness of justice system and legislatures to promote rule of law, including increased harmonization of national legislation; Indicator: General conclusions of Convention committee responses to national reporting on United Nations Human Rights conventions; Baseline: Reporting is regularly done, but improvement needed for coordination for data collection and implementation follow-up; Target: Further improvement in comprehensive reporting and in following recommendations of the convention committees.	5.1 Enhanced capacities of the national human rights institutions and other relevant bodies, including legal clinics to better fulfill their mandates and thus promote and effectively protect human rights.	Indicator: Quality of reports on United Nations human rights conventions (International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, International Convention on the Elimination of All Forms of Racial Discrimination, Convention on the Elimination of All Forms of Discrimination against Women, Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment) and comprehensive national mechanism for implementation developed; Baseline: Capacity on reporting on these conventions is limited; Target: Quality of draft laws improves; reports on implementation of United Nations conventions complies with standards, implementation of national plans coordinated among stakeholders.	United Nations organizations, parliament, President's Office, Supreme Court, Ministries of Justice, Interior, General Prosecutor Office, National Human Rights Centre, ombudsman office	Regular: \$7,000,000 Other: \$1,000,000
Fostering inclusive participation	6. Strengthened public administration at all levels that exercises efficient, accountable and inclusive governance; Indicator: Progress in civil service reform; Baseline: Comprehensive civil service reform, or law on public administration adopted; Target: Comprehensive strategy in place for civil service reform and shift towards results-based management.	6.1 Strengthened government capacity at national and local levels in results-based management, results-oriented budgeting for increased accountability through e-governance.	Indicator: Number of pilot initiatives undertaken in the regions on local governance, where both civil society and business benefit from inclusive governance; Baseline: Centralized approach to local development; Target: Institutionalized mechanism of interaction between government, citizens and business sector that allows to influence policy formulation.	United Nations organizations, Cabinet of Ministers, Academy of State and Social Construction, Ministries of Finance, Economy, local authorities.	Regular: \$7,000,000 Other: \$1,000,000
Total indicative resources: \$43,318,000					