
REPUBLIC OF UZBEKISTAN

Multi-annual Indicative Programme 2021-2027

1. Overall lines of EU cooperation in Uzbekistan

1.1 Basis for programming

The European Union has fully supported the reform, transformation and integration processes that have been underway in Uzbekistan since 2017. Since assuming office in December 2016, the Government of President Shavkat Mirziyoyev has initiated a bold and ambitious reform programme focused on reform of public institutions and state-owned enterprises, a sustainable transformation to a market economy, increased citizen engagement, investments in human capital, employment creation, attracting foreign investment and know-how, and a renewed commitment to regional cooperation and global public goods.

Uzbekistan's national development plan, the Action Strategy on Five Priority Development Areas (2017-2021), underpins a set of national strategies and plans that are central to transforming the relationship between the State and its citizens. These plans, most of which extend to 2030, are directed to effective and accountable public services, a transition to an open and inclusive Green Economy, and improving citizens' lives. Uzbekistan has fully localised the 2030 Sustainable Development Agenda, delivering its first Voluntary National Review to the United Nations in 2020, and has developed its Nationally Determined Contributions for the implementation of the Paris Climate Agreement, which Uzbekistan ratified in 2018.

The reform programme promises a new era of openness and opportunity and prioritises a modern state, sustainable growth and economic transformation. Robust economic growth has delivered improved well-being. Yet challenges remain, notably in translating high-level policy priorities into actions on the ground. These challenges have been brought into sharper focus by the COVID-19 pandemic, which has resulted in social hardship, economic slowdown and widening inequalities.

In anticipation of the national development plan's completion in October 2021, a joint European country context and policy analysis has been prepared, including to understand the impact of the COVID-19 pandemic.. Civil society was extensively consulted throughout the programming process, including through structured meetings with the EU Delegation.

Uzbekistan's national and foreign policy objectives are closely aligned with those of the EU with a shared vision on peace, security, universal human rights, democracy and sustainable development. This will be reflected in the Enhanced Partnership and Cooperation Agreement (EPCA), which the EU and Uzbekistan are currently negotiating. The future EPCA will reinforce the proximity of Uzbekistan with the EU and facilitate the establishment of common values through policy and political dialogues. The EU Connectivity Strategy (2018)¹ and the EU Central Asia Strategy (2019)² establish a relevant and forward-looking agenda complementing the EU cooperation priorities with Uzbekistan. A further element that enhances the EU's partnership with Uzbekistan is the GSP+ status that was granted on 10 April 2021. It provides new incentives to Uzbekistan to pursue its reforms and implies further political discussion on governance, environment, human and labour rights.

The overall objective of the EU's cooperation with Uzbekistan is to accelerate the implementation and impact of reform in full alignment with the policy priorities of the Government of Uzbekistan and in coherence with the EU's strategic priorities for the Central

¹ JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK Connecting Europe and Asia - Building blocks for an EU Strategy - JOIN/2018/31 final of 19.9.2018.

² JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL The EU and Central Asia: New Opportunities for a Stronger Partnership - JOIN/2019/9 final of 15.5.2019

Asia region, as set out in the EU Strategy on Central Asia of 2019, which affirms the EU's support for resilience and prosperity in the countries of the region and for increased intra-regional cooperation, and in line with the EU's broader policy priorities. This will be done by strengthening national capacities to achieve a green and sustainable modernisation of the economy with the aim of improving the livelihoods and well-being of all citizens, especially for women, youth and vulnerable groups, such as persons with disabilities, and transform society in line with democratic norms and international human rights standards, including international labour standards. An additional objective is to ensure that the EU's cooperation with Uzbekistan aligns with the EU's foreign policy for Uzbekistan's neighbour, Afghanistan, including by addressing any impact that events in Afghanistan may have on Uzbekistan and the Central Asia region. Actions may in particular address possible spillover effects of a potential crisis in Afghanistan in the field of migration and security. Complementarity will be ensured with programmes developed and implemented under the Regional Multi-annual Indicative Programme for Asia and the Pacific 2021-2027.

1.2 Status of joint programming

The EU and its Member States, joined by the European Finance Institutions (EFIs), commenced the formulation of a joint strategy in early 2021. While each actor retains its own programming process, the joint strategy promotes a shared and coherent European identity, improve policy coherence, increase European visibility and influence, and, through a joint results framework, ensure greater individual and collective impact.

The joint strategy aligns with and extend beyond the MIP priority areas to maximise the potential for strengthened cooperation on connecting Uzbekistan to European expertise, especially from those Member States that have relevant reform and transition experience. The joint strategy will also establish closer collaboration with the private sector and education institutions with a view to promoting digitalisation. It will also foster enhanced regional collaboration and connectivity.

1.3 Priority areas of the EU's cooperation with Uzbekistan

The identification of the MIP's priority areas and sectors for the period 2021-2027 is informed by four principal factors: (i) the opportunity to build on the lessons and experience of the 2014-2020 MIP and its focus on rural development; (ii) extensive consultations with Government agencies, civil society, youth, the private sector, academia, Member States and other development partners to ensure the EU is positioned where it can add most value; (iii) adherence to EU programming guidelines and complementary analysis that ensures a concentrated "policy first" approach and the presence of a sound empirical basis in the programming exercise, and (iv) the necessity to "build back better"³ after the COVID-19 pandemic with a renewed focus on green and inclusive growth.

The MIP programming exercise identified numerous opportunities and challenges that are pertinent to priority setting. Above all is the Government of Uzbekistan's strong commitment to its reform agenda and to strengthening state capacity. Medium-term strategies and policies to guide the country towards becoming an upper middle-income country by 2030 include the transition to a green economy, an ambitious economic transformation and privatisation agenda and governance reforms. These will modernise and re-orient the State, including in its relations to civil society, the media and its use of digital solutions to promote inclusive and sustainable growth and to improve accountability and service delivery.

³ 2021 G7 Leaders' communiqué: Our shared agenda for global action to build back better - Consilium (europa.eu)

The production of new strategies and plans across the spectrum of public sector activity, while impressive, has, however, exposed capacity weaknesses, especially related to prioritised planning, budgeting and implementation. Coordination across Government and with external partners, especially in relation to implementation of complex multi-sector programmes, is challenging.

The EU programme will therefore work with national partners to ensure that reforms are translated into increased well-being of the population, with special attention to women, youth and vulnerable groups, such as persons with disabilities. The MIP will support Uzbekistan's democratic governance reforms and political liberalisation with the EU's added-value particularly significant in working with national counterparts to promote Uzbekistan's alignment with democratic norms and values. The EU's policy expertise in sustainable development within the European Green Deal framework⁴, decent jobs, education, and digitalisation also positions it as a preferred source of technical expertise in supporting the transition to a modern, open and market-based economy premised on inclusive and sustainable growth.

The post-COVID-19 aspiration to “build back better”, secure a green recovery and align with international norms and standards, including also international labour and gender equality standards, is consistent with the Government of Uzbekistan's wider vision for its partnership with the EU. The MIP's priority areas recognise the complexity and inter-dependence of the Government of Uzbekistan's reform programme. This informs a “policy first” approach to sector engagement, identification of implementation modalities, and to mainstreaming cross-cutting priorities, such as digitalisation, inclusion, gender equality and youth, across the programme.

To achieve its overall objective, the MIP will, accordingly, focus on three priority areas where there is momentum for reform, alignment with European priorities, including monitoring and implementation of GSP+ obligations, and a clear potential for impact and synergy with the future EPCA. First, effective governance and digital transformation, supporting the Government's democratic governance reforms, the rule of law and improved public services. Second, inclusive, digital and green growth, with a focus on supporting a digital green transition, climate change, sustainable management of natural resources (including water stress), and promoting an investment friendly and gender responsive environment that can create green jobs, including by strengthening digital literacy and the application of science and technology in a market-led green transition. Third, modernising the agri-food sector to introduce smart, eco-friendly and resilient approaches that promote rural livelihoods and improve national food security and nutrition. Gender equality, human rights, digitalisation, youth and civil society partnerships are programmed as distinct activities in the governance priority area and are also mainstreamed across the MIP.

The MIP will be complemented by the Regional Indicative Programme for Asia and Pacific which will address two priority areas in Central Asia: resilience and prosperity. Resilience will cover water and energy, human rights, rule of law and support to civil society, and regional peace and stability, with a focus on integrated border management, addressing drug related challenges, combatting trafficking of human beings. Prosperity will focus on digital connectivity, entrepreneurship and regional trade and human development, including post-pandemic efforts to build back better. Furthermore, the implementation of the MIP will be also aligned with and supported through the EU thematic programmes to ensure coherent and

⁴ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS The European Green Deal - COM/2019/640 final of 11.12.2019

strategic support to democracy and human rights, civil society organisations, including the social partners, and peace, stability and conflict prevention in Uzbekistan. The priority areas and proposed actions are complemented by the openness of the EU's Framework Programme for Research and Innovation, Horizon Europe, according to which entities from Uzbekistan can participate in most parts of Horizon Europe and can be funded by the Union for their participation in it. Moreover, funds may be used to flank measures in the event of spill over effects from a potential crisis in Afghanistan in the field of migration and security.

1.4 Justification and context

Uzbekistan's economy has performed strongly since the onset of reforms in 2017. Uzbekistan is a lower-middle-income country with a population of 34 million and a per capita gross domestic product of USD 1,725 in 2019. The poverty rate is 9.5% (2019) and there is a marked, and growing, inequality between urban and rural areas. Almost half the population lives in rural areas and the agricultural sector is a key economic driver. 57% of the population is under 30, and population growth is expected to rise further, indicating both challenge and opportunity.

The Government's reform programme began in earnest in 2017 and is still at an early and critical stage. At a macro level, the reforms have yielded encouraging returns. Growth has been strong, foreign trade has increased by more than 50% and foreign investment has doubled since 2016. There have also been notable human rights advances, for example major progress in the eradication of child labour and a drastic reduction of forced labour in the cotton sector.⁵ Reforms in the agri-food sector, where the EU has played a major role, have promoted rural development, launched the transition and modernisation of the agriculture towards market based-principles and, tentatively, paved the way for land reform.

Across all sectors of Government, the economy and the wider society, there is a determined drive for modernisation and alignment with international norms and standards. This manifests itself in a strong commitment to economic liberalisation as a pathway to WTO accession, the adoption of the "Digital Uzbekistan 2030" strategy, the passing of Uzbekistan's first law on gender equality in December 2019, and the "Transition to a Green Economy 2030" as an overarching policy commitment.

As pressures on the use of natural resources, including water stress, are expected to increase further, sector reforms include water and energy utility liberalisation, specifically to modernise management and regulation, revise tariffs, improve efficiency and increase the use of renewables. With a young and rapidly growing population, there is also an imperative to improve education quality and access, especially for women, in order to match skills with the needs of a modernising economy.

Uzbekistan's reform programme, especially the transition to a sustainable, inclusive competitive market-based economy, is considered crucial for safeguarding the country's continued development where, even before COVID-19, nearly 10% of the population lived in poverty.

Strengthening governance and the rule of law is the lynchpin of the Government's reform efforts. The need for institutional capacity development has also been emphasised by Government counterparts, who seek increased access to European experience and expertise.

⁵ According to the latest ILO Third-Party Monitoring Report on the 2020 cotton harvest "Uzbekistan continued to demonstrate major progress in the eradication of child labour and forced labour in the 2020 cotton harvest. As in previous years, there were only isolated cases of minors below the legal working age picking cotton. The share of people experiencing forced labour during the harvest was reduced by 33 percent compared to 2019".

Ambitious initiatives on governance reform and modernising the economy to deliver both prosperity and sustainability represent shared priorities and mutual interests.

The COVID-19 pandemic further exposed underlying fragilities and highlighted the relevance and urgency of on-going reforms. Estimated GDP growth in 2020 was 0.6%, compared to 5.6% in 2019, and poverty levels rose for the first time in 20 years. Unemployment increased from 9.4% in early 2020 to 15% by the third quarter. The pandemic had a significant adverse impact but the Government's Anti-Crisis Fund provided relief, including through increased social transfers, public works and support to affected businesses. The pandemic also resulted in Government redoubling its efforts to promote digital literacy, increase online service provision and to extend access to quality online education.

The EU, together with its member states, has worked closely with Government to support the COVID-19 response. Policy dialogue has further informed EU support to the national recovery and development effort. This has enabled a deeper understanding of development realities, priority needs and underlying challenges. The priority areas for 2021-2027, and associated sector and cross-cutting support, respond directly to these challenges. The intervention logic takes account of Uzbekistan's development context alongside European values, the "policy first" approach and the potential for the EU to add value in terms of its own programming priorities, competencies and resources. This requires concentrating the EU's cooperation in the most appropriate priority areas and identifying implementation modalities and partnerships that ensure coherency in programming, relevance in resource allocation and effectiveness in implementation. There is an urgent need to coordinate global efforts for digital skills education and training, which can help students succeed in the digital age while curbing risks and inequality.

1.5 Duration of the MIP and option for synchronisation

Uzbekistan's national development plan, the Action Strategy on Five Priority Development Areas, will end in 2021, which is also when the next Presidential election is scheduled. Since 2018, the Government has, however, been explicitly linking its reforms and sector plans to its aspirations to achieve upper middle-income status by 2030, as well as to attain the Sustainable Development Goal (SDG) targets. This 2030 policy outlook informs the EU's basis for programming.

The MIP implementation period, 2021-2027, therefore allows for dynamic alignment as national policy priorities evolve in line with 2030 targets. A mid-term review in 2024 will provide an opportunity for dialogue with the Government at a point when it is also mid-way through its anticipated new 5-year development plan.

2. EU support per priority area and details of Team Europe initiatives

The three priority areas presented in this section are mutually reinforcing and, when viewed together, comprise a balanced and coherent programme that is relevant to national priorities and consistent with the EU's "policy first" approach. Partnerships with civil society and the integration of cross-cutting issues, including gender equality and the gender pay gap, support to vulnerable groups, human rights, and digitalisation, are considered across the programme and are incorporated, together with comprehensive results and indicators for all priority areas and sectors, in the intervention framework detailed in Annex 1.

2.1 Effective governance and digital transformation

The governance challenge is to accelerate reform so that it delivers results and translates into improved public services and welfare in line with the SDG commitment to leave no one behind. The national roadmap for reform in 2021 and beyond emphasises democratic accountability, the rule of law, engaging citizens in decision-making and improved service delivery. Addressing SDGs 5, 8, 9, 10, 16 and 17, the EU's specific objective in this priority area is therefore to partner with the national authorities and civil society to promote transparent and accountable democratic governance with improved capacity for effective public service delivery.

Risks for EU engagement are principally concerned with the Government being unable to deliver on its ambitious reform agenda. By coordinating closely with other development partners to support Government to implement its own reform programmes, by linking budget support to a structured, results-based and strategic high-level dialogue, including related to EPCA as well as GSP+, and by providing technical assistance that is complementary to regional programmes, these risks are mitigated. Cross-cutting themes such as digitalisation, gender equality, including the gender pay gap, and rights-based approaches will be at the core of all support provided. Partnerships with civil society, including to reinforce digital capacity and literacy, will strengthen the 'demand side of governance'.

2.1.1 Democratic governance and rule of law

2.1.1.1 Specific objective related to the priority sector

Democratic reforms, structural change and assimilation of democratic norms are at the centre of the State's transformation programme. The EU's specific objective is to support Uzbekistan's transition to a pluralist democratic system based on the rule of law, universal values of human rights, including labour rights, a flourishing civil society, and elimination of all forms of discrimination, especially gender.

2.1.1.2 Expected results

The EU will target its support at national authorities that are still adjusting to their enhanced role in safeguarding human rights, advancing democratic reforms and performing oversight responsibilities. Embracing digital consultation and communication tools will extend the reach of national democratic institutions and enable law makers to engage with citizens more directly, effectively and efficiently. EU cooperation on promoting the rule of law will also support the work of the government in accelerating legislative reforms, improving quality of regulations and reducing the regulatory burden. Additional support will be provided to the enabling environment for civil society, including the social partners, to perform its functions in service delivery, decision-making and awareness raising.

Democratic governance reforms in Uzbekistan require increased awareness of, and adherence to, human rights and international norms, including with reference to migration, international labour standards, trafficking and combating violent extremism. Policy support, implementation capacity and the use of innovative digital tools will be provided to key institutions and civil society, especially youth and women's organisations, as they develop their own capacities to lead communication, advocacy and education initiatives related to democratic governance, rule of law, gender equality and human rights.

Uzbekistan's commitment to establish an effective and accountable link between citizens and their representatives will be supported through measures to improve the regulatory framework and to adopt digital platforms for communications and feedback. With a focus on rural areas, the EU will promote and support national initiatives to advance awareness of legal rights, expand legal education and literacy, and to strengthen legal aid and advisory services in cooperation with relevant national human rights institutions. Human rights and fundamental

freedoms will be advanced by strengthening the ability of the media and civil society to function without impediment.

The commitments undertaken with the granting of GSP+ in April 2021, including the implementation of 27 international conventions, will also be monitored.

2.1.2 Capacity for improved public services

2.1.2.1 Specific objective related to the priority sector

The Government's commitment to acceleration of reform through improved human resource management, communication and use of digital solutions, performance management and reinforced monitoring provides the entry-point for the EU to support public sector capacity and reform. The EU's specific objective is to support modernisation of the public sector with effective and accountable management, strengthened capacity and reduced levels of corruption that delivers quality public services through reform and digitalisation initiatives.

2.1.2.2 Expected results

The increasing number of reforms and legal acts requires a transparent, accountable and efficient optimisation of work. In supporting e-Governance, including in promoting citizen feedback and accountability, the EU's capacity support takes explicit account of Government's "Digital Uzbekistan 2030" initiative. The EU's capacity development focus will therefore be on modernising the public service and translating higher-level policies into workable plans and budgets, which, through functional reviews and other organisational development tools, will accelerate reform implementation.

Institutional strengthening, including through Public Finance Management (PFM) reform as a complement to budget support, and modern approaches to change management and digitalisation will be applied to policy, regulatory impact assessment, one-window services, citizen feedback mechanisms and e-Governance solutions linked to service delivery. Increased technical and statistical capacity will enhance data quality, availability and analysis to further strengthen evidence-based policy making, gender and youth responsive service provision and accountability to citizens.

Uzbekistan's National Anti-Corruption Strategy (2021-2025) recognises that corruption undermines public service delivery and erodes citizens' trust in Government. EU technical support and capacity development will enable the Government to implement the National Strategy. EU collaboration will promote the use of modern best practices and tools in formulating policy in the field of prevention, improving educational programmes for civil servants and legal experts, and combating corruption through, for example, improved analysis, outreach and the production of ethical codes and government anti-corruption roadmaps.

By partnering with Government, the media and civil society organisations on the national anti-corruption effort, the EU will promote digital solutions related to online awareness, education, monitoring, reporting and feedback. The transition experience of the EU Member States, especially with regard to privatisation and contracting out of service delivery, together with the use of EU peer-to-peer support instruments, will be a source of comparative advantage for the EU as it provides access to European standards, experience and expertise on combatting corruption.

2.1.3 Possible use of blending and guarantees for investment under EFSD+

No blending or guarantee operations are envisaged at this stage under this priority area.

2.2 Inclusive, Digital and Green Growth

This priority area is aligned with EU “policy first” priorities on the Green Deal, digitalisation, post-COVID-19 “build back better” commitments, and support to human development and decent jobs. With a specific objective to support sustainable, gender and youth responsive, climate-resilient and low-carbon economic transformation that delivers innovation, modernisation and opportunity, the EU will contribute to the attainment of SDGs 4, 5, 7, 8, 9, 10, 12, 13 and 15.

Risks of supporting a complex priority area related to the EU’s Green Deal are mitigated by engaging with Government counterparts that have demonstrated vision, capacity and leadership. Additional technical assistance will also be provided in coordination with regional projects and other development partners, including PFM reforms.

2.2.1 Supporting a digital green transition

2.2.1.1 Specific objective related to the priority sector

Population growth, rapid urbanisation and economic transformation contribute to a significant pressure on the environment. This is aggravated by climate change, increased demand for energy and water, and natural resource depletion. The EU’s specific objective is therefore to strengthen Uzbekistan’s policy, implementation and management capacities to deliver on the Paris climate commitments, implement national policy priorities and, with a focus on resource efficiency, support sustainable socio-economic development through coordinated and coherent action.

2.2.1.2 Expected results

The EU will partner with relevant institutions to build national capacity to address climate change challenges, support economic actors in the transition towards a green and circular economy, and ensure the sustainable use of natural resources in line with the rights-based approach. The EU will support the implementation of Government policies on the “Transition to a Green Economy 2030” and the 2030 National Strategy and Roadmap for Environmental Protection.

Consistent with the aspirations of the EU Green Deal, EU support will contribute to: (i) reducing greenhouse gases; (ii) sustainable energy (including energy efficiency and renewables); (iii) adoption of clean and climate-friendly technologies; (iv) waste management, including collection and treatment; (v) sustainable and integrated water and land management; (vi) sustainable urban infrastructure; (vii) rehabilitation of the Aral Sea.

In line with the Paris Agreement’s climate commitments and national plans, cooperation in the field of sustainable energy will provide direct support to institutional reform and capacity strengthening. Cooperation, especially in energy and water, will be closely coordinated with the work of other development partners. A combination of investments and technical support will promote alignment with European and international standards. In the Aral Sea region, priority will be given to reversing the erosion, land degradation, provision of sustainable forest management, and fighting deforestation.

The 2019 Investment Law, which lays the foundation for an open and competitive private sector, promotes green public and private investments and provides the basis for further legal, policy and institutional reform. Working closely with the Government and other development partners, especially the EFIs, the EU will build national capacity, support fostering a conducive investment environment and advance partnerships with the private sector and civil society to accelerate private sector-led economic transformation and the creation of decent jobs.

2.2.2 Skills development for decent jobs and digital literacy

2.2.2.1 Specific objective related to the priority sector

To provide increased economic opportunity, especially for youth, women, returnees and other vulnerable groups, the Government has, since 2018, initiated reforms in the vocational education and training (VET) sector. These reforms will close the gap between the education provided to learners and the skills demanded by the labour market. The COVID-19 outbreak triggered tremendous efforts to promote learning continuity and accelerated the uptake of innovative approaches in a rapid transition to remote learning modalities and online support for students and teachers. Ensuring that lessons from the COVID-19 crisis are fully taken into account, the EU's specific objective is to develop the skills of youth, women, migrants/returnees, persons with disabilities and other vulnerable groups through improved VET and digital literacy.

2.2.2.2 Expected results

The EU will work with relevant state entities to ensure that investments in education and digital literacy, science, technology and research are linked to the needs of the green and digital economy and are creating decent jobs. The EU will support modernisation of the VET sector, including to strengthen overall policy and capacity to lead VET reform and its coordination with wider green growth and gender equality and youth initiatives. Such support will be coupled by an increased attention to issues of equitable access to educational opportunities.

As part of a wider effort to build capacity in ICT, science and research, a digitalisation focus will be accommodated, notably to promote digital literacy and skills in data management and analysis. Collaboration with the private sector will identify the digital skills and science-based expertise required by the market and therefore serve to narrow the gap between the needs of employers and the technical education currently provided.

Partnerships with European higher education institutions will increase digital access and literacy and 'commercialise science' as part of the "Digital Uzbekistan 2030" reform, while ensuring the quality of the educational programmes. Digital skills of women and youth in rural areas will be especially prioritized in order to boost innovation and skills development and diminish the digital and educational divide between rural and urban population. Stronger linkages with the ERASMUS+ scheme will also be fostered through a dedicated education-focused dialogue with Government. Links with the Technical and Vocational Education and Training (TVET) programme (DARYA), proposed under the Regional Programme, will strengthen the dimensions of policy, quality and labour market linkages, while also ensuring Uzbekistan's TVET reforms are aligned with EU support for greater alignment and integration of TVET systems within the Central Asia region.

2.2.3 Possible use of blending and guarantees for investment under EFSD+

Blending and EFSD+ opportunities have strong potential to build on EFI partnerships in green energy, waste management, climate change adaptation, Aral Sea rehabilitation, water infrastructure, which are areas of cooperation that the country specifically needs. In addition blending and EFSD+ have also strong potential in the field of reform of state-owned enterprises, Micro-, Small-, and Medium-sized Enterprises (MSME) financing, trade-related assistance, and reducing the digital divide.

Aside from EIB and EBRD, a small number of member state development agencies/finance institutions have ongoing investments in the country. These include France (AFD), Germany (KfW) and The Netherlands (FMO). The Swiss Investment Fund for Emerging Markets (SIFEM) also has a presence in the country.

2.3 Development of a smart eco-friendly agri-food sector

The agri-food sector demonstrates major growth and export potential and is the foundation for promoting rural livelihoods, creating decent jobs and improving food security and nutrition. However, the market inclusion and competitiveness of small holder farmers, who comprise the majority of producers, is limited. Employment potential in the agriculture, food and textile industries, especially for rural women and youth, is significant. The EU's Green Deal and Farm to Fork Strategy⁶ are highly relevant to environmental, food security and nutrition and rural development concerns.

This priority area therefore directly targets SDGs 2 and 8 while making a significant contribution to SDGs 1, 3, 5, 10, 12, and 14. The objective is to contribute to the modernisation, diversification and decarbonisation of a smart and eco-friendly agri-food sector that demonstrates increased climate and disaster resilience, improved rural livelihoods for the most disadvantaged, and enhanced food security and nutrition. EU support will be in line with the highest international business and human rights standards and instruments (e.g. due diligence, UN Guiding Principles on Business and Human Rights, do no harm by private sector, justice and accountability for businesses, social dialogue).

Risks in this priority area are associated with the need for effective inter-institutional governance and harmonisation of a complex portfolio of development cooperation. To mitigate this risk the EU will support the strengthening of the Ministry of Agriculture's capacity to lead a multi-sector policy dialogue and a coordinated implementation of reforms. Dialogue between the Government and the private sector and civil society will be fostered to further enhance transparency and mitigate the risk of exclusion.

2.3.1 Agri-food policy framework and advisory services

2.3.1.1 Specific objective related to the priority sector

As it continues to modernise the sector agri-food sector according to market-based principles, the Government is working to reinforce its policy framework, strengthen inter-institutional governance structures, especially around food security and nutrition, and roll out digital tools and information systems. The EU objective in this sector is therefore to work with Government to improve agri-food and food security policy frameworks and advisory services.

2.3.1.2 Expected results

EU support will strengthen national capacity to implement Uzbekistan's Agri-Food Development Strategy (2020-2030) and the National Food Security and Nutrition Strategy. The EU will continue to facilitate inclusive, green, sustainable, gender responsive and climate-smart development of the agri-food sector and rural livelihoods. Priority areas for EU engagement in supporting government's agriculture reforms, including as part of its support to PFM, will advance the use of evidence in policy making and strengthen institutional capacity related to programming, budgeting, financial control, performance management, information and knowledge management, and delivery of advisory services.

Digital tools and sharing of EU satellite data will be supported inter alia to facilitate climate-smart practices, enhanced food security and nutrition, and resilience to climate-related hazards. In line with the European Green Deal, and through an expanded partnership with EFIs, additional capacity building will be focused on improving the investment and business environment with an emphasis on climate-smart green investments and the facilitation of access to green finance, especially to women and youth.

⁶ See above note n. 4; see also https://ec.europa.eu/food/horizontal-topics/farm-fork-strategy_en

The adoption in 2021 of the legal framework for Agriculture Knowledge and Innovation System forms a basis for the establishment of modern education, training, research, agricultural extension and business support services, taking advantage of the EU experience and international best practice in this field in line with the EU Farm to Fork Strategy. To support access to public services and increased productivity of the most disadvantaged producers, the EU will work with Government and non-state actors to address the risk of exclusion in the transition. This will include targeted policy support that promotes market inclusion and competitiveness, including in low-carbon and climate-resilient value-chains. Trade-related dimensions of support, including WTO accession and alignment to export standards within the context of the future EPCA and GSP+, will be provided, including to promote the application of digital tools in production, marketing and compliance with export standards to complement EU cooperation with Government, MSMEs and other producers in the rural sector.

2.3.2 Sustainable, smart and resilient rural livelihoods

2.3.2.1 Specific objective related to the priority sector

In this sector, the EU objective is to increase rural livelihood opportunities, decent jobs, and access to markets, with a focus on the most vulnerable (smallholders, MSMEs, youth, women, left behind due to migration, persons with disabilities, returnees, internal temporary labour migrants).

2.3.2.2 Expected results

EU cooperation will focus on increasing value added, competitiveness and sustainability of the rural economy to improve livelihoods and create decent job opportunities (also including outside the agricultural sector), especially in relation to COVID-19 recovery. Support to skills development and internationally recognised certification of qualifications is envisaged, in partnership with the private sector and in consultation with the rights holders, to enhance the employability potential of the rural population, with a focus on youth and women. This may also include agro-tourism and development of geographical indications. While major progress has been achieved in the elimination of forced labour, there is a need for more support to the decent work agenda, and the transition to formal employment, as around 80% of agri-jobs are informal.⁷ The implementation, enforcement and further ratification of international labour standards (also outside the agricultural sector) will therefore be supported. EU cooperation will also aim to accelerate reforms on land management and financial inclusion, which are particularly important for smallholders, and shall enable a wider modernisation and diversification.

Support will be provided to improve resilience and competitiveness of agri-businesses, and cooperatives and their access to local and export markets. A stronger focus on small farms, MSMEs and entrepreneurial initiatives will be ensured, including those focused on women and youth. In line with the EU Farm to Fork Strategy, capacity development will be provided for improved food production systems and climate-smart and resilient agricultural practices that help maintain ecosystems, strengthen capacity for adaptation and resilience to climate change, and that progressively improve land and soil quality.

2.3.3 Possible use of blending and guarantees for investment under EFSD+

To ensure sufficient participation of the private sector in the transformation of the agri-food sector, which is key for the country, the EU will continue to support the private sector and investment environment by facilitating increased EFI engagement. This is expected to include

⁷ The ILO Decent Work Agenda is based on the following four pillars: full and productive employment, rights at work, social protection and the promotion of social dialogue

blending and/or EFSD+ guarantees, notably with a view to capitalisation of rural development banks and promoting access to finance for rural MSMEs.

Aside from EIB and EBRD, a small number of member state development agencies/finance institutions have ongoing investments in the country. These include France (AFD), Germany (KfW) and The Netherlands (FMO). The Swiss Investment Fund for Emerging Markets (SIFEM) also has a presence in the country.

2.4 Team Europe initiative - Support to a modern and sustainable agri-food sector and resilient livelihoods

Building on existing coordination arrangements, collaboration in Uzbekistan started in early 2020 with participation of Member States and EFIs. To ensure coordinated and effective support to the national COVID-19 response and recovery effort, a medium-term outlook focused on sustainable modernisation and diversification of the agri-food value sector and resilient livelihoods has been formulated. In addition to the EU, which is planning to dedicate EUR 65 million to the initiative, participating European actors in this TEI are France (AFD), Germany (GIZ and KfW), EIB and EBRD.

This TEI will build synergies across all three of the MIP's priority areas. Building on the EU's Farm to Fork Strategy, and with particular reference to on-going EU cooperation with the Ministry of Agriculture, it will focus on institution-building, inclusion, private sector growth, job creation, and climate change mitigation and adaption.

This TEI works principally in the agri-food sector but integrates cooperation from other priority areas where it can have a catalytic and reinforcing effect. This cross-sectoral approach will make operational the commitment to "work better together" and will strengthen cooperation across a number of Government ministries as well as with the private sector and civil society. This will ensure a transformative and long-term impact on Uzbekistan's growth trajectory.

Given that 80% of agricultural workers are informal, employment in the agri-food system, in production, processing and related services, has a strong potential impact on poverty reduction. Job creation can be highly inclusive for rural women, youth and vulnerable groups. The food system also currently generates 25-30% of greenhouse gas emissions and has wider adverse impacts on the environment. This TEI therefore also seeks to address climate-related concerns and to strengthen governance for human development and environmental management.

The 'Team Europe' approach combines a range of modalities to strengthen policy and institutional capacity, boost financial support to both private and public investment, and secure access to European experience and expertise. The TEI focuses on four principal entry-points where the EU, the Member States and the EFIs have demonstrated individual value and where there is potential for greater impact through a collaborative effort. The four operational areas are:

- i) Development of a sustainable, low-carbon and climate resilient agri-food and rural development sector. Supported by EU budget support and technical assistance to strengthen sector governance, implementation capacity and policy dialogue, especially on food security and nutrition, in line with the EU's Green Deal and the Farm to Fork Strategy.
- ii) Competitiveness and sustainability of value chains and sustainable, resilient rural livelihoods. Supported by France (AFD), Germany (GIZ) and the EU, works with farmers and processors to share best practice and bring the sector into line with

international standards. Policy support and investment projects, including EU blending (with AFD for water), incorporates inclusive and climate-smart technologies.

- iii) Inclusive and green recovery of the Aral Sea region. Contributes to a wider national and international restoration initiative that is supported by the EU blending operation with EIB (on land rehabilitation and irrigation) and by Germany (GIZ, and possibly KfW), on sustainable economic development and resilient rural livelihoods.
- iv) Private sector development includes significant financial backing for banks that provide MSMEs with business support and access to credit (EBRD). European partners, including Germany (KfW), and EFIs (EBRD and EIB), provide a range of modalities (blending, loan guarantees, project funding) that offer a substantial boost to businesses, especially to women and youth entrepreneurs and vulnerable groups.

The Team Europe Initiative (TEI) also promotes a collective identity, accountability and results.

The TEI in Uzbekistan is expected to have a transformational impact by strengthening and elevating the existing European coordination arrangements in terms of collaborative programming, implementation and monitoring. The positive Team Europe approach to date provides the foundation for joint strategy work beginning in 2021. Overall, shared identity and its associated coordination framework provide a promising foundation for increased European visibility, influence and impact.

The EU's indicative contribution to this TEI (EUR 65 million) is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

3. Support measures

3.1 Measures in favour of civil society

A dynamic civil society is emerging and an increasing number of Civil Society Organisations (CSOs) provide the 'demand side' of the accountability equation. In all fields of activity, however, CSOs experience significant challenges. Despite reforms, the registration and reporting requirements remain burdensome, and some human rights defenders face harassment and restrictions. Engagement with Government and access to information are limited, although a Public Chamber established in 2020 indicates a commitment to make progress. CSOs often lack capacity and resources to develop cooperation and advocacy initiatives, and to coordinate among themselves. This has constrained their adjustment to the digital transformation of economy and service delivery and has impacted on their ability to engage constructively with the authorities.

The EU's engagement with civil society will include but will not be limited to supporting implementation of the NGO Code to foster an improved enabling environment, especially through support to accelerated reform and service delivery. In addition to support provided under the democratic governance priority area, the EU will maximise entry-points across all three priority areas and will continue to engage directly in a partnership dialogue with CSOs, youth groups, academia and the private sector on governance issues and exclusion, as well as in the areas of inclusive green growth and rural livelihoods.

There will be a particular emphasis on entrepreneurship, social and economic opportunity, and skills development. In light of commitments announced by the President in December 2020, Government agencies with which the EU is partnering will also be supported to fulfil their institutional mandate for working more closely and constructively with civil society representatives and the media. The Gender Action Plan 2021-2025⁸ (GAP III), recommendations and priorities will be incorporated in the EU's support and partnership with civil society.

3.2 Cooperation facility

The Government of Uzbekistan's ambitious transformation programme is directed at political liberalisation, socio-economic modernisation and the introduction of market-based reforms. This is especially related to alignment with international norms, rights-based approaches and managing the transition, which are accordingly highly valued by Uzbek counterparts and are reflected in the EPCA negotiation. A cooperation facility will therefore serve six purposes:

- (i) supporting capacity building, including to promote digitalisation initiatives, through access to European technical assistance and expertise, including through Twinning and TAIEX. This also applies to supporting Uzbekistan's implementation of the EPCA and GSP+.
- (ii) facilitating a structured dialogue with Government, the private sector and civil society. The significant use of budget support to implement the MIP necessitates a consistent and effective engagement to ensure economic reforms go hand-in-hand with the promotion and implementation of the principles of accountable and representative government.
- (iii) developing and supporting a dialogue with local youth, engaging them in awareness raising activities and EU-funded projects and programmes, and empowering them in taking an active role in national decision-making processes and initiatives.
- (iv) implementing joint programming and coordination of Team Europe initiatives at country level.
- (v) promoting Uzbekistan's participation in EU Programmes such as HORIZON EUROPE, and ERASMUS+ as well as cooperation with the EU Space Programme. To sustain a regular knowledge and data exchange, it will be equally important to support networking and cooperation with other EU agencies.
- (vi) providing a public diplomacy, including cultural diplomacy, and a communications window that will enhance the image of the EU, GSP+ and the future EPCA, and promote the EU's policy priorities and international norms of democracy.
- (vii) supporting the preparation, implementation and evaluation of EU cooperation, including via technical assistance.

4. Financial overview

Although the duration of this MIP is seven years, the indicative allocations for Uzbekistan and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU after the mid-term review scheduled to take place in 2024. This decision should be preceded

⁸ JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL EU GENDER ACTION PLAN (GAP) III – AN AMBITIOUS AGENDA FOR GENDER EQUALITY AND WOMEN'S EMPOWERMENT IN EU EXTERNAL ACTION, JOIN(2020) 17 final

by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Uzbekistan.

	Allocation in million EUR	Percentage of the total MIP
PA1: Democratic governance and digital transformation	13.0	17%
PA2: Inclusive, digital and green growth	30.4	40%
PA3: Development of a smart and eco-friendly agri-food sector	27.0	36%
Support measures	5.6	7%
TOTAL for initial period (2021-2024)	76.0	

Annexes:

- 1) Intervention Framework**
- 2) Donor Matrix**

Annex 1. Intervention framework

Overall objective. Accelerate reform implementation and impact in Uzbekistan by strengthening national capacities to transform society in line with democratic norms, modernise the economy in a respectful way for the environment, and improve the livelihoods and well-being of all citizens.

Note: Results and Level 1 indicators refer to either impacts or outcomes as per Annex 2 of the EU results framework document SWD 444 (2018) while Level 2 are outputs. Indicators are, where available, drawn from the 2021 results framework (referenced by “EURF/#”) or are taken from the SDGs and national policy frameworks.

Priority area 1: Effective governance and digital transformation DAC codes: 151 (Government & Civil Society-general) Policy Markers: Gender equality Internal Markers: Digitalisation SDGs: 5, 9, 10, 16, 17			
a) Democratic governance and rule of law (DAC sector code 151 and digitalization internal marker) <i>Specific sector objective: Uzbekistan's transition to a pluralist democratic system is strengthened through support to the rule of law, universal values of human rights, a flourishing civil society, and elimination of all forms of discrimination, especially gender related</i>			
Expected results	Indicators	Baseline & targets	Means of verification
Result 1.a.1 – Increased and more effective democratic governance with greater participation of citizens, business entities and civil society institutions in the process of decision-making at all levels	Level 1 indicator 1.a.1 – World Bank Voice and Accountability score	-1.6 (2019) -0.8 (2027)	World Bank Governance indicators (SDG 16.7.2)
	Level 2 indicator 1.a.1a - Number of EU funded initiatives supporting the implementation of political economic and social reforms and joint agreements in partner countries (EURF 2.20)	0 (2021) TBD (2027)	EU project data
	Level 2 indicator 1.a.1b - Number of grassroots civil society organisations benefitting from (or reached by) EU support (EURF 2.28)	0 (2021) TBD (2027)	EU project data
Result 1.a.2 – Enabled reform of Government to increase empowerment and social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Level 1 indicator 1.a.2a - Percentage of people with income below 50% of median income by age and gender	7.8% (2018) TBD (2027)	SDG 10.2.1 (Government of Uzbekistan)
	Level 1 indicator 1.a.2b - Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law	TBD TBD	SDG 10.3.1 (Government of Uzbekistan)
	Level 2 indicator 1.a.2 - Number of government policies developed or revised with civil society organisation participation through EU support (EURF 2.29)	0 (2021) TBD (2027)	EU project data
Result 1.a.3 - Increased public access to information and protection of fundamental freedoms, in accordance with national legislation and international agreements	Level 2 indicator 1.a.3a - Number of state institutions and non-state actors supported on security, border management, countering violent extremism, conflict prevention, protection of civilian population and human rights (EURF 2.24)	0 (2021) TBD	EU project data
	Level 2 indicator 1.a.3b - Number of victims of human rights violations directly benefiting from assistance funded by the EU (EURF 2.30)	0 (2021) TBD	EU project data
Result 1.a.4 – The rule of law is improved and equal access to justice for all is ensured, including through increased capacity of national institutions and CSOs	Level 1 indicator 1.a.4 – World Bank Rule of Law score	-1.1 (2018) -0.5 (2027)	WB Governance indicators (SDG 16.3)
	Level 2 indicator 1.a.4 – Number of state institutions and non-state actors supported in rule of law initiatives	0 (2021) TBD	EU project data
Result 1.a.5 - Increased equality of opportunity and reduced inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and citizens access to information, legal advice, and legal aid	Level 1 indicator 1.a.5 - Percentage of people who have reported personal discrimination or harassment in the past 12 months on the basis that discrimination is prohibited by international human rights law	TBD TBD	SDG 10.3.1 (Government of Uzbekistan)
	Level 2 indicator 1.a.5 – Number of people directly benefiting from legal aid interventions supported by the EU (EURF 2.26)	0 (2021) TBD	EU project data
Result 1.a.6 - Government, civil society, media and public oversight institutions have increased awareness, knowledge and capacity contributing to the elimination of all forms of	Level 1 indicator 1.a.6a - Percentage of seats held by women: (a) in the Legislative Chamber of Oliy Majlis (%); (b) In Kengash, MPs of regions, cities and districts) and (c) % of	TBD TBD	SDG 5.5.1 & 5.5.2 (Government of Uzbekistan)

discrimination against women and girls, to ensure women's full and effective participation in political, economic and public life	women in senior positions Level 1 indicator 1.a.6b - The existence of legal mechanisms to ensure that the rules on non-discrimination on the basis of sex (including on land ownership) are soundly enforced Level 2 indicator 1.a.6c - share of EU funded cooperation and development initiatives promoting gender equality and women's empowerment	TBD TBD 0 (2021) TBD	SDG 5.1.1 & 5.a.2 (Government of Uzbekistan) EU project data
Result 1.a.7 - Government has policy and implementation capacity to lead, manage and coordinate the "Digital Uzbekistan 2030" strategy that leads to increased online service and access	Level 2 indicator 1.a.7a - Number of countries supported by the EU to a) develop and/or revise, b) implement digital-related policies/strategies/laws/regulations (EURF 2.10)	0 (2021) TBD	EU project data
b) Capacity for improved public services (DAC sector code 151 and digitalization internal marker) Specific sector objective: A Improved and modernized public sector, with effective and accountable management and reduced levels of corruption that is capable to deliver quality public services through reform and digitalisation initiatives			
Expected results	Indicators	Baseline & targets	Means of verification
Result 1.b.1 - Effective, accountable and transparent institutions at all levels with increased Government capacity to deliver public services and to engage with civil society to ensure accountable and responsive public services	Level 1 indicator 1.b.1a - Government Effectiveness score Level 1 indicator 1.b.1b - Percentage of the population who consider decision-making to be inclusive and prompt, by sex, age, disability and population Level 1 indicator 1.b.1c - Proportion of population satisfied with last experience of public services during a year Level 2 indicator 1.b.1a - Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency (EURF 2.19) Level 2 indicator 1.b.1b - Number of countries which have benefitted from EU support to strengthen their social protection systems (EURF 2.31)	-0.5 (2019) TBD TBD TBD 0 (2021) 1 (2027) 0 (2021) 1 (2027)	WB Governance indicators (SDG 16.6) SDG 16.7.2 (Government of Uzbekistan) SDG 16.6.2. (Government of Uzbekistan) EU projects data EU projects data
Result 1.b.2 - Increased Government statistical capacity and availability of high-quality, timely and reliable data allowing for disaggregation according to best practice and standards.	Level 1 indicator 1.b.2 – World Bank Statistical Capacity Indicators score Level 2 indicator 1.b.2 - Number of countries that have national statistical legislation that complies with the Fundamental Principles of Official Statistics (SDG 17)	64.4 (2019) TBD 0 (2021) TBD	SDG 17.18 (World Bank) SDG 17 (World Bank)
Result 1.b.3 - Substantially reduced corruption and extremism in all their forms through support to national institutions, CSO and media counterparts	Level 1 Indicator 1.b.3a - Transparency International Corruption Perceptions Index score Level 1 Indicator 1.b.3b – World Bank Control of Corruption score Level 2 indicator 1.b.3 - Percentage of EU projects that include anti-corruption measures	26 (2020) 35 (2027) -1.1 (2019) -0.3 (2027) 0 (2021) 100 (2027)	SDG 16.5.1.1 (Government of Uzbekistan) WB Governance indicators EU project data
Result 1.a.6 (duplicated) - Government, civil society, media and public oversight institutions have increased awareness, knowledge and capacity contributing to the elimination of all forms of discrimination against women and girls, to ensure women's full and effective participation in political, economic and public life	Level 2 indicator 1.a.6c (duplicated) - share of EU funded cooperation and development initiatives promoting gender equality and women's empowerment	0 (2021) TBD	EU project data
Result 1.a.7 (duplicated) - Government has policy and implementation capacity to lead, manage and coordinate the "Digital Uzbekistan 2030" strategy that leads to increased online service and access	Level 2 indicator 1.a.7a (duplicated) - Number of countries supported by the EU to a) develop and/or revise, b) implement digital-related policies/ strategies/ laws/ regulations (EURF 2.10) Level 2 indicator 1.b.4 - Number of a) countries and b) people supported by the EU with enhanced access to digital government services (EURF 2.12)	0 (2021) TBD 0 (2021) TBD	EU project data EU project data
Priority area 2: Inclusive, digital and green growth DAC codes: 410 (Environment), 113 (Secondary Education) Policy markers: Gender equality, Aid to environment, Disaster Risk Reduction (DRR), Trade development Rio markers: Biodiversity, Climate change – mitigation, Climate change - adaptation, Desertification Internal markers: Digitalisation. Climate Change SDGs: 4, 5, 7, 8, 9, 10, 12, 13, 15			
a) Supporting a digital green transition (DAC sector code 410, and digitalization internal marker)			

Specific sector objective: Uzbekistan's policy, implementation and management capacities are well advanced in order to be able to deliver on the Paris climate commitments, implement national policy priorities and, with a focus on resource efficiency, support sustainable socio-economic development through coordinated and coherent action

Expected results	Indicators	Baseline & targets	Means of verification
Result 2.a.1 - Green transition is fostered by improved national capacity and tools for sustainable and integrated resource management through implementation of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns	Level 1 indicator 2.a.1a – Status of development of national action plans to move to rational patterns of consumption and production, or incorporating rational consumption and production as a priority or task in national policy Level 2 2.a.1 indicator – Percentage share of EU funding commitments directed to green initiatives	TBD TBD 0 (2019) TBD (2027)	SDG 12.1.1.1 (Government of Uzbekistan) EU project
Result 2.a.2 - Climate adaptation and mitigation measures are integrated into national policies, strategies and planning for implementation of 2030 and Paris Climate Change Agreement and sustainable development commitments	Level 1 indicator 2.a.2 - CO2 emission per unit of value added Level 2 indicator 2.a.2a – Amount of the EU funded international cooperation and development assistance contributing to (a) protecting biodiversity; (b) climate change (adaptation and mitigating); (c) combating desertification; (d) protecting the environment Level 2 indicator 2.a.2b - Number of countries and cities with climate change strategies: (a) developed, (b) under implementation with EU support (EURF 2.5)	TBD TBD TBD TBD 0 / 1	SDG 9.4.1 / 13.2 (Government of Uzbekistan) EU project data EU MIP monitoring
Result 2.a.3 - Economic transformation that creates decent jobs, promotes low-carbon initiatives and increases productive capacity and green jobs	Level 1 indicator 2.a.3a – Annual growth rate of real GDP per capita Level 1 indicator 2.a.3a – Gini coefficient / index Level 1 indicator 2.a.4b - Unemployment rate by gender Level 2 indicator 2.a.4 - Number of jobs supported/sustained by the EU, disaggregated for green jobs (EURF 2.13)	3.3 (2018) TBD TBD 9.3 (2018) TBD 0 (2021) TBD (2027)	SDG 8.1.1. (Government of Uzbekistan) SDG 10.2.1 (UN) SDG 8.5.2 EU project data
Result 2.a.4 - Improved national capacity to strengthen the investment climate and promote a green private sector, especially for MSMEs, through robust economic governance	Level 1 indicator 2.a.4 – (a) World Bank Doing Business Index Level 2 indicator 2.a.4a - Number of countries supported by the EU to strengthen investment climate (EURF 2.16) Level 2 indicator 2.a.4b - Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support (EURF 2.6)	69.9 (2020) TBD 0 (2021) 1 (2027) 0 (2021) TBD (2027)	World Bank EU MIP monitoring EU project data
Result 2.a.5 - Increased trade through investments in capacity, including use of digital tools to facilitate trade, connectivity and regional integration	Level 1 indicator 2.a.5 - Export of goods and services as % of GDP Level 2 indicator 2.a.5 - Number of quality schemes adopted by economic operators with EU support	31% (2019) TBD (2027) 0 (2021) TBD	World Bank EU project data
Result 2.a.6 – Increased EU policy implementation to promote investment, employment and trade	Level 2 indicator 2.a.6a – Amount of the EU funded international cooperation and development assistance contributing to strengthening investment climate Level 2 indicator 2.a.6b –Leverage of investments and multiplier effect achieved Level 2 indicator 2.a.6c – Amount of the EU funded international cooperation and development assistance contributing to trade facilitation	0 (2021) TBD 0 (2021) TBD 0 (2021) TBD	EU project data
Result 1.a.6 (duplicated) - Government, civil society, media and public oversight institutions have increased awareness, knowledge and capacity contributing to the elimination of all forms of discrimination against women and girls, to ensure women's full and effective participation in political, economic and public life	Level 2 indicator 1.a.6c (duplicated) - share of EU funded cooperation and development initiatives promoting gender equality and women's empowerment	0 (2021) TBD	EU project data
Result 1.a.7 (duplicated) - Government has policy and implementation capacity to lead, manage and coordinate the “Digital Uzbekistan 2030” strategy that leads to increased online service and access	Level 2 indicator 1.a.7a (duplicated) - Number of countries supported by the EU to a) develop and/or revise, b) implement digital-related policies/ strategies/ laws / regulations (EURF 2.10)	0 (2021) TBD	EU project data

b) Skills development for jobs and digital literacy (DAC sector code 113 and digitalization internal marker)			
<i>Specific sector objective: Advanced skills of youth, women, migrants/returnees, disabled and vulnerable groups through improved VET and digital literacy</i>			
Expected results	Indicators	Baseline & targets	Means of verification
Result 2.b.1 – Increased skills of youth and adults, including technical, ICT and vocational skills, for employment and decent jobs	Level 1 indicator 2.b.1a - Percentage of young people (aged 16 to 24) who do not study and do not work	21.8 (2018) TBD	SDG 4.4 / 8.6.1 (Government of Uzbekistan)
	Level 1 indicator 2.b.1b - Percentage of young and adult people with ICT skills working in the green economy after having benefited from EU support	39.4 (2018) TBD	SDG 4.4.1 (Government of Uzbekistan)
	Level 2 indicator 2.b.1 - Number of people who have benefited from institution or workplace-based VET/skills development interventions supported by the EU, disaggregated for digital skills and gender (EURF 2.14)	0 (2021) TBD (2027)	EU project data
Result 2.b.2 – Increased domestic scientific and technology development, research and innovation	Level 1 indicator 2.b.2 - Research and research expenditures as a percentage of GDP	0.1 (2018) TBD	SDG 9.5.1 (Government of Uzbekistan)
	Level 2 indicator 2.b.2: Number of EU-funded projects and policy initiatives for education in science, technology and ICT	0 (2021) TBD	EU project data
Result 2.b.3 - Reduced inequality of outcomes and equal opportunities promote for all, including to promote and facilitate more socially and economically well managed migration	Level 1 indicator 2.b.3 - Growth rates of household expenditure among the bottom 40% of the population	118.5 (2018) TBD	SDG 10.1.1 (Government of Uzbekistan)
	Level 2 indicator 2.b.3a – Number of individuals directly benefiting from EU supported interventions that aim to reduce social and economic inequality (EURF 2.39)	0 (2021) TBD (2027)	EU project data
	Level 2 indicator 2.b.3b – Number of migrants, refugees, and internally displaced people or individuals from host communities protected or assisted with EU support (EURF 2.21)	0 (2021) TBD	EU project data
Result 1.a.6 (duplicated) - Government, civil society, media and public oversight institutions have increased awareness, knowledge and capacity contributing to the elimination of all forms of discrimination against women and girls, to ensure women's full and effective participation in political, economic and public life	Level 2 indicator 1.a.6c (duplicated) - share of EU funded cooperation and development initiatives promoting gender equality and women's empowerment	0 (2021) TBD	EU project data
	Level 2 indicator 2.b.4 - Female beneficiaries of EU employment/VET initiatives	0 (2021) TBD	EU project data
Result 1.a.7 (duplicated) - Government has policy and implementation capacity to lead, manage and coordinate the "Digital Uzbekistan 2030" strategy that leads to increased online service and access	Level 2 indicator 1.a.7a (duplicated) - Number of countries supported by the EU to a) develop and/or revise, b) implement digital-related policies/ strategies/ laws/ regulations (EURF 2.10)	0 (2021) TBD	EU project data
Priority area 3: Development of a smart and eco-friendly agri-food sector DAC codes: 311 (Agriculture), 43040 (Rural Development) Policy markers: Nutrition Internal markers: Digitalisation SDGs: 1, 2, 3, 5, 8, 10, 12, 14			
a) Agri-food policy framework and advisory services (DAC sector code 311 and digitalization internal marker)			
<i>Specific sector objective: Uzbekistan's agri-food and food security policy frameworks and advisory services are reinforced</i>			
Expected Results	Indicators	Baseline & targets	Means of verification
Result 3.a.1 - Enhanced policy and regulatory framework supporting competitiveness, and inclusive and green development of the climate-smart agri-food sector and rural livelihoods.	Level 1 indicator 3.a.1 - Annual value of agri-food exports, disaggregated by EU countries	USD 2.94 bln (2019)	Ministry of Agriculture
	Level 1 indicator 3.a.1a - Annual value of GHG emissions from agriculture sources (in gigagrams)	32,423 gigagrams (2018)	SDG 14 (Ministry of Agriculture)
Result 3.a.2 - Improved access to quality modern services, including digital governance.	Level 2 indicator 3.a.2 - Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (EURF 2.1)	0 (2021) TBD	EU project reports
	Level 2 indicator 3.a.2a - Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support (EURF 2.6)	0 (2021) TBD	Ministry of Agriculture and EU project reports
b) Sustainable, smart and resilient rural livelihoods (DAC sector code 440 and digitalization internal marker)			
<i>Specific sector objective: Increased rural livelihood opportunities, decent jobs, and access to markets for the most vulnerable groups in Uzbekistan</i>			
Expected results	Indicators	Baseline &	Means of verification

		targets	
Result 3.b.1. - Improved competitiveness of local value chains, fair trade, and access to markets	Level 1 indicator 3.b.2 - Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	14% (rural) TBD	SDG 1.1.1 (World Bank, United Nations)
Result 3.b.2. - Increased livelihood opportunities and decent jobs for the most vulnerable (smallholders, MSMEs, youth, women, disabled, migrants)	Level 1 indicator 3.b.2a - Number of agri-food jobs in total (and by: agriculture, food industry, textiles industry)	3,864,385 (agri-3,54m; food-0.1m; textile 0.2m)/2019/TBD	SDG 8 (Ministry of Agriculture)
Result 3.b.3. - Increased productive resources, sustainable practices, and capacities for small rural producers.	Level 1 indicator 3.b.2b - Increase in annual average income of small food producers	TBD TBD	Ministry of Agriculture
	Share of exports under productive partnerships between agribusinesses & farm groups.	3.4% (2019) TBD	SDG 2.3.2 (Ministry of Agriculture)

Annex 2. Donor matrix (current commitments per donor per sector for the period 2021 onwards, EUR million, DAC5 sector codes)

OECD Sector	Education, Level Unspecified	Basic Education	Secondary Education	Post-Secondary Education	Health, General	Basic Health	Population Policies / MCH	Water Supply & Sanitation	Government & Civil Society-general	Other Social Infrastructure	Transport	Communications	Energy Policy	Energy generation, renewable sources	Energy distribution	Banking & Financial Services	Business & Other Services	Agriculture	Forestry	Fishing	Industry	Trade Policies & Regulations	Environment Protection	Other Multisector	General Budget Support	Reconstruction Relief & Rehabilitation	Disaster Prevention & Preparedness	Unallocated / Unspecified		
DAC5 sector code	111	112	113	114	121	122	130	140	151	160	210	220	231	232	236	240	250	311	312	313	321	331	410	430	510	730	740	998	Grand Total	
Donors																														
EU, Member States and Development Finance Institutions																														
EBRD								125.13		0.32					66.97	161.51					31.53	55.03						200.21	640.71	
EIB								100.00					100.00			82.00														282.00
EU - INTPA			10.00			2.23												70.00				5.00	5.20	10.00						102.43
Finland	2.00								1.50								1.20										2.00			8.70
France														55.80																55.80
Germany					3.16	10.83	2.69	3.71																0.99						21.37
Netherlands																														
Sweden									0.01																					0.01
Bilateral donors																														
Canada									0.54	0.52																	0.36			1.42
Japan										0.06																	0.63			0.69
Korea			12.97																		0.16									13.13
Russia					0.98					0.70													1.21							2.89
Switzerland	0.04																	1.54												1.58
UK																											4.78			4.78
USA						0.01				17.95							0.03													17.98
Multilateral donors																														
ADB						22.11		434.07		222.12	809.56		420.09	52.53	91.52	52.16		286.31												2,390.46
GAVI					1.64	97.86																								99.50
Global Fund						0.47	0.22																							0.69
IFC																														
ITC																														
WB	2.19	51.08		17.02	74.60	33.09		257.91	28.45	43.34	127.86	9.19	125.38		121.40			1,053		94.16	122.98			85.94			86.24		2,333.8	
Private donors																														
Gates Fdn					0.02																									0.02

OECD Sector	Education, Level Unspecified	Basic Education	Secondary Education	Post-Secondary Education	Health, General	Basic Health	Population Policies / MCH	Water Supply & Sanitation	Government & Civil Society-general	Other Social Infrastructure	Transport	Communications	Energy Policy	Energy generation, renewable sources	Energy distribution	Banking & Financial Services	Business & Other Services	Agriculture	Forestry	Fishing	Industry	Trade Policies & Regulations	Environment Protection	Other Multisector	General Budget Support	Reconstruction Relief & Rehabilitation	Disaster Prevention & Preparedness	Unallocated / Unspecified	
Lukoil										0.04																			0.04
UN Agencies																													
FAO																		0.03											0.03
GEF																			2.79										2.79
Green Climate Fund																										0.92			0.92
IFAD																		70.96						4.62					75.59
IOM																													
UN Peace Fund										0.57																			0.57
UNAIDS					0.69																								0.69
UNDP									6.05	16.53			5.04										10.07			2.46		0.36	40.50
UNDP (Fund Window)									0.35																				0.35
UNDP (Health)					0.52																								0.52
UNDP (SDG Fund)									0.30	0.33																			0.63
UNDP (MPHSTF)										1.14															0.52				1.67
UNEP/GEF					0.87													1.08											1.95
UNICEF																													
WHO					9.12	0.10																							9.21
Grand Total	4.23	51.08	22.97	17.02	91.60	166.69	2.91	920.82	37.21	303.62	937.41	9.19	650.50	108.33	279.89	295.67	1.23	1,482.9	2.79	94.16	154.67	60.03	18.48	101.55	0.52	9.15	88.24	200.57	6,113.4

Source. IATI Database (accessed 4 February 2021). Additional data provided by Finland and EIB.