

**Final Project Review Report**

<b>Project title:</b>	Area Based Development
<b>Award ID:</b>	00047315
<b>Project ID:</b>	00056795
<b>Implementing partner:</b>	Ministry of Economy
<b>Period covered in this report:</b>	August 2007 – 31 July 2012
<b>Date of last Annual Report:</b>	December 2011
<b>Date of the last Project Board meeting:</b>	December 16, 2011

**Project Performance**

**1. Please state the expected Output of the Project, set indicators and corresponding CP Outcome (as per the project document/AWP):**

**Objective 1. Middle level local Government officials in Karakalpakstan, Kashkadarya, Namangan, Fergana and Andijan are better capable to support local development plans.**

**1.1. Number of regional and local staff from government institutions (Khokimiyat) capable to prepare a regional action plan:**

[20] regional and local staff from government institutions (Khokimiyat) capable to prepare a regional plan;

[140] regional and local staff from government institutions (45 staff in each region) trained carried out in collaboration with and supervision of the State Academy for Civil Servants;

[20] of new government officials that express support to integrate area based development principles in government planning (means of verification: feedback survey);

At least [25] of local and regional government officials with significantly improved ability to apply advanced MDG statistics (means of verification: pre- and post testing at trainings on advanced MDG statistics)

**1. 2. Number of training curricula in regional development planning and number of trainers trained:**

[2] training curricula in regional development planning and at least 4 trainers [2 per region] trained, carried out in collaboration with and supervision of the Academy;

A training module on local development developed with national partner;

80 trainees trained in local development;

**1.3. Number of regional development strategy advocacy plan with disaggregated socioeconomic data presented to local government:**

A regional development strategy advocacy plans with disaggregated socioeconomic data presented to

local government;

An assessment of local government capacity to deliver services;

Socio-economic data for local development plans collected and analyzed;

Regional socio-economic maps and data base for MDGs;

[12] Community development plans (6 in each region) with disaggregated MDG socioeconomic data approved by local governments (Council of Ministers and Khokimiyat).

**Objective 2. Local communities Karakalpakstan, Kashkadarya, Namangan, Fergana and Andijan are better capable to take part in and contribute to their socio-economic development.**

***2.1. Number of Community development plans & baselines and number of public consultations in local development planning, implementation and monitoring:***

[100] community mobilization workshops and 100 initiative groups to support community projects;

[100] Community development plans & baselines (50 in Karakalpakstan and 50 in Kashkadarya) and 20 public consultations in local development planning, implementation and monitoring;

At least [20] target communities have contributed to a participatory evaluation process and used the output to update their CDPs.

***2.2. Number of community projects implemented for improved access to basic services (number of co-funding from communities):***

[100] community infrastructure rehabilitation projects that are financed from the project budget based on community participatory methodology;

[100] community development plans and projects implemented for improved access to basic services with at least 20% co-funding from communities.

***2.3. Increased access to water, primary health services, gas of the total population in the target districts as per individual baseline (2008):***

[10]% increase in access to water, [3]% to education (school buildings), [5]% to health (primary health care centres); [5]% increase in access to gas; [1]% to electricity as prioritized by communities;

By the end of the Project, a survey of representatives of at least [20] Mahalla Committees shows that they acknowledge how to use rural participatory approaches for community development;

At least a [50%] high approval rating from community members survey for customer satisfaction from community projects implemented.

***2.4. Number of Mahalla based Information & Resource Centres equipped and operational:***

[4] Mahalla based Information & Resource Centres equipped and operational;

***2.5. Informational material on mahalla functions and rural development drafted:***

Information material on mahalla functions and rural development drafted. [3,000] copies of information material on Mahalla functions and rural development distributed;

[46] project technical monitoring and evaluation workshops;

Lessons learnt and other similar documentation produced with at least [20] of the target communities;

[200] copies of case studies distributed/downloaded;

Progress made in drafting advocacy paper.

***2.6. Number of centre facilitators identified & trained in community and & resource mobilization, budget preparation, need prioritization, etc.:***

need prioritization, etc.;

[6] MDGs localization workshops in pilot communities (3 in each region).

**Objective 3. Communities have increased access to rural development services and business opportunities Karakalpakstan, Kashkadarya, Namangan, Fergana, Andijan region and nationwide**

**3.1. Number of community based rural development centres (possible within the Mahalla Information & Resource Centres) funded and equipped by the project (with appropriate technology):**

At least 2 community based Rural Development Centres (possible within the MIRC's, 1 in each region) funded and equipped by the project with appropriate technology;

[2] community based rural development centres funded and equipped with appropriate technology

**3.2. Number of rural facilitators trained and coached:**

[8] rural facilitators trained and coached by the project

**3.3. Number of initiative groups formed and trained:**

[2] initiative groups formed and trained (at least 20 people trained in 2 workshops).

**3.4. Number of trainings in business & income generation (at least 10 people per 1 community in 2 regions):**

[2] trainings in business & income generation to at least 10 people per 1 community in 2 regions (40-80 people, of whom at least 50% are women);

[4] training in business & income generation and simplified accounting [160 people];

[4] training in business & income generation to at least 10 people in each community in 2-4 communities per region (at least 40-80 people, of whom at least 50% women);

[4] cooperative of producers or service providers formed and trained (2 in each region and at least 20 people trained in 4 workshops);

[2] cooperatives of producers or service providers trained in simplified accounting and business management.

**3.5. Number of new microcredit products tailored women, small farmers and low income population's need:**

At least 2 new microcredit products tailored women, small farmers and low income population's need.

**3.6. At least 10% increase in the %age of low income women as MFI clients:**

At least 10% increase in the %age of low income women as MFI clients;

[50%] increase in the number of MKB clients who are farmers;

[100] number of active clients of MKB at the end of the agreement in both regions and at least 50% women benefited from MFI programs;

At least 2000 people are informed on UNDP Uzbekistan microcredit schemes (means of verification: Google analytics, # of one-pagers distributed).

**3.7. At least 70% credit to low income population as proportion of total business:**

At least [70]% credit to low income population as proportion of total business;

**Objective 4. Coordination and advisory support to regional and national authorities on improvement of living standards.**

Progress made in drafting a new project document;

At least 6 meetings held with different potential donors.

a) Were the indicators and output achieved?      Yes       No       Partially

b) if no or partially, please explain why?

N/A

## 2. Progress Reporting

a) Please summarize the main achievements during the project cycle:

**Objective 1. Middle level local Government officials in Karakalpakstan, Kashkadarya, Namangan, Fergana and Andijan are better capable to support local development plans.**

**1.1. Number of regional and local staff from government institutions (Khokimiyat) capable to prepare a regional action plan:**

20 government officials know how to prepare a strategic planning paper and participatory community development plan and MDG statistics (with participation from ESCAP), RBEC Centre UNDP MDG statistical project and together with ELS project in Fergana Valley;

An assessment and a summary of experience of local government capacity to deliver services in 2 regions in partnership with UNICEF and UNDP Capacity Development Practice. UNDP Bratislava Regional Centre, RBEC (Featured in: <http://europeandcis.undp.org/cd/show/79135FAA-F203-1EE9-BAAF1B325046B5C5>);

A training module on local development developed (in partnership with State Academy for Civil Servants ASSC); a Rural Development Policy Brief and an Area Based Development Concept Paper for UN integrated rural development and 140 mid-level govt officials trained in local development planning and MDG literacy (in partnership with UNDP Regional Centre in Bratislava); Regional socio-economic maps and data base for MDGs in 5 regions (in partnership with UNDP MDG monitoring project);

**1. 2. Number of training curricula in regional development planning and number of trainers trained:**

Capacity development assessment and training needs plan for local development planning elaborated & agreed with local authorities prepared. A regional strategy based on an assessment of living standards prepared with regional and district authorities and communities & presented at 3 national roundtables. Based on the modules that were developed by the Academy for State and Social Construction (ASSC), the trainers have conducted training for 90 (45 in each region) midlevel government representatives. In partnership with central and regional partners the list of 45 trainees have been identified and in close cooperation with the Academy for State and Social Construction (ASSC) the local trainers have conducted three days training course on principles of Effective Management, Regional Development Planning, and Monitoring and Evaluation has been conducted and certificates have been received by the participants. In process, computers were providing to the regional branches of MOE, trainings conducted for the relevant specialists on data management including DeVinfo system.

**1.3. Number of regional development strategy advocacy plan with disaggregated socioeconomic data presented to local government:**

A regional strategy based on an assessment of living standards prepared with regional and district authorities and communities & presented at 3 national roundtables. The draft versions of the 8 (4 per region) community development plans with disaggregated MDG socioeconomic data have been developed and submitted to the Regional government for consideration and approval. The final versions of the 2 CDPs with disaggregated MDG socioeconomic data have been developed and signed by the community leaders and agreed by the district mayors. After the approval of the CDPs by local khokimiyats, they will be included into the planned activities within the districts development plans for its further realizations in the local communities. 4 CDPs approved by the Council of Ministers of RK.

**Objective 2. Local communities Karakalpakstan, Kashkadarya, Namangan, Fergana and Andijan are better capable to take part in and contribute to their socio-economic development.**

**2.1. Number of Community development plans & baselines and number of public consultations in local development planning, implementation and monitoring:**

288 community mobilization workshops and 123 initiative groups to support community projects; 137 (63 in Karakalpakstan 74 in Kashkadarya) community mobilization activities and 45 (20 in Karakalpakstan and 25 in Kashkadarya) trainings for 123 initiative groups have been conducted to support community projects implementation;

137 (67 in Karakalpakstan and 70 in Kashkadarya) community development and mobilization plans & baselines and 45 public consultations in local development planning, project implementation and monitoring conducted;

**2.2. Number of community projects implemented for improved access to basic services (number of co-funding from communities):**

123 community infrastructure rehabilitation projects that are financed from the project budget based on community participatory methodology;

137 community development plans prepared and 123 projects implemented for improved access to basic services with 43% co-funding from communities.

**2.3. Increased access to drinking water, primary health services, gas of the total population in the target districts as per individual baseline (2008):**

10,35% [3.7 % increase for water in Karakalpakstan and 6,65% in Kashkadarya (out of them 4,57% for drinking water, 2,08% for irrigation water), 0.7% for education in Karakalpakstan (school buildings and kindergartens), 4.5 % improved access to healthcare services in Karakalpakstan, 3,86% increase in access to gas (2.1% in Karakalpakstan and 1,76% in Kashkadarya), 3,17% for electricity (1.7% in Karakalpakstan and 1,47% in Kashkadarya) as prioritized by communities (% of the total population of the target districts as per 2008 baseline);

Customer satisfaction survey had been conducted in 30 target communities in Karakalpakstan and Kashkadarya. At least [50%] high approval rating from community members were observed as a result of the survey;

Data collected as part of focus group discussions conducted with participation of representatives of 30 communities are processed;

Representatives of communities updated their CDPs during the focus group discussions and satisfaction survey. During this process a participatory evaluation process was used as the main tool;

Results of the assessment conducted in 30 communities documented;

30 target communities have contributed to a participatory evaluation process and used the output to update their CDPs.

**2.4. Number of Mahalla based Information & Resource Centres equipped and operational:**

8 Mahalla based Information & Resource Centres equipped and operational and support extended to UNDP/UNV TB project in Karakalpakstan (centres were featured in Communication for Development by UNDP Oslo Governance Centre featured in: [www.undp.org/oslocentre](http://www.undp.org/oslocentre)).

**2.5. Informational material on mahalla functions and rural development drafted:**

Information material on mahalla functions and rural development drafted.

2000 copies (1000 in Karakalpakstan and 1000 in Kashkadarya) of information materials on Mahalla Functions and rural development distributed;

47 (22 in Karakalpakstan and 25 in Kashkadarya) project technical monitoring and evaluation workshops conducted in target communities. Lessons learnt and other similar documentation produced with 30 of the target communities;

ABD project has recruited two national experts (local consultant policy and practice and local outreach and advocacy consultant). 10 (6 community development and 4 income generation projects selected based on developed criteria's, reviewed and analyzed by project staff and as result 10 case studies have been developed. During media conference for representatives of local and national mass media the cases have been presented. Final document – advocacy paper including 10 case studies has been shared with UNDP projects and other UN agencies, posted at ELS-ABD project website;

Advocacy paper on promotion of community development and income generation approaches used by UNDP during implementation of "Area Based Development" and "Enhancement of Living Standards" Programmes has been drafted. The paper included itself description of used approaches and 10 case studies developed by ABD project experts.

### **2.6. Number of centre facilitators identified & trained in community and & resource mobilization, budget preparation, need prioritization, etc.:**

8 MIRC facilitators identified & trained in community & resource mobilization, budget preparation, need prioritization; etc. In Karakalpakstan 3 TOT (Strategic Planning, Fundraising, and Business Planning on Core Consultancy Services) were conducted for 8 RC facilitators. 10 topical workshops were conducted by RC facilitators to target communities;

31 (21 in Karakalpakstan and 10 in Kashkadarya) MDGs localization workshops in pilot communities conducted. Note: during the community mobilization trainings based on the requests of the initiative groups and community members, in some of communities where it has been identified increased need for MDG localization additional MDG localization workshops were provided.

### **Objective 3. Communities have increased access to rural development services and business opportunities Karakalpakstan, Kashkadarya, Namangan, Fergana, Andijan region and nationwide**

#### **3.1. Number of community based rural development centres (possible within the Mahalla Information & Resource Centres) funded and equipped by the project (with appropriate technology):**

2 advisory centres for accounting, agriculture and business development established and temporary supported by UNDP. An exit plan elaborated for their sustainability as a cooperative;

1 rural development centre under the MIRCs is established;

[2] community based rural development centres funded and equipped with appropriate technology included in the national network of business facilitation centres with Chamber of Commerce and Industry (in partnership with UNDP Business Forum In Uzbekistan).

#### **3.2. Number of rural facilitators trained and coached:**

4 rural facilitators trained and coached by the project; 59 facilitators (30 in Karakalpakstan and 29 in Kashkadarya) for demonstration plots are identified; trainings for facilitators on hotbeds, effective use of land and water, growing citrus crops in trench, early and late vegetables growing in greenhouse, without use of heating system, hens, rabbits and red worm keeping, artificial insemination, TPS potato growing, business planning and basics of entrepreneurship conducted.

#### **3.3. Number of initiative groups formed and trained:**

2 initiative groups formed (irrigation water users and fruit producers) trained in accountancy, management and administration;

40 field advisers trained in business development and accountancy using the newly developed simplified accountancy system developed by the project & endorsed by the Government together with ELS project

in Fergana Valley.

**3.4. Number of trainings in business & income generation (at least 10 people per 1 community in 2 communities):**

70 farmer and accountants trained in simplified accounting and 40 value chain (fruit and vegetables) by an Indonesian company sponsored under and east-east cooperation scheme with Indonesia; 40 field adviser trained in business development and accountancy using the newly developed simplified accountancy system developed by the project & endorsed by the Government together with ELS project in Fergana Valley;

59 facilitators (30 in Karakalpakstan and 29 in Kashkadarya) for demonstration plots are identified; trainings for facilitators on hotbeds, effective use of land and water, growing citrus crops in trench, early and late vegetables growing in greenhouse, without use of heating system, hens, rabbits and red worm keeping, artificial insemination, TPS potato growing, business planning and basics of entrepreneurship conducted;

2 cooperatives of producers or service providers trained in simplified accounting and business management; 7 training in business & income generation and simplified accounting; livestock management; entrepreneurship; efficient land and water management [398 people];

14 new job places created in "Sharq Uzumzorlari" cooperative (74 workers hired on a permanent basis instead of 60 workers specified in the business plan). 13 additional job places have created in 7 enterprises created under ABD project in Karakalpakstan;

15 workshop meetings (8 in Karakalpakstan and 7 in Kashkadarya) with target communities to disseminate information on cooperatives and individual business grants conducted; call for applications, formation of initiative groups, and provision of trainings on business planning. 118 (86 in Karakalpakstan and 32 in Kashkadarya) business applications received from 8 districts. In total over 200 people participated in the workshops to disseminate information on grants from all the target districts of ABD;

9 (5 in Karakalpakstan with 148 participants, 4 in Kashkadarya with 55 participants) trainings on business planning, effective use of land and water, hotbeds has been provided to 203 people. Note: Increased number of participants is due to increasing of simple demonstration plots, increased number of initiative groups; also due to cooperation with other donors like World Bank project in South Karakalpakstan who provided additional trainings on effective land and water management, cooperation with UNDP livestock project who provided trainings on livestock, etc.;

76 (46 in Karakalpakstan and 30 in Kashkadarya) business plans developed and submitted for consideration of Steering committee. As a result of the discussion and assessment of business plans by steering committee 14 business ideas in Karakalpakstan and 4 business ideas in Kashkadarya were accepted. Note: Number of business plans was increased due to the fact that more applications were received at the household levels with smaller amount of required funds than initially envisaged.

76 (47 in Karakalpakstan and 29 in Kashkadarya) demonstration plots have been established. The difference in the number of demonstration plots occurred due to the change in the approach of the project from the establishing expensive and complex demonstration plots to simple and cheap demonstrations at the household levels;

**3.5. Number of new microcredit products tailored women, small farmers and low income population's need:**

2 new m-finance products (individual and group loans for low income women entrepreneurs and fruit farmers) identified during focus group discussion, client survey and piloting of 3 farmers cooperatives.

**3.6. At least 10% increase in the %age of low income women as MFI clients:**

10% increase in the %age of low income women as MFI clients (1,357 microloans are disbursed for total

amount of 782.7 mln UZS to start new or promote existing businesses for women, small farmers and low income population in rural areas);

Share of women clients is average 85.6 % (87% in Karakalpakstan and 65% in Kashkadarya), many of whom can be classified as low income rural population;

The number of clients of Mikrokreditbank in Kashkadarya and Karakalpakstan constituted 134 clients (57% are women). Microcrediting activities being carried out in all of the target districts of the ABD project; 2000 people are informed on UNDP Uzbekistan microcredit schemes.

**3.7. At least 70% credit to low income population as proportion of total business:**

90% of all microcredit clients live in rural areas of Beruni, Takhtakupir, Muynak districts of Karakalpakstan, and Nishan and Kitab districts of Kashkadarya region, and most of them are considered as low income families.

**Objective 4. Coordination and advisory support to regional and national authorities on improvement of living standards.**

At least 50% progress made in drafting a new project document – ABD project team drafted 2 new project concepts which have been shared with international organizations (ADB, GIZ, WB, JICA, UNEP, etc.) that based in Uzbekistan. Due to delay with signing of ABD project AWP the activity not finalized;

3 meetings held with different potential donors – ABD project staff has meet with the representatives of such international organizations as ADB, GIZ, and JICA that based in Tashkent. Almost all organizations made interest to cooperate in the field of rural development, but only JICA demonstrated its readiness to develop and finance a joint small project on rural development/agricultural production with UNDP in case if UNDP also will finance part of the project.

**3. Issues**

- a) Please specify the issues and challenges that were raised during the reporting period to the attention of the Project Board. Describe the steps taken to solve those (Management response in ATLAS).

N/A

**4. Project risks**

- a) Please report on any changes with regard to the raised risks within the project cycle (e.g. risk occurred; no change and etc.). Specify the responses taken for each of those.



1. Natural disasters, agricultural shock (drought) and other natural disasters – **no change**.  
Due to the fact that this forecasted disaster (drought) did not take place since the launch of the project (although the ABD regions are the once in Uzbekistan mostly vulnerable for this). It can be stated that this risk is eliminated.
2. (a) Local price increase and (b) delays with bank transfer to pay contractors – (a) **occurred** and appropriated measures taken by the project through budget revision; (b) **no change** and appropriate measures taken by the project with relevant colleagues at UNDP CO. Financial
3. (a) Long term effect of financial crisis and (b) migration – (a) **occurred**. Uzbekistan has remained to the global economic crisis as a result of the authorities' prudent policies that enabled them to accumulate considerable resources to support growth in this period and withstand the impact of the crisis and due to its cautious approach to participation in global financial markets (IMF statement Oct 14). (b) **occurred**. However, it is not affecting the project heavily as it has pilot communities to work on and therefore the project manages to overcome the impact of this risk through proper planning and engagement of partners.
4. Effects of climate change in rural areas – **no change**. In cooperation with UNDP RBEC project conducted Climate Change Proving assessment in order to indentify the possible risks and develop adaptation mechanism on this issue and apply to the project.

## 5. Lessons learned and follow-up steps (if applicable)

- a) Please provide the lessons learned and further steps after the project's closure.

### LESSONS LEARNED:

To make a difference in the life of the poor, in future it is recommended to continue to focus the small private farmers (also known as dehqan locally) and local entrepreneurs, including small private business entities and help them become more competitive in the national markets. By helping dehqans to produce and process cheaper food for the local markets, future initiatives may have an impact on increased local food availability, cheaper prices and in this way contribute to increased food security. This is particularly relevant to address the effects of the global economic crisis and climate change, especially on agriculture.

By helping small private farmers to be more competitive on the local markets (for example by specializing in early vegetable and fruit varieties that can be sold on the market at a competitive price), the future interventions and projects can help them command a higher price in the market of highly seasonal fruits and vegetables. In this way, dehqans can invest the surplus from the sales into improving production.

In the project territory, small farmers and households that rely on home gardens and plots for their income, represent 96% of the farming population (4% is composed by large farmers that grow cotton and wheat). By helping local entrepreneurs and business entities to offer services such as agricultural and business extension, accountancy and financial management to small farmers and households, the future projects can make an impact on improved access to rural services by the largest part of the rural population.

To make a difference in the life of rural people, projects such as ABD must work in synergy with other donors and become tools for extending the benefits of their projects to as many people as possible.

Due to the cotton campaign in target districts, the project must avoid concentrate its training and educational components in such periods, free from the intensive agricultural activities.

Due to low living conditions of community people in target districts, it is hard to increase the co-funding part from communities. It is necessary to involve government organizations and business enterprises in the district to support community inputs.

The implementation of rehabilitation community projects slow down in the winter months due to cold weather is recommended to complete construction activities of infrastructure projects by November month to avoid delays.

The main achievement of the ABD project has been to demonstrate, through the implementation of pilot activities, innovative local development models for Uzbekistan, which focus on participation to address important issues of under-capacity and under-development at community and grassroots institutional levels. The main challenge for the project has been to define a blueprint for the vertical scaling up to policy level of the successfully tested local development processes.

The ABD has introduced participatory decentralized planning processes at community level, which have improved accountability and responsiveness to community preferences in local governance and enhanced the mobilization of community resources for economic and social development. At the same time, the project resources have been spread within more than 130 communities, and during the three years duration of the project social relationships within communities have not been significantly affected. In particular, it is unlikely that the project has empowered the most vulnerable groups within communities, and community projects may have even reinforced existing gender relations within rural society. If there is a follow-up project, this will need to consolidate the work initiated by the ABD in the same districts and the same communities, so that the benefits of the project activity can be more equitably distributed.

Equally important, going into the future, the scaling up of pilot models will require systematic documentation of the change processes, from the beginning of the activity, to create a sufficiently solid evidence-based information to support policy dialogue with government at appropriate levels. The ABD has not exploited this opportunity in full.

Officials participating to the trainings have expressed satisfaction with the training they had received from the project and the follow-up training by the trainers, which helped them refresh the learning on an on-going basis. In their perception, the most significant change triggered by the ABD capacity building activity is the way now government officials listen up to communities needs and interact with mahallas in their day-to-day business. Moreover, the CDP dialogue has provided lessons learnt in the mobilization of local resources that district officials have used in non target communities. The CDP process also has simplified and made more responsive to the local needs, the preparation of annual districts investment plans by officials. Some of the officials have commented that these days community leaders from target mahallas come to them with well-thought out priorities while in the past this was not the case. However, these positive examples of effective capacity strengthening of district officials have not been sufficiently documented and analyzed to provide the knowledge base for policy development.

Moreover, the training inputs of the ABD project, though relevant and necessary, have been inadequate when compared to the overall needs. For example, a core issue for effective planning and management

of public resources is the quality of administrative statistics. While this issue has been addressed by one of the ABD project training modules, the inputs of the training have been insufficient. A longer training programme that incorporates into the training process the method of 'learning by doing' would have been more adequate. To overcome the argument of limited resources, an alternative approach could have been a more selective allocation of the training inputs by the project, to three rather than twelve district administrations, one per each province, chosen according to agreed performance criteria, and the results of such pilot trainings could have been more comprehensively documented.

A transformational result of the ABD activity has been the increased capacity of mahallas to mobilize community resources for local development, including in some communities for private investment. The community mobilization trainings delivered by the ABD and experience of the community projects, have instilled an entrepreneurial attitude among target community members which has in turn, generated self-mobilization and job creation on its own, while at the same time often providing vocational training opportunities for the vulnerable groups within communities, such as for example landless youth and women. The equipment grants to economic initiative groups for the start-up of small enterprises accompanied by trainings on business planning, financial management and marketing, have provided a successful model for the creation of viable full-time jobs in communities and for increasing access to business opportunities in the target areas. However, it has been challenging for the project to balance the issue of equity of access to business opportunities by vulnerable groups, with the crucial requirements of capacity and ability of potential entrepreneurs that are essential to the long-term viability of an enterprise. A conflict often solved in an emphasis on the latter criteria. This suggests that the analysis of the approach and experience of 'social enterprises' both in other regions of Uzbekistan and abroad, may be considered in the future for the identification of an approach able to strike a more effective trade-off between what appear to be, but not necessarily are, conflicting selection criteria.

The agricultural and small livestock demonstration plots set up in communities with the equipment, livestock and training inputs from the project have produced both spontaneous and guided replications of the innovations and best practices that were tested. The agricultural demonstration plots on private community household backyards tested improved seeds and farming practices, soil and water management as well as hotbeds for vegetable seedling production. Greenhouses were established for demonstrating methods of producing early fruits and vegetables. Livestock demonstration plots tested poultry production best practices, as there are good possibilities to saturate local markets with poultry productions, i.e. with eggs. For each demonstration plot, the project provided special breed of layers adapted to local conditions and special cages necessary for household based poultry. The project monitoring results indicate that all produced eggs were sold and a small profit was generated by each beneficiary community household. However, long-term sustainability of best practices in poultry production will require households access to local capital for inputs as well as skills to develop market linkages, as the current local market dynamics also needs improvement. Important will be in a perspective of sustainability of this income generating activity the capacity for advice and guidance of the BDCs.

Synergies among the three activity components of the project have centered around the community development planning process, which has been the 'driver' of all the change processes piloted by the ABD. The involvement of communities in CDPs which are now linking communities preferences for delivery of public services and socio-economic development mobilization of resources with the district government level annual investment planning process needs institutional mandate from central government if current interest in decentralized planning is to be sustained. Without this mandate, effectiveness of CDPs will remain uncertain.

Cooperation and exchange of experience has been particularly pronounced with other relevant UNDP projects, notably the Enhancement of Living Standards in Fergana Valley. Spheres of cooperation with these projects ranged from joint bulk procurement of equipment to joint design and implementation of activities –i.e. the trainings and study tours for sub-national level government officials. These synergies have enhanced the efficiency and effectiveness of the ABD outcomes.

With increasing emphasis being laid by the GoU on role of communities and community-based organizations in decentralized system of governance, experience and results from the CDPs need to be systematically documented, analyzed and data generated to inform dialogue with GoU and donors regarding mainstreaming participatory processes in development planning and implementation.

Future area based development projects need to undertake in-depth analysis of socio-economic structures at community level to better define the profile of the beneficiary groups and relationships within communities.

In order to consolidate the results of the ABD, future poverty reduction projects also need to work in the same target communities and not spread itself too thinly and too quickly.

In similar future interventions, adequate staff capacity should be put in place for data-gathering, analysis and development of knowledge base from micro-level to support policy development and dialogue.

#### **FOLLOW-UP STEPS AND RECOMMENDATIONS:**

To consolidate the work done so far in the same geographical areas by building in systematic research, analysis, policy dialogue and advocacy into the programme, including to document, analyze and generate data from the experiences and results of Community Development Plans (CDP) to inform dialogue with the Government of Uzbekistan (GoU) and donors regarding mainstreaming participatory processes in development planning and implementation; to ensure that the ABD programme results will be linked with other programmes of UNDP as well as other relevant agencies;

To document and internalize lessons from the programme and use these for continuous improvement in the programme, including to commission of a local researcher/consultant with experience in participation and community development to document the processes and outcomes of community projects under the ABD programme; to capture lessons learned from the business centre model developed as pilot initiative, for UNDP to be able to advocate for institutionalization of this; to conduct an impact study of microfinance activities and their wider impact as retail financial service provider for the poor;

Further develop programme staff capacity in project cycle management and result-based management, including clearly, define and distinguish between indicators of outputs and higher-level indicators of lasting changes and end results expected from the ABD programme in the Results and Resources Framework; to undertake, for future programmes, in-depth analysis of socio-economic structures at community level and ensure that staff understand the local power dynamics and vulnerability factors which often affect inclusion- or exclusion-bias in development programmes; to ensure that programme staffers are better trained in socio-economic analysis and integrating gender and equity considerations in planning and design of livelihoods interventions in future.

## 6. Transfer of Assets or other related matter

a) Please state on any past or future transfer of assets made within the project cycle (Attach list of equipment, cooperation frameworks with beneficiaries, etc.)

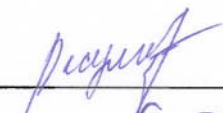
Transfer of equipment to the project partners is subject to the decision of the final Project Board meeting.

## 7. Financial management

Total approved budget: \$4,212,279,82

Total expenditure (broken down by donor): **UNDP TRAC funds:**  
USD 4,122,226.62

Delivery rate: 97.86%

Prepared by:  D. Rasulov, Regional Project Manager

Cleared by:  Sh. Akbarov, Programme Officer

Endorsed by the Project Board:

 Implementing Partner (Ministry of Economy)

 UNDP (RR/DRR)

Checklist to be completed by the Programme focal point:

Before completing this checklist, programme focal point has to visit the Executive Snapshot/Programme & Project Management > Overview of Awards > Select Award ID > Click on "View the Progress Report for this Award."

- Yes  No Annual targets reporting is finalized in ATLAS
- Yes  No Risk/issue/monitoring logs are updated in ATLAS by Project Manager and management response is updated by Programme Officer / programme focal point
- Yes  No Transfer of Assets is made
- Yes  No signed CDR for each implementation year is available.
- Yes  No Project files are handed over by the PM and all other pending issues are settled by the PM prior to the operational closure.

If for some boxes, "No" was checked, please provide justification:

Signed by:  Programme focal point

**Elvira Izamova**

