

Advancing Digital Transformation in Uzbekistan

Concept of an engagement facility

Purpose and Objectives

Over the last several years, UNDP has been implementing a number of projects and initiatives supporting digitalization in Uzbekistan. In 2020, however, given the impact of the COVID-19 pandemic, UNDP Uzbekistan has been receiving a significant increase in requests from national partners to further support the digital transformation agenda in the country.

The CO is thus exploring opportunities to further consolidate and advance its digitalization portfolio and enhance UNDP CO's strategic positioning in Uzbekistan in support of the government's digital transformation objectives as part of its reform agenda.

In June 2021, the CO mobilized TRAC 2 funding to implement an engagement facility on "Advancing Digital Transformation in Uzbekistan" in July-December 2021 with a total budget of USD 260,000.

The main goal of the intervention is to support the Government of Uzbekistan in advancing its ambitious digital transformation agenda by leveraging the key pillars of UNDP's digital offer – inclusive and user-centric service delivery, data-driven and platform-based approach, and focus on innovations.

The facility is expected to strengthen UNDP Uzbekistan's position in a strategic development domain and catalyze additional resources to transform into a more comprehensive project for enhancing the government's digital transformation and data-driven innovations.

The proposed intervention is in line with the *corporate priorities of UNDP*. In particular, it corresponds to: UNDP Uzbekistan CPD 2021-2025 (Flagship Area 1), RBEC Regional Strategy 2021, UNDP Digital Strategy, UNDP Offer 2.0 on COVID-19 response (Digital Disruption pillar), and the recently unveiled Data Strategy. Digital transformation is also one of the three enablers, considered for the next UNDP Strategic Plan; highlighting the criticality of investing in enabling capacities and approaches for development impact scale up.

The intervention will support the ongoing *Digital Readiness Assessment of Uzbekistan*, a UNDP CDO led initiative to analyze the state of the country's digital readiness and find an optimal path to its inclusive digital transformation. The results of this assessment will lead to a more strategic and comprehensive collaboration of UNDP and MITC on digital development.

On the other hand, it will complement and support the Uzbek government's programmes for digital transformation elaborated through its recently adopted Digital Uzbekistan 2030 Strategy, measures to improve digital governance, and Presidential decree to promote artificial intelligence technologies in Uzbekistan.

Expected results

The intervention is expected to produce the following results:

Key **project output** – capacity of the Government of Uzbekistan to advance inclusive digital transformation is enhanced.

Activity 1. Enhanced capabilities of the key government institutions to advance digitalization agenda in a more inclusive, gender-sensitive, and holistic manner

The project will support the key government structures leading the country's digital transformation: Chief Digital Officer (reporting to the Prime Minister), MITC, and their working bodies - E-Government Projects Management Center, IT Park, newly created AI Institute, and agency CDOs.

This will be achieved through:

1. **Policy advice, expertise and analytical support to the government** on inclusive digital transformation will result in assessment of the expected impact from Digital Uzbekistan Strategy 2030, a roadmap to improve the country's e-gov ranking, and a survey on availability of digital data (with strong focus on gender and inclusive data).
2. **Capacity of the E-Government Development Center** will be strengthened on inclusive, user-centric and platform-based approaches to digital transformation, and *Mobile Digital Government Concept Note* will be drafted.
3. **Digital skills and competencies of Chief Digital Officers** in line ministries and agencies will be developed through a series of workshops on key aspects of digital transformation and UN E-Gov Survey methodology.
4. Building technical and human resources capacity of the newly established **Institute for Development of Artificial Intelligence** and Digital Technologies, including conducting a study of emerging needs of the country in AI and drafting a National Strategy for Promoting Artificial Intelligence Technologies in Uzbekistan.
5. Creating a **discussion and coordination platform based on E-Gov Center and IT Park** to advance digital transformation in Uzbekistan, ensuring representation of relevant government institutions, CSOs, private entities, including women-led enterprises, to advance whole-of-society approach to digital development.
6. An international digital advisor will be hired to **review UNDP Uzbekistan's digital portfolio** and elaborate a strategic digital offer of the CO, including a draft project proposal with potential funding sources, such as RTF, USAID, EU, and other donors.

Activity 2. Practical innovative and data-driven digital solutions are piloted in selected sectors

The project will implement small-scale digital solutions in the public and non-government sectors (healthcare, linguistics, diplomacy) to demonstrate the transformative effects and benefits of digital innovations in collaboration with the MITC, Ministry of Healthcare, MFA, IT Park and private sector.

This will be achieved through:

1. Implementing AI-based **solutions in healthcare** (to enable automated analysis of X-Ray and tomography images for early diagnosis of diseases) and **banking** (authenticating clients based on their voice recognition).
2. Supporting the **expansion of the Uzbek language dataset** in the Mozilla's Common Voice initiative, an open source platform, which aims to teach machines how real people speak (for many speech-to-text AI solutions).
3. Organizing a **hackathon on developing the best speech recognition model** for Uzbek language, trained on the Common Voice dataset, and suitable to address a social challenge.
4. Developing an **information management platform for digital diplomacy** that will streamline the internal data exchange within the MFA and improve evidence based decision making in economic and consular diplomacy.

Other benefits

Positioning of UNDP as thought and practice leader in digital

The implementation of the current proposal will support further strong positioning of UNDP Uzbekistan as lead agency to support Uzbekistan's ambitious transformation agenda, which coupled with the lead role on green recovery and inclusive development represent key development priorities for the country and for the work of the UN in Uzbekistan. Going forward, this strategic intervention will also create an opportunity for supporting more meaningful structural transformations.

Partnerships

1. **The Prime Minister's CDO, Ministry for ITC, and E-Government Center** will lead the preparation of the documents in line with the Government agenda and national priorities, validate the results and ensure implementation of the developed strategic documents.
2. **IT Park** will provide access to the private sector, act as a liaison with the private sector, help understand the needs of the private sector, and contribute to the implementation of the gender-focused digital programmes.
3. **Institute for Development of AI and Digital Technologies** will lead the preparation of the documents in line with the Government agenda and national priorities, validate the results.
4. **Development partners (EU)/IFIs (WB, EBRD)** will be engaged in the co-design process exploring opportunities to support selected priority areas of the developed strategies (on digital transformation and promotion of AI technologies).

Resource Mobilization

UNDP's partnership with the key actors in the area of digitalisation and artificial intelligence is strengthened, additional resources are mobilized from the private sector (e.g. companies from

IT Park), dedicated government funds (ICT Fund, Innovation Fund, etc.), development partners (USAID, RTF, EU) and IFIs (WB, EBRD).

Indicators of Success

Indicator 1

Indicator: Existence of a Roadmap to support the operationalization of the Digital Uzbekistan 2030 Strategy with focus on how to improve the position of Uzbekistan in UN E-Gov Survey Ranking

Baseline: No

Target: Yes: Roadmap developed and submitted for Government approval

Source of data: UNDP reports, Reports of MITC

Timeline for target: December 2021

Indicator 2

Indicator: Existence of a National Strategy for Promoting Artificial Intelligence Technologies in Uzbekistan

Baseline: No

Target: Yes: Strategy developed in an inclusive, gender-sensitive manner

Source of data: UNDP reports, Reports of MITC and Ministry of Innovation

Timeline for target: December 2021

Indicator 3

Indicator: Number of AI initiatives piloted

Baseline: 0

Target: At least 2

Source of data: UNDP /MITC reports

Timeline for target: December 2021

Indicator 4

Indicator: Extent of coordination to advance Digital Transformation

Baseline: Lack of coordination among key partners working on digitalization

Target: Coordination Platform to advance digital transformation launched, at least 2 sessions conducted; representatives of Government, CSOs, private sector participating

Source of data: MITC /UNDP reports

Timeline for target: December 2021

Overall budget

PROJECT COMPONENTS	Total
Output 1. Enhanced capacity of government to advance inclusive and innovative digitalization agenda	90,000
Activity 1.1. Provide policy advice, expertise and analytical support to the government on inclusive digital transformation	37,000
Activity 1.2. Strengthen the technical and human resources capacity of the E-Government Development Center and government CDOs on introducing inclusive and user-centric approaches to digital transformation	31,000
Activity 1.3. Strengthen the technical and human resources capacity of the newly established Institute for Development of Artificial Intelligence and Digital Technologies	22,000
Output 2. Practical innovative and data-driven digital solutions are piloted in selected sectors	114,000
Activity 2.1. Implement AI-based solution in healthcare and banking sectors	20,000
Activity 2.2. Support the expansion of the Uzbek language dataset in the Mozilla's Common Voice initiative, an open source platform, which aims to teach machines how real people speak (for many speech-to-text AI solutions).	18,000
Activity 2.3. Organize a hackathon on developing the best speech recognition model for Uzbek language, trained on the Common Voice dataset, and suitable to address a social challenge.	18,000
Activity 2.4. Develop a data management platform for digital economic diplomacy.	58,000
Total programmable budget	204,000
Project Management and Technical Support	56,000
Staff costs (PM SC-9 SB-4/3 NPSA-9)	15,000
Staff costs (AFA SC-6 SB-3/2 from roster)	9,000
Office IT equipment (laptops, printer, etc.)	5,000
Misc costs	3,364
DPC (10%)	23,636
Grand Total	260,000